UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

ILLINOIS HEALTHY ALTERNATIVES ASSOCIATION; MNG 2005, INC.; GREEN STREET 79 LLC; LIFE ELEMENT, LLC; OPT HOLDINGS TECHNOLOGIES LLC; ZADA VENTURES LLC, d/b/a Cubbington's Cabinet, Plaintiffs v. KWAME RAOUL, Attorney General of Illinois; JERRY F. COSTELLO II, Director, Illinois Department of Agriculture; MARIO TRETO, JR., Secretary, Illinois Department of Financial and Professional Regulation; BRENDAN KELLY, Director, Illinois State Police; DAVID HARRIS, Director, Illinois Department of Revenue; SAMEER VOHRA, M.D., Director, Illinois Department of Public Health, Defendants.	Case No.

COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF

Plaintiffs Illinois Healthy Alternatives Association, MNG 2005 Inc., Life Element, LLC, Zada Ventures LLC, d/b/a Cubbington's Cabinet, Green Street 79 LLC, and OPT Holdings Technologies LLC (collectively, the "Hemp Industry Plaintiffs") hereby complain and seek a declaratory judgment and injunctive relief against Kwame Raoul, Attorney General Of Illinois; Jerry F. Costello II, Director, Illinois Department of Agriculture; Mario Treto, Jr., Secretary, Illinois Department

of Financial and Professional Regulation; Brendan Kelly, Director, Illinois State Police; David Harris, Director, Illinois Department of Revenue; Sameer Vohra, M.D., Director, Illinois Department of Public Health (collectively, the "State Defendants") to prevent them from enforcing the Illinois Hemp Act, 410 ILCS 707/1-999 (the "Hemp Act"), an unconstitutional statute.

INTRODUCTION

1. By this lawsuit, members of the hemp-product industry seek to prevent enforcement of the newly enacted Illinois Hemp Act (Public Act 104-0463), 410 ILCS 707/1-999, which violates the Commerce Clause of the United States Constitution and suffers from other fatal constitutional defects.

JURISDICTION AND VENUE

2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1343 in that this action arises under the Constitution and laws of the United States, including the Commerce Clause (U.S. Const. art. I, § 8, cl. 3), the Equal Protection Clause of the Fourteenth Amendment, and 42 U.S.C. § 1983, and seeks redress for the deprivation of rights secured by the Constitution of the United States.

3. Venue is proper in this district pursuant to 28 U.S.C. § 1391, in that the State Defendants reside in this district and/or a substantial part of the events or omissions giving rise to the Hemp Industry Plaintiffs' claims occurred in this district.

4. Declaratory relief is authorized by 28 U.S.C. §§ 2201 and 2202 and Federal Rule of Civil Procedure 57. Injunctive relief is authorized by Federal Rule of Civil Procedure 65.

PARTIES

Plaintiffs

5. **Illinois Healthy Alternatives Association ("ILHAA")** is an Illinois not-for-profit trade association with its principal place of business in Deerfield, Illinois. It represents 250 companies in Illinois's legal low-potency hemp industry that employ over 5,000 people. ILHAA's members include hemp farmers, manufacturers, processors, infusers, distributors, and retailers across every facet of Illinois's legal hemp industry. ILHAA brings this action on behalf of its 250 members who would have standing individually, whose interests are germane to ILHAA's purpose, and for whom the relief sought does not require individual member participation. References herein to the effect of legislation on ILHAA and the relief sought are intended to be understood as the effect on and relief sought by ILHAA's members.

6. **Plaintiff MNG 2005, Inc. ("MNG")** is a Missouri corporation. It is the parent company of MNG Brands and operates the CBD Kratom retail chain, which sells low-potency hemp-derived CBD and related wellness products. MNG is one of the largest privately owned CBD retailers in the United States.

7. In addition to its retail operations, MNG is a low-potency hemp and wellness-product manufacturer and infuser. MNG manufactures the following hemp and hemp-derived products: edibles, beverages, topicals, inhalables, tinctures, and pet products.

8. MNG sells its manufactured hemp and hemp-derived products through 55 of its own retail stores in five states—Illinois, Missouri, Pennsylvania, New York,

and Texas. Fourteen of MNG's retail stores are in Illinois, with locations in Chicago, Wauconda, Mokena, Elmhurst, Hoffman Estates, Downers Grove, Algonquin, St. Charles, Rockford, Belleville, and Fairview Heights. MNG's retail stores in Illinois employ 100 workers. In addition, MNG sells its hemp and hemp-derived products wholesale to other retailers in all states and foreign countries where it is legal to do so, currently including Illinois. MNG manufactures all its hemp and hemp-derived products outside Illinois, meaning that 100 percent of MNG's products sold in Illinois are imported from outside Illinois.

