

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MARYLAND

Charm City Hemp, LLC, et al. v. Governor Wes Moore, et al.

Civil No. 1:25-cv-01744-JRR · No. Civil No. 1:25-cv-01744-JRR · Decided March 27, 2026

SUMMARY

The opinion addresses State Defendants’ motion to dismiss and the plaintiffs’ motion for leave to file a first amended complaint in a challenge to Maryland’s hemp and cannabis licensing and regulatory regime. The plaintiffs asserted equal protection, due process, dormant Commerce Clause, and takings claims under the Constitution and 42 U.S.C. § 1983. The court granted the motion to dismiss and denied leave to amend.

CASE DETAILS

COURT	United States District Court for the District of Maryland
WRITING FOR THE COURT	Julie R. Rubin
JURISDICTION	United States District Court for the District of Maryland
DECIDED	March 27, 2026
DOCKET	Civil No. 1:25-cv-01744-JRR
DISPOSITION	dismissed
PROCEDURAL POSTURE	Plaintiffs brought an action under 42 U.S.C. § 1983 seeking declaratory and injunctive relief, and damages, challenging Maryland cannabis and hemp laws and regulations. State Defendants moved to dismiss under Federal Rule of Civil Procedure 12(b)(1), and Plaintiffs moved for leave to file a first amended complaint.
STANDARD OF REVIEW	For a facial Rule 12(b)(1) challenge, the court accepts the complaint's factual allegations as true and asks whether they sufficiently invoke subject-matter jurisdiction. The plaintiff bears the burden of establishing standing, and prospective relief requires an ongoing or future injury. Leave to amend should be freely given unless amendment would cause prejudice, result from bad faith, or be futile.
PRECEDENTIAL VALUE	unpublished
PARTIES	Charm City Hemp, LLC, Maryland Hemp Coalition, Inc., Endo Productions Company, J. Wyand, Inc. d/b/a Simple Pleasures, Ira Cooke, South Mountain Microfarm, LLC, Peace of Sunshine, LLC d/b/a Peace of Sunshine, Straf, LLC d/b/a Peace of Crofton, Cannon

Apothecary, LLC d/b/a Cannon Ball Dispensary, The Unlimited Experience Holding Company, LLC d/b/a The Southern Maryland Experience, Daniel Simmonds v. Governor Wes Moore, State of Maryland, Maryland Cannabis Administration, Executive Director of the Maryland Cannabis Administration, Maryland Alcohol, Tobacco, and Cannabis Commission, Executive Director of the Maryland Alcohol, Tobacco, and Cannabis Commission

TOPICS

subject matter jurisdiction

standing

motions to dismiss

motion to amend

sovereign immunity

PRACTICE AREAS

civil procedure

constitutional law

civil rights

administrative law

remedies

QUESTIONS PRESENTED

1. Whether Eleventh Amendment sovereign immunity barred Plaintiffs' claims against Maryland, its agencies, and state officials sued in their official capacities.
2. Whether Plaintiffs had Article III standing to challenge Maryland's cannabis licensing requirements, shelf-space requirements, METRC policies, and alleged hemp-product searches and seizures.
3. Whether Plaintiff Ira Cooke had standing as a consumer and whether Maryland Hemp Coalition had organizational or associational standing.
4. Whether leave to amend should be denied as futile because the proposed amended complaint did not cure the sovereign-immunity and standing defects.

HOLDINGS

1. The Eleventh Amendment barred Plaintiffs' claims against the State of Maryland and its instrumentalities, and against state officials sued in their official capacities, because Maryland had not waived immunity, Congress had not abrogated it for § 1983 claims, and the Ex parte Young exception was not applicable to the claims as pleaded.
2. Plaintiffs lacked standing to challenge Maryland's cannabis licensing criteria, social-equity restrictions, numerical limits, lottery system, and related application requirements because none applied for a first-round license and the complaint did not show that any Plaintiff was able and ready to apply but was prevented from doing so by a discriminatory policy.
3. Plaintiffs lacked standing to challenge Maryland's requirement that licensed dispensaries obtain at least 25 percent of cannabis products from specified licensees because Plaintiffs did not allege that they were licensed dispensaries, sought dispensary licenses, or attempted to place their products in licensed dispensaries.
4. Plaintiffs lacked standing to challenge alleged searches and seizures of hemp products because they did not allege that any Plaintiff or Maryland Hemp Coalition member had been searched, had property

seized, or faced a sufficiently concrete and imminent threat of enforcement.

