

CAUSE NO. D-1-GN-26-002511

TEXAS HEMP BUSINESS COUNCIL;
HEMP INDUSTRY & FARMERS OF
AMERICA; ALCHEMY TX
CONSULTING, LLC; A TO Z
IVESTMENTS AND WHOLESALE,
LLC; CPRT AND COMPANY, LLC dba
SERENITY ORGANICS; TEXAS
GREEN CRAFT, LLC aka TEXAKANA
ORGANICS; ELEVATE ONE TX, LLC
dba ELEVATE WELLNESS
DISPENSARY, LLC; CLUTCH CITY
GAS LLC dba TEXAS HIGH
COUNCIL; and SALGANIK
SERVICES, INC.

Plaintiffs,

v.

TEXAS DEPARTMENT OF
STATE HEALTH SERVICES,
JENNIFER SHUFORD, in her official
capacity as Commissioner of
DSHS, TEXAS HEALTH AND
HUMAN SERVICES COMMISSION,
STEPHANIE MUTH, in her official
capacity as Executive Commissioner of
HHSC, and WARREN KENNETH
PAXTON JR., in his official capacity as
the Attorney General of Texas,

Defendants.

IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

455th JUDICIAL DISTRICT

TEMPORARY RESTRAINING ORDER

Plaintiffs, Texas Hemp Business Council (“THBC”), Hemp Industry & Farmers of America (“HIFA”), Alchemy TX Consulting, LLC (“Alchemy”), A To Z Ivestments and Wholesale, LLC operating under the assumed name Burners – Vape, Smoke, and Herb (“Burners”), CPRT and Company, LLC dba Serenity Organics – Your CBD Apothecary (“Serenity Organics”), Texas Green Craft, LLC aka TexaKana Organics (“TexaKana”), Elevate One TX,

LLC dba Elevate Wellness Dispensary, LLC; Clutch City Gas LLC dba Texas High Council; and Salganik Services, Inc. (collectively “Plaintiffs”) filed a Verified Original Petition and Application for Temporary Restraining Order and Temporary and Permanent Injunction on April 7, 2026, against Defendants Department of State Health Services (“DSHS”); its Commissioner Jennifer Shuford in her official capacity; the Texas Health and Human Services Commission (“HHSC”); its Executive Commissioner Stephanie Muth in her official capacity (together the “Administrative Defendants”); and Warren Kenneth Paxton Jr., in his official capacity as the Attorney General of Texas (the “Attorney General”) (collectively, the “Defendants”).

After reviewing Plaintiffs’ Verified Application, the pleadings, the evidence, and the arguments of counsel, the Court FINDS as follows:

1. Probable Right to Relief

Plaintiffs have demonstrated a probable right to recovery on legally cognizable claims that the challenged rules adopted and to be enforced by Defendants exceed the authority delegated by the Texas Legislature, conflict with Texas Health & Safety Code Chapter 443 and related statutes, were adopted in violation of the Texas Administrative Procedure Act and the Texas Constitution.

The evidence shows that, although the rules preserve the statutory definition of hemp in form, they substitute a non-statutory compliance framework in operation by requiring compliance with a “total delta-9 THC” or “acceptable hemp THC level” standard that differs from the delta-9 THC concentration threshold enacted by the Legislature.

These rules, therefore, effect a substantive change in the governing law through rulemaking rather than implementing the statute as written.

2. Probable, Imminent, and Irreparable Injury

Plaintiffs have demonstrated that they will suffer probable, imminent, and irreparable injury if Defendants are not immediately restrained.

The evidence shows that the challenged rules impose immediate and ongoing compliance obligations that materially alter Plaintiffs' existing business operations, including testing, manufacturing, transport, distribution, and retail practices.

The evidence further shows that enforcement of the challenged rules will:

- prevent manufacturers from obtaining hemp plants and hemp-derived inputs necessary for continued in-state production by prohibiting transport of materials into Texas for further processing;
- force Plaintiffs either to cease lawful operations within Texas or to relocate operations outside the state;
- subject Plaintiffs to immediate risk of enforcement actions, including product embargo or detention, escalating administrative penalties, license or registration suspension or revocation, and civil enforcement actions; and
- require Plaintiffs to pay substantial licensing and registration fees that are not authorized by statute and impose significant financial burdens as a condition of continuing lawful operations.

These injuries include immediate and significant economic harm, disruption of ongoing business operations, loss of customer relationships, damage to goodwill, and interference with established supply chains, all of which are difficult or impossible to quantify and cannot be adequately remedied by money damages.

3. No Adequate Remedy at Law

Plaintiffs have no adequate remedy at law because the injuries described above are ongoing, irreparable, and not susceptible to calculation or compensation through monetary damages.

4. Preservation of the *Status Quo*

The relief granted herein is necessary to preserve the *status quo* pending a hearing on Plaintiffs' request for temporary injunction.

The *status quo* to be preserved is the last, actual, peaceable, non-contested status preceding the March 31, 2026 effective date of the challenged rules, under which Plaintiffs conducted lawful operations pursuant to the statutory framework established by the Texas Legislature in Chapter 443.

5. Scope of Harm and Necessity of Relief

The Court further finds that Plaintiffs operate within a statewide industry of processors, manufacturers, distributors, and retail sellers of consumable hemp products, and that the challenged rules operate across that entire framework.

As a result, limiting relief to the named Plaintiffs would not prevent the injuries described above, because the challenged rules would continue to cause disruption throughout the market in which Plaintiffs must function. Effective relief, therefore, requires that Defendants be restrained, on a prospective basis, from implementing or enforcing the challenged regulatory framework against the named Plaintiffs and all similarly situated businesses operating in the Texas hemp industry.