9. **Life Element LLC** ("Life Element") is an Illinois limited liability company doing business as CBD Botanicals with a sole location in Springfield, Illinois. CBD Botanicals is a retailer selling low-potency cannabinoids in the following forms: tincture, edible, beverage, mixer, inhalable, and smokeable. Over 95 percent of its business is within the state of Illinois, and 5 percent outside Illinois. It has two employees.

10. **Zada Ventures, LLC** ("Zada") is an Illinois limited liability company doing business as Cubbington's Cabinet. Zada is an independently owned specialty retailer of CBD, hemp-derived cannabinoids, and plant-based wellness products located in Chicago's Roscoe Village neighborhood.

11. **Green Street 79 LLC** ("Green Street") is an Illinois limited liability company doing business as Green Street Distro based in Bridgeview, Illinois. Green Street is a distributor of hemp products, including gummies, tincture oils, creams, body oils, lollipops, mints, smokeables, and other products. Approximately 35 percent

of its hemp-derived products are purchased from vendors outside Illinois. Green Street sells to over 350 retailers within Illinois and over 100 retailers outside Illinois. It has 5 full-time and 2 part-time employees.

12. **OPT Holdings Technologies LLC** ("OPT Holdings") is an Illinois limited liability company with its sole office in Bridgeview, Illinois. OPT Holdings is a hemp product distribution company primarily selling gummies, topicals, and smokables nationwide. It has 5 employees. All its products are purchased from out-of-state manufacturers, except for those made exclusively for it by a hemp processor in Joliet.

Defendants

13. **Kwame Raoul** is the Attorney General of Illinois and is sued in his official capacity. The Attorney General possesses specific enforcement powers under sections 50(e) and 50(j) of the Hemp Act, 410 ILCS 707/50(e), (j), section 2MMMM of the Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/2MMMM, and section 15-155 of the Cannabis Regulation and Tax Act, 410 ILCS 705/15-155(a-5)(6), (b), (d).

14. **Jerry F. Costello II** is Director of Agriculture of the Illinois Department of Agriculture and is sued in his official capacity. The Department of Agriculture possesses specific responsibilities for implementing, administering, and enforcing the Hemp Act. *See, e.g.*, 410 ILCS 707/5, 15, 20, 25, and 30.

15. **Mario Treto, Jr**., is Secretary of Financial and Professional Regulation of the Illinois Department of Financial and Professional Regulation ("IDFPR") and is

sued in his official capacity. The Hemp Act gives the IDFPR inspection rights. 410 ILCS 707/40(b).

16. **Brendan Kelly** is Director of the Illinois State Police and is sued in his official capacity. The Hemp Act gives the Illinois State Police inspection rights. 410 ILCS 707/40(b).

17. **David Harris** is Director of Revenue of the Illinois Department of Revenue and is sued in his official capacity. The Hemp Act gives the Department of Revenue inspection rights. 410 ILCS 707/40(b). *See also* 410 ILCS 705/15-135.

18. **Sameer Vohra, M.D.**, is Director of Public Health of the Illinois Department of Public Health and is sued in his official capacity. The Hemp Act gives the Department of Public Health inspection rights. 410 ILCS 707/40(b).

19. The defendants are collectively referred to as the "State Defendants."

FACTUAL ALLEGATIONS

20. On June 12, 2026, Illinois Governor JB Pritzker signed into law the Illinois Hemp Act, codified at 410 ILCS 707/1-999. The Hemp Act provisions relevant to this lawsuit are scheduled to take effect on November 12, 2026. 410 ILCS 707/999.

21. The Hemp Act revises Illinois's regulation of cannabis and low-potency hemp-derived cannabinoid products in effect since Illinois enacted the Industrial Hemp Act in 2018, 505 ILCS 89/1 *et seq.*, and the Cannabis Regulation and Tax Act ("CRTA") in 2019, 410 ILCS 705/1-1 *et seq.*

22. On October 14, 2026, the Illinois Department of Revenue issued an "Informational Bulletin" indicating that the Hemp Act would be enforced beginning

November 12, 2026. A copy of the Informational Bulletin is attached hereto as **Exhibit A**.

23. If allowed to go into effect on November 12, 2026, the Hemp Act will immediately and unconstitutionally slam shut access to Illinois markets by out-of-state companies that cultivate, manufacture, and sell federally legal hemp-derived cannabinoid products. Those out-of-state companies forced out of the Illinois market include Plaintiff MNG and certain members of Plaintiff ILHAA.

24. In addition, if it becomes effective on November 12, 2026, the Hemp Act will immediately decimate the businesses of thousands of Illinois farmers, infusers, distributors, and retailers who grow, manufacture, or sell federally legal hemp-derived cannabinoid products which are currently sold at retail throughout the state. Those affected include the Hemp Industry Plaintiffs.

