

\$3M Deal Marks Jones Soda's Exit from THC Beverage Space

Jones Soda Sells Hemp-Derived THC Beverage Division in \$3 Million Deal with MJ Reg Disrupters

Jones Soda Co., the Seattle-based beverage company known for its craft sodas, has sold its hemp-derived THC beverage business to MJ Reg Disrupters in a deal valued at \$3 million. The transaction marks a significant shift in Jones Soda's strategic focus as it pivots away from the cannabis beverage space.

Transaction Terms Include Cash and Promissory Note Structure

The sale was detailed in a Monday press release, which outlined that approximately \$489,000 of the total purchase price will be paid in cash. The remaining balance will be covered through a promissory note structured with fixed payment installments, providing Jones Soda with scheduled financial returns over time.

This hybrid transaction structure allows MJ Reg Disrupters to assume ownership of the brand's assets while preserving Jones Soda's opportunity to benefit from continued financial inflows post-sale.

Mary Jones Brand Transferred, Licensing Rights Established for THC Emulsion Products

The agreement includes provisions allowing MJ Reg Disrupters to use the **Mary Jones** brand—Jones Soda's line of hemp-derived delta-9 THC beverages—on consumable products containing THC emulsions derived from marijuana.

To retain the right to use the brand name, MJ Reg Disrupters will pay an annual licensing fee: \$150,000 starting on the first anniversary of the sale, and \$225,000 in subsequent years. This licensing model enables Jones Soda to maintain a financial stake in the brand without direct involvement in its cannabis operations.

Strategic Refocus: Jones Soda to Prioritize Core and Functional Beverages

The divestiture is part of Jones Soda's broader effort to streamline its product portfolio and concentrate resources on its foundational business units. By stepping away from the regulatory uncertainties and operational complexities of the cannabis market, the company aims to double down on its core soda products, functional beverages, and emerging adult beverage categories.

The company has signaled an intent to accelerate investment in high-growth, non-cannabis segments, building on its legacy in the beverage industry while reducing exposure to compliance risks.

Regulatory Setbacks in California Undermined Mary Jones Brand Momentum

The decision to sell the THC beverage business follows regulatory hurdles encountered in California in 2024. The California Department of Public Health issued warnings against Mary Jones beverages, citing mislabeling and the inclusion of prohibited ingredients.

Investigations revealed the presence of hemp-derived tetrahydrocannabinol (THC) isolate in the beverages—an intoxicating compound banned under California law. These regulatory challenges raised concerns about consumer safety and compliance, affecting the brand's viability in one of the largest cannabis markets in the U.S.

MJ Reg Disrupters Enters Cannabis Beverage Market Amid Industry Evolution

With the acquisition of Mary Jones, MJ Reg Disrupters enters the cannabis beverage space at a time when regulatory environments remain fragmented and evolving. The company's ability to navigate product formulation and labeling requirements, especially in complex state markets like California, will determine the success of the brand under its new stewardship.

For Jones Soda, the sale underscores a strategic recalibration—one that moves away from cannabis innovation and returns focus to beverage categories with clearer regulatory paths and stronger historical performance.

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