

# **Colorado Permanently Bans Hemp THC Business Over Violations**

## **Colorado Permanently Bars Hemp THC Operator from Cannabis Industry**

In a major development for the regulated cannabis and hemp industries, Colorado's top law enforcement official has permanently barred a former hemp business operator from participating in the state's marijuana and hemp sectors. The move comes as part of a broader effort to address businesses accused of exploiting regulatory loopholes to sell potent cannabis products under the guise of federally compliant hemp.

Colorado Attorney General Philip Weiser announced this week that Christopher Landon Eoff, the former owner of Gee Distributors, will no longer be allowed to operate in Colorado's legal cannabis economy. The Greeley-based company, doing business as CBDDY, was found to have violated multiple provisions of the Colorado Consumer Protection Act, including allegations of mislabeling, youth targeting, and illegal marketing.

## **Lab Results Allegedly Falsified, Minors Not Age-Verified, Products Aimed at Youth**

According to the lawsuit filed by the Attorney General's office, a state-led investigation determined that many of CBDDY's hemp-labeled products, including THCA flower, were chemically indistinguishable from marijuana and thus not compliant with federal or state hemp regulations.

The investigation further alleged that Eoff falsified lab test results to misrepresent the THC content of his products. By manipulating Certificates of Analysis (COAs), the company was able to present its cannabis flower as legal hemp—despite its high potency exceeding allowable THC limits.

The allegations also included:

- Failing to verify the age of customers purchasing intoxicating products online.
- Using child-friendly branding and packaging, including cartoon-style visuals and colorful names.
- Marketing hemp-derived products in ways that regulators described as “designed to appeal to children.”

The seriousness of these infractions led the state to seek a permanent injunction, which was ultimately secured in the settlement.

## **Defendant Relocates to Arkansas, Claims Business Was Misunderstood and Non-Viable**

As part of the legal settlement, Eoff has agreed to be permanently banned from operating any cannabis or cannabis-adjacent business in Colorado. In return, the state has agreed to forgo collection of a \$820,000 civil penalty originally sought through the lawsuit.

The decision not to pursue the fine stems from Eoff's January 2025 filing for Chapter 7 bankruptcy, through which he disclosed significant financial hardship. According to court records, Eoff relocated to Arkansas, where he is currently employed as a postal carrier.

In his bankruptcy filing, Eoff defended his initial intent, saying:

“Debtor did not intend to operate anything but a legal hemp operation.”

He noted that the business began in 2020 and was initially based in Dallas, Texas, with distribution warehoused there. He later expanded into Greeley, Colorado, where a physical storefront—marketed as a “hemp dispensary”—was launched alongside an online e-commerce business.

While CBDDY experienced a short-lived boom, the filing revealed that its revenue dropped sharply after legal scrutiny. Eoff reported making \$452,742 in income in 2023, but just \$162,000 in 2024, when the Attorney General's lawsuit was filed.

## **Legal Gray Area Has Enabled Unregulated Markets to Thrive Nationwide**

This case underscores the regulatory confusion surrounding hemp-derived cannabinoids that has gripped the U.S. market since the 2018 Farm Bill federally legalized industrial hemp and its derivatives—provided they contain no more than 0.3% delta-9 THC by dry weight.

That ambiguous definition has led to a surge in hemp-derived intoxicants, including Delta-8 THC, Delta-10 THC, and THCA, which chemically convert to Delta-9 THC when heated, thus producing a high identical to marijuana.

While these products often exploit loopholes in federal and state law, critics argue they:

- Evade taxation, regulation, and age controls.
- Compete unfairly with licensed cannabis businesses.
- Pose serious health and safety risks to unknowing consumers.

## **Growing Number of States Seek to Clarify Rules on Hemp Intoxicants Amid Calls for Federal Reform**

Colorado's decisive enforcement reflects a growing willingness among state authorities to clamp down on illicit hemp THC operators, especially those making false medical claims or undermining licensed cannabis markets.

Other states are also taking action. Notably:

- Texas, home to an estimated \$5.5 billion hemp industry, recently saw a proposed ban on intoxicating hemp vetoed by Gov. Greg Abbott, who instead signaled support for regulatory oversight rather than prohibition.

- Virginia passed new legislation in 2024 limiting the THC content in hemp products and mandating stricter testing and labeling standards.
- Minnesota legalized adult-use marijuana but included provisions for regulating hemp-derived THC, requiring registration and taxation for businesses selling such products.

Meanwhile, at the federal level, a Republican-led budget amendment currently under consideration in Congress would remove protections for intoxicating hemp products, potentially criminalizing many aspects of the industry that have flourished in the legal gray zone.

## **What This Means for the Cannabis and Hemp Industry Going Forward**

The permanent barring of Christopher Eoff from Colorado's cannabis sector serves as a warning to operators nationwide: the era of hands-off hemp enforcement may be ending.

States like Colorado are now:

- Increasing funding for enforcement teams and lab testing.
- Collaborating with local law enforcement to investigate suspected illegal operators.
- Passing new legislation to close loopholes and clarify product classifications.

For legitimate cannabis businesses, these actions are long overdue. Licensed operators, who invest heavily in compliance, security, and testing, have long argued that unregulated hemp THC sellers create an uneven playing field and confuse consumers about safety and legality.

## **CBDDY Case Illustrates Need for Uniform Regulation and Ethical Business Practices**

As the cannabis and hemp sectors mature, high-profile enforcement cases like this one reveal the importance of regulatory clarity and business integrity. While the cannabis market continues to grow, it must do so on a foundation of trust, transparency, and legal consistency.

The case against CBDDY, and the permanent ban of its founder from Colorado's cannabis economy, is not just a penalty against one operator—it's a message to an entire sector. Operators who bend the rules may find short-term success, but in the long run, compliance and accountability are non-negotiable.

Email: [info@cannabisriskmanager.com](mailto:info@cannabisriskmanager.com) | Phone: +415-226-4060

© Copyright 2025 Cannabis Risk Manager. All Rights Reserved