A. Cannabis and Hemp Regulation

25. Federal law has treated marijuana as a Schedule I controlled substance since the 1970 Controlled Substances Act. 21 U.S.C. § 812, Schedule I, Part (c)(10). That Act defined marijuana as all parts of the *Cannabis sativa* L. plant, excluding certain parts of the plant that were used to produce fibers, oils, and other compounds. 21 U.S.C. § 802(16)(A). Those excluded parts of the plant were colloquially known as hemp.

26. In 2018, Congress passed and President Trump signed the Agriculture Improvement Bill of 2018, Pub. L. 115-334 (the "2018 Farm Bill"), which decriminalized hemp. Although the chemical compound tetrahydrocannabinol

("THC")—and specifically a THC "isomer" known as delta-9 THC—gives marijuana its intoxicating effect, the federal statutes did not mention THC before the 2018 Farm Bill.

27. The 2018 Farm Bill excluded "hemp" from the definition of controlled substances, defining hemp as any part of the *Cannabis sativa* L. plant with a delta-9 THC concentration not exceeding 0.3 percent on a dry weight basis:

> The term "hemp" means the plant Cannabis sativa L. ***and any part of that plant, including*** the seeds thereof and ***all derivatives, extracts, cannabinoids, isomers,*** acids, salts, and salts of isomers, whether growing or not, ***with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent*** on a dry weight basis.

7 USC § 1639o(1).

B. The Hemp Product Industry

28. The 2018 Farm Bill permitted the lawful sale of *Cannabis sativa L.* derivatives, cannabinoids, and isomers, provided that their delta-9 THC concentration did not exceed 0.3 percent dry weight.

29. An industry producing and selling hemp-derived cannabinoid products meeting the legal hemp definition soon arose. In Illinois alone, the legal hemp industry generated sales in 2025 exceeding one-half billion dollars.

30. The Hemp Industry Plaintiffs include hemp farmers and hemp-product manufacturers, processors, infusers, distributors, and retailers.

31. This presently lawful industry produces a variety of low-potency hemp-derived cannabinoid products, including edibles, beverages, topicals, inhalables,

tinctures, and even pet products. Each of these products is manufactured, purchased, distributed, or sold by the Hemp Industry Plaintiffs.

C. Expansion of Federal Hemp Products Regulation

32. In November 2025, Congress passed an amendment to the statutory definition of hemp to exclude products containing a total THC concentration exceeding 0.3 percent, effective in 365 days, *i.e.,* November 12, 2026. *See* Section 781 of Pub. L. 119-37, amending 7 U.S.C. § 1639o, the definitions section of the federal hemp subchapter.

33. In addition, the amendment limited the total THC per container of hemp-derived cannabinoid products to 0.4 milligrams.

34. If these federal changes ever become effective, they will destroy the low-potency hemp-derived cannabinoid industry.

35. Products manufactured and sold in the low-potency hemp-derived cannabinoid industry presently contain *delta-9* THC dry weight concentrations at or below 0.3 percent—the current legal federal limit—but *total* THC concentrations *above* 0.3 percent.

36. There is no market for hemp-derived cannabinoid products with total THC concentrations at or below 0.3 percent.

37. The new federal 0.4 mg THC per container limit similarly will have a devastating effect on the market if it ever becomes effective.

38. There is no market for hemp-derived cannabinoid products in containers with less than 0.4 milligrams THC.

39. The federal changes are not yet effective and may never be.

40. On September 2, 2026, Congress extended the effective date of the change in federal law to December 11, 2026. Pub. L. 119-103.

41. Several bills are pending before Congress to further delay the effective date beyond December 11, 2026: H.R. 7010, H.R. 7024, and S. 3686 would make the new federal hemp definition and container limit effective 3 years after the original bill's enactment rather than after 365 days. If enacted, they will push the effective date of the new federal hemp definition and limits to November 12, 2028.

42. In addition, the hemp-derived cannabinoid product industry is seeking further amendments to the new federal hemp definition and container limits to preserve the industry.

D. Expansion of Illinois Hemp Regulation

43. Although Congress's changes to federal hemp-product regulations have been extended to December 11, 2026, and may never become effective in their current form, Illinois's parallel changes to its cannabis laws are following Congress's original November 12, 2026, timeline.

44. Illinois's enactment of the Hemp Act on June 12, 2026, followed Congress's November 2025 amendments expanding federal hemp regulation. The Hemp Act conformed Illinois's hemp definition to the new federal statute, including the new container limitation, and set the effective date of this change in Illinois law to November 12, 2026, the effective date originally set for the change in federal law.

a. The Hemp Redefinition

45. The Hemp Act redefines hemp-derived cannabinoid products with *total* THC exceeding 0.3 percent as cannabis and not hemp, 410 ILCS 707/5 ("Hemp") (the "Hemp Redefinition").

b. The New Container Limit

46. The Hemp Act further redefines hemp-derived cannabinoid products otherwise meeting the THC concentration requirement to qualify as hemp—but which are sold in containers containing more than 0.4 milligrams total THC *per container*—as cannabis and not hemp. 410 ILCS 707/5 ("Hemp" and "Final consumer hemp cannabinoid product") (the "New Container Limit").