5. Ira Cooke lacked standing because alleged inconvenience, higher prices, and dissatisfaction with customer service did not constitute an injury in fact, and Maryland Hemp Coalition lacked standing because it did not allege a concrete organizational injury or identify a specific member who had suffered or would suffer harm.
6. Leave to amend was denied as futile because the proposed amended complaint did not cure the Eleventh Amendment and standing defects.

FACTUAL BACKGROUND

Plaintiffs are hemp farmers, retailers, an advocacy organization, a consumer, and related business owners who challenged Maryland's Cannabis Reform Act and related regulations governing cannabis and hemp products. They alleged that licensing requirements, social-equity restrictions, lottery procedures, shelf-space requirements, METRC access policies, and enforcement practices violated the Fourteenth Amendment, the dormant Commerce Clause, and the Takings Clause. No Plaintiff applied for a first-round recreational cannabis license, and no Plaintiff alleged that it had been subjected to a search, seizure, or criminal enforcement action involving hemp products.

PROCEDURAL HISTORY

Plaintiffs filed the action on June 2, 2025. The court denied Plaintiffs' motion for a temporary restraining order and preliminary injunction and separately dismissed the claims against Defendant Richard Worley. State Defendants then moved to dismiss, and Plaintiffs moved for leave to amend. The court granted the motion to dismiss on subject-matter-jurisdiction grounds and denied leave to amend as futile, dismissing the complaint without prejudice.

DISPOSITION

dismissed

CASES CITED

- Wikimedia Found. v. Nat'l Sec. Agency, 857 F.3d 193, 208 (4th Cir. 2017)
- United Corrosion Control, LLC v. Carboline Co., 2023 WL 8712048, at *2-3 (4th Cir. Dec. 18, 2023)
- Barnett v. United States, 193 F. Supp. 3d 515, 518 (D. Md. 2016)
- Mayor & City Council of Balt. v. Trump, 416 F. Supp. 3d 452, 479 (D. Md. 2019)
- Kerns v. United States, 585 F.3d 187, 192 (4th Cir. 2009)
- Cunningham v. Gen. Dynamics Info. Tech., Inc., 888 F.3d 640, 649 (4th Cir. 2018)
- Williams v. Big Picture Loans, LLC, 929 F.3d 170, 176 (4th Cir. 2019)
- Board of Trustees of Univ. of Ala. v. Garrett, 531 U.S. 356, 363-64 (2001)
- Passaro v. Virginia, 935 F.3d 243, 247 (4th Cir. 2019)
- Lee-Thomas v. Prince George's Cnty. Pub. Sch., 666 F.3d 244, 249 (4th Cir. 2012)

