Colorado bans cannabis sleep aid maker over liver damage risks

Colorado Fines, Bans Maker of Cannabis Sleep Aid Connected to Liver Damage

Settlement Forces Exit From Colorado Cannabis Market

Three cannabis companies tied to the popular 1906 brand will pay $400,000 in fines and leave Colorado's cannabis industry as part of a settlement over sleep aid products allegedly linked to liver damage, state Attorney General Phil Weiser announced Friday.

The companies Nuka Enterprises of Connecticut, along with Colorado-based Sima Sciences and Nuka Properties manufactured and distributed **Midnight Drops**, a cannabis sleep aid product sold in licensed dispensaries.

According to Weiser, the companies had evidence dating back to 2020 that Midnight Drops may have caused health problems but continued to market the products without fully investigating the risks.

Products Pulled After Years of Complaints

Sima Sciences manufactured Midnight Drops from 2016 through 2024 and began receiving reports of liver-related health issues as early as 2020, according to investigators.

A state inquiry found the company failed to conduct sufficient research into two herbal extracts in the product, including **corydalis**, a root associated with potential liver toxicity. Investigators also determined the company did not adequately notify dispensaries about the risks, leaving retailers and consumers in the dark.

Although production of the product ended in 2023 following a Colorado Department of Public Health advisory about corydalis, dispensary shelves continued to carry existing inventory into 2024.

"The companies broke the law by failing to disclose potential health risks from their products," Weiser said in a statement.

Settlement Terms: Heavy Fines and Industry Exit

Under the settlement agreement, the companies must cease operations in Colorado's cannabis market. They may only return under limited conditions and risk an additional $600,000 in penalties if they fail to comply with the terms.

Weiser's office framed the resolution as part of a broader effort to hold cannabis businesses accountable for consumer safety and to crack down on unsubstantiated health claims. Both state and federal regulators have previously sanctioned cannabis and hemp product manufacturers for overstating therapeutic benefits.

1906's National Footprint and Setbacks

Founded by New York City entrepreneur **Peter Barsoom**, 1906 has marketed its line of fast-acting, effect-based cannabis products as alternatives to pharmaceuticals. Today, the brand promotes hemp-derived THC products in 40 states, though its cannabis operations in Colorado are now halted under the settlement.

The company moved its headquarters from Colorado to Connecticut in 2022 after securing a $1.25 million investment from a state-backed fund. However, 1906 failed to win a Connecticut cannabis license, leaving its presence in that state limited to hemp-derived offerings.

The setback in Colorado represents a significant blow for a brand once positioned as a leader in cannabis innovation. With its core cannabis products under scrutiny, the company may now face heightened regulatory challenges in other states.

Industry Implications

The enforcement action underscores a growing focus on product safety within the cannabis sector. Regulators are increasingly demanding rigorous testing and transparency around the health impacts of cannabis products—especially those marketed as wellness or therapeutic aids.

For consumers, the case serves as a reminder that cannabis-infused supplements are not subject to the same level of federal oversight as pharmaceuticals, creating ongoing risks when companies fail to disclose or investigate adverse effects.

As the cannabis industry matures, cases like the Midnight Drops controversy highlight the tension between rapid product innovation and the need for stricter safety and labeling standards.

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