E. Divergence Between Federal and Illinois Hemp Laws

47. Although Congress extended the effective date of the federal expansion of hemp regulation to December 11, 2026, Illinois kept the Hemp Act's effective date of November 12, 2026.

48. Because the Illinois Hemp Act is scheduled to become effective on November 12, 2026, and the changes to federal hemp law do not become effective until December 11, 2026, a one-month period will exist where the hemp-derived cannabinoid products manufactured and sold by the Hemp Industry Plaintiffs will be legal under federal law, as well as in most states, but illegal in Illinois.

49. If allowed to become effective, the Hemp Act will immediately eliminate the Hemp Industry Plaintiffs' sales in Illinois of most hemp-derived cannabinoid

products currently sold at retail throughout the state and will force most out of business.

50. There is no market for hemp-derived cannabinoid products with total THC concentrations at or *below* 3 percent, and there is no market for hemp-derived cannabinoid products in containers with less than 0.4 milligrams THC.

51. Specifically, although the Hemp Industry Plaintiffs' products will remain legal under federal law at least until December 11, 2026, Illinois's Hemp Redefinition and the New Container Limit redefine their products as "cannabis," which can be sourced only in Illinois and sold only in Illinois-licensed cannabis dispensaries.

F. Illinois's Interference with Interstate Commerce

52. If it becomes effective on November 12, 2026, Illinois's Hemp Act and the related CRTA will violate the U.S. Constitution's Commerce Clause in the following ways:

a. Prohibiting out-of-state companies from selling federally legal hemp and hemp-derived cannabinoid products to Illinois customers.

b. Prohibiting out-of-state customers from purchasing federally legal hemp and hemp-derived cannabinoid products from Illinois businesses.

c. Prohibiting Illinois companies from purchasing federally legal hemp and hemp-derived cannabinoid products from outside Illinois.

d. Prohibiting Illinois companies from selling federally legal hemp and hemp-derived cannabinoid products to customers outside Illinois.

e. Prohibiting Illinois companies from growing, manufacturing, buying, or selling federally legal hemp and hemp-derived cannabinoid products unless licensed when no new licenses are currently available.

f. Limiting eligibility for the new infuser licenses that are becoming available under the amendments to the CRTA to a defined group.

53. If the Hemp Act takes effect on November 12, 2026, federally legal hemp-derived cannabinoid products will become "cannabis" under Illinois law, which permits only in-state production and sales of cannabis.

54. The Illinois Acts bar licensed Illinois dispensaries from purchasing hemp-derived cannabinoid products—now redefined as cannabis—from out-of-state sources, even though those products are legal under federal law and the laws of many states, thus excessively interfering with interstate commerce and unduly favoring Illinois suppliers. *See* CRTA §§ 1-10, 15-70(c), (p)(3), 410 ILCS 705/1-10 (definitions of "Dispensing organization" and "dispensary"); 410 ILCS 705/15-70(c), (p)(3). *See also* 8 Ill. Admin. Code § 1300.40(c).

55. In other words, all growing, infusing, and sales of federally legal hemp-derived cannabinoid products must occur within Illinois, and no federally legal hemp-derived cannabinoid products from out-of-state may enter Illinois.

56. The practical effect is that out-of-state businesses will be required to move their operation in-state to access Illinois's hemp consumers and cease all sourcing of hemp-derived products from out-of-state.

57. Operations in-state, however, are only feasible through licensure.

58. Dispensaries, infusers, craft growers, and cultivation centers must be licensed by the IDFPR and the Department of Agriculture and may only acquire cannabis products from, and sell cannabis products to, businesses licensed by the IDFPR and the Department of Agriculture. *See* 410 ILCS 705/1-10, 15-5(c), 35-25(d), 30-30(d).

59. Illinois's cannabis market is therefore closed and accessible only to the incumbent, licensed cannabis businesses. The same will be true for the hemp market if the Hemp Act goes into effect.

60. Even if the Hemp Industry Plaintiffs wanted to participate in the Illinois hemp market, they could not do so because no dispensary, infuser, craft grower, or cultivation center licenses are currently available.

61. Because Illinois has not made new licenses available, the requirement that growing, production, and sale of hemp-derived cannabinoid products subject to Illinois's Hemp Redefinition and the New Container Limit be limited to Illinois-licensed cannabis businesses operates as a complete bar to new market entrants.