- Frew ex rel. Frew v. Hawkins, 540 U.S. 431, 437 (2004)
- Lapidus v. Bd. of Regents of Univ. Sys. of Ga., 535 U.S. 613, 618 (2002)
- Allen v. Cooper, 895 F.3d 337, 354 (4th Cir. 2018), aff'd, 589 U.S. 248 (2020)
- Medigrow, LLC v. Natalie M. LaPrade Medical Cannabis Comm'n, 487 F. Supp. 3d 364, 373 (D. Md. 2020)
- Waste Mgmt. Holdings, Inc. v. Gilmore, 252 F.3d 316, 331 (4th Cir. 2001)
- Disability Rts. S.C. v. McMaster, 24 F.4th 893, 901 (4th Cir. 2022)
- Hutto v. S.C. Ret. Sys., 773 F.3d 536, 552 (4th Cir. 2014)
- Penn Central Transp. Co. v. City of New York, 438 U.S. 104, 122 (1978)
- Carney v. Adams, 592 U.S. 53, 58-66 (2020)
- Department of Education v. Brown, 600 U.S. 551, 561 (2023)
- Spokeo, Inc. v. Robins, 578 U.S. 330, 339-40 (2016)
- State of Maryland v. United States Department of Agriculture, 151 F.4th 197, 209 (4th Cir. 2025)
- Food & Drug Admin. v. All. for Hippocratic Med., 602 U.S. 367, 381, 393-95 (2024)
- Susan B. Anthony List v. Driehaus, 573 U.S. 149, 158 (2014)
- Clapper v. Amnesty Int'l USA, 568 U.S. 398, 414 n.5 (2013)
- Jensen v. Maryland Cannabis Administration, 719 F. Supp. 3d 466, 475, 477 n.8 (D. Md. 2024), aff'd, 151 F.4th 169 (4th Cir. 2025)
- Adarand Constructors, Inc. v. Pena, 515 U.S. 200 (1995)
- Northeastern Fla. Chapter, Associated Gen. Contractors of America v. Jacksonville, 508 U.S. 656, 666 (1993)
- Gratz v. Bollinger, 539 U.S. 244, 262 (2003)
- S. Blasting Servs., Inc. v. Wilkes Cnty., N.C., 288 F.3d 584, 595 (4th Cir. 2002)
- Menders v. Loudoun Cnty. Sch. Bd., 65 F.4th 157, 163 (4th Cir. 2023)
- Teamsters v. United States, 431 U.S. 324, 365-66 (1977)
- O'Shea v. Littleton, 414 U.S. 488, 495-96 (1974)
- Summers v. Earth Island Inst., 555 U.S. 488, 493-94, 498 (2009)
- Students for Fair Admissions, Inc. v. President & Fellows of Harvard Coll., 600 U.S. 181, 199 (2023)
- Havens Realty Corp. v. Coleman, 455 U.S. 363, 378-79 (1982)
- Valley Forge Christian Coll. v. Ams. United for Separation of Church & State, 454 U.S. 464, 486 (1982)
- People for Ethical Treatment of Animals, Inc. v. Tri-State Zoological Park of W. Maryland, Inc., 843 F. App'x 493, 495 (4th Cir. 2021)
- Md. Shall Issue, Inc. v. Hogan, 963 F.3d 356, 362 (4th Cir. 2020)
- Covenant Media of N.C., L.L.C. v. City of Monroe, N.C., 285 F. App'x 30, 34 (4th Cir. 2008)
- Johnson v. Oroweat Foods Co., 785 F.2d 503, 509-10 (4th Cir. 1986)
- Katyle v. Penn Nat. Gaming, Inc., 637 F.3d 462, 471 (4th Cir. 2011)
- U.S. ex rel. Wilson v. Kellogg Brown & Root, Inc., 525 F.3d 370, 376 (4th Cir. 2008)
- Tyner v. Maryland, 2024 WL 3890410, at *4 (D. Md. Aug. 21, 2024)
- Evans v. American Collection Enter., 624 F. Supp. 3d 593, 598 (D. Md. 2022)

- Hinson v. Northwest Fin. S.C., Inc., 239 F.3d 611, 618 (4th Cir. 2001)
- Cognate BioServices, Inc. v. Smith, 2015 WL 1256499, at *5 (D. Md. Mar. 17, 2015)
- United Mine Workers of America v. Gibbs, 383 U.S. 715, 734 (1966)
- Jensen v. Maryland Cannabis Admin., 151 F.4th 169, 176 (4th Cir. 2025)
- Variscite NY Four, LLC v. New York State Cannabis Control Bd., 152 F.4th 47 (2d Cir. 2025)
- Southern Walk at Broadlands Homeowner's Ass'n v. OpenBand at Broadlands, LLC, 713 F.3d 175, 185 (4th Cir. 2013)

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