6. Balance of Equities

The balance of equities weighs in favor of granting temporary relief. Absent injunctive relief, Plaintiffs and other businesses operating in the Texas hemp industry will suffer immediate and irreparable harm to their businesses and legal rights. By contrast, temporarily restraining enforcement of rules that likely exceed statutory authority and are unlawful under the Texas Constitution and Texas Administrative Procedure Act imposes no cognizable harm on Defendants.

7. Public Interest

The public interest is served by preserving a stable and lawful regulatory framework and by ensuring that administrative agencies act within the authority delegated by the Legislature. Maintaining the statutory framework enacted by the Legislature while the legality of the challenged rules is determined promotes regulatory certainty, protects lawful business activity, and upholds the constitutional separation of powers.

Plaintiffs have also demonstrated a broader harm to consumers of their products in the absence of a temporary restraining order. Consumers statewide utilize these naturally-derived hemp products for wellness, including the relief of chronic pain, sleep disorders, PTSD, anxiety, nausea associated with cancer treatment, and as means to avoid the use of alcohol or chemical drugs. Many of the consumers are military veterans and members of the service community. If these products are not lawfully available on the market, consumers are likely to turn to less safe or illicit alternatives.

Plaintiffs have also demonstrated that the hemp industry in Texas has a significant, positive economic impact on state tax revenues and wages and employment. In the absence of a temporary restraining order, not only will the Plaintiffs suffer economic harm but the State of Texas will suffer a broader economic loss.

8. Immediate and Irreparable Injury Before Notice

The Court further finds that immediate and irreparable injury will result before notice can be served and a hearing can be held unless Defendants are immediately restrained, because the challenged rules are presently in effect and impose ongoing compliance obligations and enforcement risks on Plaintiffs.

These findings support the issuance of immediate temporary injunctive relief.

IT IS THEREFORE ORDERED that Defendants, and all of their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of this Order, are, effectively immediately and without further notice, TEMPORARILY RESTRAINED as follows:

1. Core Compliance Framework

Defendants are restrained from implementing, applying, or enforcing any portion of the challenged rules that conditions the manufacture, testing, transport, distribution, or sale of consumable hemp products on compliance with a “total delta-9 THC” or “acceptable hemp THC level” standard, rather than the 0.3% dry weight basis delta-9 tetrahydrocannabinol concentration threshold enacted by the Texas Legislature, including but not limited to the provisions identified below.

2. Definitions and Embedded Compliance Standards

Defendants are restrained from enforcing 25 T.A.C. §§ 300.101(1) and 300.101(45), to the extent those provisions define or implement a non-statutory THC compliance framework, including the use of a total-delta-9 THC metric that converts THCA into delta-9 THC equivalents.

3. Testing and Commercialization Provisions

Defendants are restrained from enforcing 25 T.A.C. §§ 300.301–300.303, to the extent those provisions:

- require compliance with a total-delta-9 THC standard as a condition of manufacture, distribution, or sale; or
- otherwise substitute a non-statutory THC compliance metric for the statutory delta-9 THC concentration standard.

4. Transport and Manufacturing Restrictions

Defendants are restrained from enforcing 25 T.A.C. §§ 300.206(c) and 300.404, and any related provisions, to the extent they:

- prohibit or restrict the transport of hemp plants and hemp-derived materials into Texas for further processing; or
- condition such transport on compliance with a non-statutory THC metric.

~~5. Licensing and Registration Fees~~

~~Defendants are restrained from assessing, collecting, or enforcing the increased licensing and registration fees imposed by:~~

- ~~• 25 T.A.C. § 300.202(c), including subsections (c)(1), (c)(2)(A), and (c)(4); and~~
- ~~• 25 T.A.C. § 300.502(g), including subsections (g)(1) and (g)(2),~~

~~including any fees for facility licensing, ownership changes, renewals, or delinquency, to the extent such fees exceed statutory authority or are not reasonably related to regulatory costs.~~

6. Penalties and Enforcement Mechanisms

Defendants are restrained from enforcing 25 T.A.C. § 300.601(b), and any related provisions, to the extent they:

- impose cumulative or daily penalties based on alleged violations of the challenged rules in a manner that conflicts with statutory notice-and-cure protections; or
- authorize enforcement mechanisms dependent on the non-statutory THC compliance framework.

7. Administrative and Civil Enforcement

Defendants are restrained from initiating, maintaining, or pursuing any administrative or civil enforcement actions, including:

- administrative penalties,
- product embargoes or detentions,
- license or registration suspension or revocation, and
- civil enforcement actions by the Attorney General

to the extent such actions are based on the challenged rule provisions identified above.

This Temporary Restraining Order operates *in personam* against Defendants and those acting in concert with them. The relief granted herein applies to enforcement of the challenged regulatory framework and is not limited to enforcement actions against the named Plaintiffs, as necessary to preserve the status quo and provide effective relief. The relief granted herein is narrowly tailored to restrain only those provisions and enforcement actions that exceed statutory authority or otherwise conflict with or are in violation of governing law.

IT IS FURTHER ORDERED that a hearing on Plaintiffs' Application for Temporary Injunction is set for: 9:00 o'clock A.m. on April 23, 2026, in the _____ Judicial District, Court of Travis County, Texas.

This Temporary Restraining Order shall expire fourteen (14) days from the date of signing unless extended by agreement of the parties or further order of this Court.

SIGNED on April 10th 2026. 3:40 pm

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