62. The unavailability of these licenses is another example of the Hemp Act discriminating against out-of-state businesses that wish to participate in Illinois's hemp market.

63. Even if such licenses were available to new licensees, which they are not, obtaining these licenses is a complicated, expensive, and otherwise burdensome process, and in some cases cost prohibitive.

64. The average timeline from application to approval is 12 to 24 months.

65. Illinois's closed-loop market, in combination with the current unavailability of licenses, discriminates against out-of-state businesses that wish to participate in Illinois's hemp market and excessively burdens interstate commerce.

66. It will make it impossible for out-of-state growers, producers, and retailers of federally lawful hemp-derived cannabinoid products to enter the Illinois market.

67. And, due to the lack of available licenses, it will make it impossible for existing Illinois retailers of federally lawful hemp-derived cannabinoid products to continue selling their products in Illinois. If these Illinois retailers wanted to continue participating in the federally legal hemp-derived cannabinoid market, they would have no alternative but to move their business out of Illinois, assuming that doing so is possible or economically feasible.

68. In sum, the Hemp Act and CRTA restrictions, if enforced, will impose severe, effectively insurmountable burdens on interstate commerce by excluding from

the Illinois market out-of-state companies wishing to sell their federally legal products in Illinois and Illinois retailers from selling federally lawful products.

69. There is, however, one narrow path to licensure, but it is unavailable to the Hemp Industry Plaintiffs, presenting another obstacle to market access.

70. Along with the passage of the Hemp Act, the General Assembly also amended the CRTA to add 45 additional infuser licenses to be issued by the Department of Agriculture by January 1, 2027, through a "social equity experience lottery" ("SEEL"). 410 ILCS 705/35-18. These licenses are available only for applicants that are majority-owned by individuals who (1) live in a lower socioeconomic area and (2) have a criminal history or been impacted by criminal violence. *See id.* § 35-18(a)(1)–(2). The Hemp Industry Plaintiffs do not qualify for the SEEL.

71. Because the Hemp Industry Plaintiffs do not qualify for the SEEL and there are no other infuser licenses available, Illinois effectively bars Plaintiffs from producing and selling hemp-infused products in Illinois.

72. Even if the Hemp Industry Plaintiffs did qualify for the SEEL licenses, there would not be sufficient time between now and November 12, 2026, to obtain a license. Indeed, the Department of Agriculture only recently, on October 16, 2026, submitted proposed rules for the issuance of the SEEL licenses for notice-and-comment.

73. If Plaintiff MNG or any other manufacturer or supplier of hemp-derived cannabis products wants to sell to Illinois dispensaries, they would have to move their manufacturing operations to Illinois.

G. Effects of Hemp Act and CRTA on Plaintiffs' Businesses

74. The Hemp Industry Plaintiffs consist of businesses and a trade association of members who operate in the federally legal hemp market.

75. The Hemp Industry Plaintiffs participate in every facet of Illinois's legal hemp industry: growing, manufacturing, distributing, and retailing.

76. The Hemp Industry Plaintiffs pride themselves on manufacturing and selling safe, legal low-potency hemp-derived cannabinoid and other wellness products.

77. These products include edibles, tinctures, inhalables, topicals, beverages, and pet products.

78. Most of these products are manufactured outside Illinois, purchased out-of-state, or made with hemp cultivated outside Illinois.

79. Illinois's legal hemp industry is quite profitable, with sales in 2025 exceeding one-half billion dollars.

80. Of the hundreds of hemp businesses in Illinois, ILHAA represents approximately 50 percent of them.

81. If the Hemp Act goes into effect on November 12, 2026, however, the majority, if not all, of the Hemp Industry Plaintiffs' products will become "cannabis" under the CRTA.

82. This will have devastating impacts on the Hemp Industry Plaintiffs, affecting businesses both big and small.

83. The Hemp Industry Plaintiffs would be unable to sell their products or continue sourcing them from out-of-state due to the CRTA's restrictions and lack of available licenses.

84. ILHAA's members will face business closures, laying off employees, liquidating their inventory, and incur continuing lease obligations.

85. MNG will be forced to consolidate, liquidate its inventory, incur millions of dollars of losses, and/or expend immense capital to move its operations in-state.

86. Life Element, a small one-shop retailer in Springfield, will have no choice but to close down after eight years of serving its community, lay off its employees, lose almost $500,000 in revenue, and incur continuing lease obligations totaling almost $80,000.

87. Zada has operated Cubbington's Cabinet in Roscoe Village in Chicago since 2020. It has developed strong ties to the local community, earning 10 "Best of Chicago" awards from the Chicago Reader. If the Hemp Act is enforced November 12, 2026, the reduction in legal inventory and sales revenue will force the closure of Cubbington's Cabinet, and cause it to lay off employees, liquidate inventory, and lose six years of investment.

88. OPT Holdings is a distribution company operating in Bridgeview, Illinois that distributes low-potency hemp-derived cannabinoid products nationwide with millions of dollars in revenue. If the Hemp Act becomes effective November 12,

2026, it will be forced to shut down, liquidate its inventory, lay off employees, and remain obligated to pay thousands of dollars in rent payments.

89. Green Street, another distribution company operating in Bridgeview, Illinois, serves 350 retailers in Illinois and 100 retailers outside Illinois with millions of dollars in sales. If the Hemp Act is enforced on November 12, 2026, Green Street will be forced to reduce its operations, lay off most of its employees, and lose half of its annual revenue.

COUNT I
(Violation of Commerce Clause: Declaratory Judgment)

90. The Hemp Industry Plaintiffs reallege paragraphs 1 through 89 as fully stated herein.

91. The Hemp Act and its amendments to the CRTA violate the Commerce Clause in the United States Constitution by:

a. discriminating against out-of-state economic interests;

b. requiring the production and manufacturing of federally legal hemp products to happen in-state;

c. requiring cannabis business establishments to purchase from and do business only with other Illinois-licensed cannabis companies;

d. barring the Hemp Industry Plaintiffs and other out-of-state businesses from participating in the Illinois hemp and hemp-derived cannabinoid products market due to a lack of available licenses;

e. failing to consider other less restrictive alternatives; and

f. burdening interstate commerce in excess of any putative local benefit.

92. The Declaratory Judgment Act allows the court to declare the rights and other legal relations of the parties where an actual controversy exists. 28 U.S.C. § 2201(a).

93. An actual controversy exists in that the Hemp Act by its terms is scheduled to become effective on November 12, 2026, and absent a declaration that the Hemp Act and its amendments to the CRTA violate the Commerce Clause and are unenforceable, the Hemp Industry Plaintiffs will suffer severe and incalculable economic loss.

WHEREFORE, the Hemp Industry Plaintiffs request that a declaratory judgment be entered on their behalf and against the defendants,

a. declaring that the redefinition of "hemp" in section 5 of the Hemp Act, 410 ILCS 707/5, to reclassify federally legal hemp and hemp-derived products as "cannabis" subject to regulation by the Cannabis Regulation and Tax Act ("CRTA"), 410 ILCS 705/1-1, *et seq*., violates the Commerce Clause of the United States Constitution and is unconstitutional and unenforceable, and

b. declaring that implementing the 0.4 mg total THC per container limitation in section 5 of the Hemp Act, 410 ILCS 707/5, to classify federally legal products as "cannabis" subject to regulation by the Cannabis Regulation and Tax Act ("CRTA"), 410 ILCS 705/1-1, *et seq*., violates the Commerce Clause of the United States Constitution and is unconstitutional and unenforceable, and entering such other relief as is equitable and just.

COUNT II
(Violation of Commerce Clause: Injunctive Relief)

94. The Hemp Industry Plaintiffs reallege paragraphs 1 through 89 as fully stated herein.

95. The Hemp Act and its amendments to the CRTA violate the Commerce Clause in the United States Constitution by:

a. discriminating against out-of-state economic interests;

b. requiring the production and manufacturing of federally legal hemp products to happen in-state;

c. requiring cannabis business establishments to purchase from and do business only with other Illinois-licensed cannabis companies;

d. barring the Hemp Industry Plaintiffs and other out-of-state businesses from participating in the Illinois hemp and hemp-derived cannabinoid products market due to a lack of available licenses;

e. failing to consider other less restrictive alternatives; and

f. burdening interstate commerce in excess of any putative local benefit.

96. A permanent injunction may be issued where: (1) plaintiff suffers an irreparable harm; (2) remedies at law are inadequate to compensate for that injury; (3) considering the balance of hardships between the parties, a permanent injunction is warranted; and (4) that the public interest would not be disserved by a permanent injunction.

97. If the Hemp Act by its terms goes into effect on November 12, 2026, the Hemp Industry Plaintiffs will suffer severe and incalculable economic harm that cannot be remedied through legal damages, particularly because the Eleventh

Amendment bars recovery of damages from the State Defendants. The Hemp Industry Plaintiffs face greater hardships than those faced by Defendants, and the public would not be disserved by an injunction against an unconstitutional law.

WHEREFORE, the Hemp Industry Plaintiffs ask that judgment be entered on their behalf and against the Defendants with respect to their claim for permanent injunctive relief and that this Court permanently enjoin Defendants from

a. implementing the redefinition of "hemp" in section 5 of the Hemp Act, 410 ILCS 707/5, to reclassify federally legal hemp and hemp-derived products as "cannabis" subject to regulation by the Cannabis Regulation and Tax Act ("CRTA"), 410 ILCS 705/1-1 *et seq*.

b. implementing the 0.4 mg total THC per container limitation in section 5 of the Hemp Act, 410 ILCS 707/5, to classify federally legal products as "cannabis" subject to regulation by the Cannabis Regulation and Tax Act ("CRTA"), 410 ILCS 705/1-1 *et seq*.

c. prohibiting the sale of federally legal hemp and hemp-derived products by out-of-state companies into Illinois;

d. prohibiting Illinois purchasers from acquiring hemp from sources outside Illinois;

e. requiring companies that cultivate, manufacture, distribute, or sell federally legal hemp and hemp-derived products to obtain the licenses specified in the CRTA for transactions in cannabis; and

f. otherwise enforcing the Hemp Act or the CRTA in any way to restrict transactions in federally legal hemp and hemp-derived products, and further enter such other relief as is equitable and just.

COUNT III
(Violation of Equal Protection: Declaratory Judgment)

98. The Hemp Industry Plaintiffs reallege paragraphs 1 through 89 as fully stated herein.

99. The Hemp Act and its amendments to the CRTA violate the Equal Protection Clause of the Fourteenth Amendment to the United States Constitution.

100. Under the prior regime, the Hemp Industry Plaintiffs did not have to be licensed under the CRTA. Now, under the Hemp Act and its amendments to the CRTA, there is only one way the Hemp Industry Plaintiffs may become licensed—through the SEEL application process.

101. There is no rational connection between the governmental purposes the SEEL serves and excluding an entire class of similarly situated businesses which are categorically excluded from seeking any type of licensure.

102. The Declaratory Judgment Act allows the court to declare the rights and other legal relations of the parties where an actual controversy exists. 28 U.S.C. § 2201(a).

103. An actual controversy exists in that the Hemp Act and the CRTA deny the Hemp Industry Plaintiffs equal protection under the law by drawing a distinction between two groups in pursuit of a governmental interest that is not rationally connected to that line-drawing. Absent a declaration that the SEEL violates the Equal Protection Clause and is unconstitutional, the Hemp Industry Plaintiffs will be denied their constitutional rights.

WHEREFORE, the Hemp Industry Plaintiffs request that a declaratory judgment be entered on their behalf and against the defendants, that this Court declare that the SEEL program violates the Equal Protection Clause and is

unconstitutional and unenforceable, and that the Court enter such other relief as is equitable and just.

Dated: November 5, 2026

Respectfully submitted,

Illinois Healthy Alternatives Association; MNG 2005, Inc.; Green Street 79 LLC; Life Element, LLC; OPT Holdings Technologies LLC; and Zada Ventures LLC, d/b/a Cubbington's Cabinet

By: /s/ Michael I Rothstein
One of Their Attorneys

Michael I Rothstein (ARDC 6195991)
Nathaniel G. Goodman (ARDC 6339039)
Jonathan P. Parts (ARDC 6349744)
TABET DIVITO & ROTHSTEIN LLC
209 S. LaSalle St., Suite 700
Chicago, IL 60604
mrothstein@tdrlaw.com
ngoodman@tdrlaw.com
jparts@tdrlaw.com

EXHIBIT A

Illinois Department of Revenue

Informational Bulletin

FY 2027-04, October 2026 David Harris, Director

Hemp Product Changes, Effective November 12, 2026

To: All Businesses Possessing or Selling Consumable or Topical Hemp Products

Beginning **November 12, 2026**, any consumable or topical product containing more than 0.4 mg of total THC per container will no longer meet the definition of "hemp". Such products are now "cannabis" pursuant to **Public Act 104-0463** and may only be grown and sold to consumers in this State pursuant to the **Cannabis Regulation and Tax Act**.

Products meeting the definition of a "final consumer hemp cannabinoid product" may be distributed or sold to consumers in this State pursuant to the new **Illinois Hemp Act**.

Why is this classification important?

It is unlawful in Illinois to possess or sell cannabis except as allowed under the Cannabis Regulation and Tax Act (CRTA):

- Only Illinois Department of Agriculture (IDOA) licensed cultivators under the CRTA may grow cannabis.
- Only Illinois Department of Financial and Professional Regulation (IDFPR) licensed cannabis dispensaries may sell products containing more than 0.4 mg total THC per container.
- All dispensaries, all growers, and all cannabis products, must fully comply with all CRTA requirements.

What is a "final consumer hemp cannabinoid product"?

A final consumer hemp cannabinoid product:

- does not contain any synthetic cannabinoids, meaning cannabinoids and derivatives that are not naturally occurring within the Cannabis sativa L. plant;
- does not contain any naturally occurring cannabinoids that have been synthetically manufactured outside the plant;
- does not contain more than 0.4 mg of total THC, including THCa, per container and any other cannabinoid with similar effects. See **Section 15 of the Illinois Hemp Act (410 ILCS 707/15)** for a full list of cannabinoids that are considered to have similar effects to THC; the list includes delta-8 THC, THC-P, HHC, and THC-O;
- shall not contain alcohol, tobacco, or nicotine;
- shall not be intended for smoking or vaping;
- shall consist only of ingredients recognized as safe by the U.S. Food and Drug Administration; and
- shall be prepackaged, and shall not be assembled or combined with other consumable products at point of sale.

Final consumer hemp cannabinoid products are also subject to testing, labeling, and packaging requirements.

What should businesses engaged in the business of possessing or selling consumable or topical hemp products do to prepare?

In preparation for the **November 12, 2026, effective date**, businesses should review all hemp products they distribute or offer for sale to the public in Illinois.

Any hemp product that does not meet the definition of a “final consumer hemp cannabinoid product” may not be possessed with the intent to deliver or sell unless the business is properly licensed under the CRTA.

Businesses are strongly encouraged to promptly evaluate their inventory to ensure compliance and avoid unlawful cannabis possession or sale after November 12, 2026.

How should businesses handle products that will be reclassified as “cannabis”?

Businesses should create a plan for any inventory that will be considered cannabis on and after November 12, 2026. Planning may include:

- Discontinuing orders for hemp products that will not meet Illinois Hemp Act requirements.
- Returning hemp products to supplying distributors.
- Coordinating redistribution, as some hemp products may still be sold outside of Illinois until December 11, 2026, depending on the state.

What happens if businesses do not comply?

Possessing or selling products newly classified as cannabis without proper licensing may result in violations, both civil and criminal, under the CRTA for selling cannabis without a license, including product seizure and the imposition of tax, penalty, and interest. See 410 ILCS 705/65-38. Businesses are strongly encouraged to review inventory early and prepare accordingly.

Is Illinois enforcing these changes on the same timeline as the federal government?

No. The State of Illinois plans to begin enforcement of the Illinois Hemp Act on **November 12, 2026**, regardless of the federal government’s delay of related enforcement, which is currently scheduled for December 11, 2026.

Can businesses possess and sell final consumer hemp cannabinoid products?

Yes. Consumable or topical hemp-derived cannabinoid products are permitted to be sold to consumers in the State if they meet the requirements of Section 35 of the Illinois Hemp Act.

What requirements apply to final consumer hemp cannabinoid products?

All final consumer hemp cannabinoid products must follow the testing, labeling, and packaging standards outlined in Section 35 of the Illinois Hemp Act. These changes are intended to ensure product safety, consumer transparency, and consistent regulation across Illinois.

All products must bear a label that includes:

- the product name;
- net weight or volume;
- full ingredient list;
- cannabinoid identity and quantity;
- serving information;
- batch or lot number;
- manufacturer contact information;
- an expiration date; and
- a QR code linking to the certificate of analysis.

Each hemp product shall not contain the following:

- any false or misleading claim – including that the product is a cannabis product;
- any image designed to appeal to children;
- any information that imitates the trade name or packaging of any commercial food, candy or beverage or product marketed to children; and
- any health claim.

Any product label that does not meet the above requirements shall not be offered for sale until it can be relabeled. Failure to do so is considered an unlawful practice under the Consumer Fraud and Deceptive Practices Act.

Testing

Before public sale, a representative sample from each lot must be tested by an IDOA approved laboratory in accordance with cannabis testing standards, until hemp-specific testing standards are developed. A current certificate of analysis must be made available to IDOR, retailers, and consumers through a scannable code or link on the product label.

Packaging

Products must be sold in sealed, child-resistant containers that comply with federal Consumer Product Safety Commission standards.

For additional requirements, see IDOA's website at **agr.illinois.gov/plants/hemp**.

Where can I find additional resources?

- IDOR's website at **tax.illinois.gov**.
- Cannabis Regulation Oversight Office websit at **cannabis.illinois.gov**.
- IDFPR's website at **idfpr.illinois.gov**.
- IDOA, Division of Cannabis Regulation's website at **cannabis.illinois.gov/agencies/cannabis-idoa**.
- Public Act 104-0463 at **ilga.gov**.

Call 800-CHEAT-11 (800-243-2811) to report suspected tax crime or related violations on hemp products.

Note: If agents are unavailable when you call, you may leave a message. If you leave a message and require a response, please leave your contact information including a phone number where we can reach you. You can find more information on the **Report Tax Fraud and Related Violations** webpage.

Printed by the authority of the State of Illinois, electronic only, one copy

This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions. Sign up for IDOR's email and SMS text subscription service to receive the latest news and updates. Visit tax.illinois.gov to learn more.