

DISTRICT COURT, CITY AND COUNTY OF DENVER, STATE OF COLORADO 1437 Bannock Street, Room 256 Denver, CO 80202 (303) 606-2300	DATE FILED September 25, 2026 4:38 PM FILING ID: 430CE152F6C76 CASE NUMBER: 2026CV33488
Plaintiff: COORS DISTRIBUTING COMPANY LLC , a Delaware limited liability company, v. Defendants: CROWN IMPORTS LLC , d/b/a Constellation Brands Beer Division, a Delaware limited liability company; and CONSTELLATION BRANDS, INC. , a Delaware corporation.	▲ COURT USE ONLY ▲
Attorneys for Plaintiff Coors Distributing Company: Names: Daniel C. Taylor, #46772 Andrew C. Baak, #45646 Joseph W. Doman, #49217 Daniel J. Cummins, #62833 BARTLIT BECK LLP Address: 1801 Wewatta St., Suite 1200 Denver, CO 80202 Phone Number: (303) 592-3100 Fax Number: (866) 381-7456 Email Addresses: dan.taylor@bartlitbeck.com andrew.baak@bartlitbeck.com joe.doman@bartlitbeck.com daniel.cummins@bartlitbeck.com	Case Number: 2026CV033488 Division:
COORS DISTRIBUTING COMPANY LLC’S MOTION FOR PRELIMINARY INJUNCTION TO PRESERVE THE STATUS QUO PENDING ARBITRATION	

Introduction

This case involves the unlawful termination of a decades-old distribution relationship between Coors Distributing Company (“CDC”) and Crown Imports LLC, a wholly owned subsidiary of Constellation Brands, Inc. (collectively, “Constellation”). CDC has had the

exclusive right to distribute Constellation’s brands (which include Modelo, Corona, and Pacifico) in Denver and surrounding areas for nearly 30 years, and CDC has been phenomenally successful in building these brands, doubling Constellation’s Denver market share to nearly 23% since 2010.

Despite this long track record of success, on September 14, 2026, Constellation delivered a letter to CDC purporting to terminate the distribution agreement without cause. Constellation claims that Colorado law gives it the ability to terminate CDC without cause at any time—an unprecedented assertion that is directly at odds with Colorado’s Beer Franchise Law. CDC and Constellation agreed in their contract to mediate, and then arbitrate, any and all controversies regarding termination of the agreement. But Constellation has attempted to impose timelines on CDC that threaten to moot arbitration proceedings before they can even meaningfully begin. Specifically, Constellation claims its termination will be effective 90 days after notice, and (even worse) that CDC has just 30 days in which to transfer the relevant distribution rights. CDC is participating in the parties’ contractual dispute-resolution process in good faith. But given the irreparable harm from Constellation’s purported termination that is happening now and will continue in the coming weeks, CDC respectfully moves this Court under Colo. Rev. Stat. § 13-22-208(1) for a preliminary injunction to preserve the status quo and protect the effectiveness of the forthcoming arbitration proceedings.

Background

In the United States, beer is sold through a “three-tier distribution system.” *Granholm v. Heald*, 544 U.S. 460, 466–67 (2005) (explaining the three-tier system). At the top are the brewers and importers, from larger companies such as Constellation and Anheuser-Busch to craft breweries. These suppliers sell to distributors (the middle tier), who then sell to retailers (the

bottom tier), such as bars, restaurants, and liquor stores. The three-tier system is a creature of state law. Like most states, Colorado generally prohibits brewers from selling their products directly to retailers. *See* Colo. Rev. Stat. §§ 44-3-402(1)(b), 44-3-409(2)(a)(I). Instead, brewers must contract with state-licensed beer distributors like CDC. *Id.* § 44-3-402(6).

The relationship between brewer and distributor is typically governed by a written agreement, such as the one between Constellation and CDC. These agreements identify the brands that the distributor will carry, specify the distributor’s exclusive sales territory, and set forth the respective rights and obligations of both parties. These written agreements are often made subject to state beer franchise laws. Indeed here, Constellation expressly acknowledges that its distribution agreement with CDC is “subject to” Colorado law; that provisions of the Agreement may “conflict” with Colorado law; and that Colorado law will control in the event of a conflict. Ex. 1, June 23, 2008 Distributor’s Agreement between MillerCoors LLC and Crown Imports LLC §§ 12.1, 12.3 (“Agreement”).

CDC is a licensed Colorado beer wholesaler that has operated in the state for over 50 years.¹ When CDC opened its doors in Colorado, it exclusively serviced the Coors Banquet brand.² Today, CDC has become one of the 25 largest beer distributors in the country, distributing hundreds of brands on behalf of more than 40 different beer and beverage suppliers. Ex. 2, Declaration of Michael Nuss ¶ 5 (“Nuss Decl.”).

CDC distributes Constellation’s products throughout the greater Denver area, including high-performing brands like Modelo and Corona. *Id.* ¶¶ 4, 6; *see generally* Ex. 1, Agreement. Constellation entered into the Agreement with CDC in 2008, but CDC has been servicing

¹ The terms “distributor” and “wholesaler” are used interchangeably in the industry—CDC is both.

² CDC is a wholly owned subsidiary of Molson Coors Beverage Company.

Constellation-owned entities for nearly 30 years, with great success. Ex. 2, Nuss Decl. ¶¶ 6–7. Since 2010, CDC has doubled Constellation’s market share in the Denver area to nearly 23%. *Id.* ¶ 10. In 2023, CDC won Constellation’s Gold Crown Award for being the top-performing distributor in the country in CDC’s benchmark group. *Id.* ¶ 11. And over the past five years, CDC has achieved all of Constellation’s spring and fall distribution targets. *Id.* Constellation valued CDC’s contributions so greatly that in 2022 it named CDC’s president, Michael Nuss, to Constellation’s National Distributor Supply Chain Council. *Id.*

CDC has made significant investments to support its ability to continue distributing the growing Constellation volumes. Over the last four years, CDC has spent tens of millions of dollars on infrastructure improvements to continue increasing its distribution capacity. Ex. 2, Nuss Decl. ¶ 12. These investments include a 70,000-square-foot warehouse expansion, an expanded parking area for CDC’s delivery trucks, and the installation of a state-of-the-art case-picking system to streamline order assembly. *Id.* Additionally, over the past five years CDC has invested millions more in marketing and promotion of the Constellation brands. *Id.* ¶ 13.

Despite CDC’s track record of best-in-class performance, CDC received a letter via certified mail from Constellation on September 14, 2026, purporting to terminate the parties’ decades-long distribution relationship without cause. *Id.* ¶¶ 17–18; Ex. 3, Letter from Jim Sabia, Exec. Vice President, Crown Imports LLC, to Michael Nuss, Coors Distrib. Co. (“Constellation Letter”). The letter states that the termination “will be effective 90 days from the delivery of this notice.” Ex. 3, Constellation Letter. Constellation’s letter also suggests CDC has just 30 days to find a buyer for its distribution rights to Constellation beverages, subject to Constellation’s

approval.³ *Id.* Constellation’s letter claims the termination is authorized by Colo. Rev. Stat. § 44-3-408(3) and Section 6.2 of the Agreement. *Id.*

On September 14, 2026, CDC responded to Constellation’s letter, disputed Constellation’s right to terminate, and initiated the parties’ bargained-for alternative dispute resolution process under Section 11.2 of the Agreement. Ex. 2, Nuss Decl. ¶ 20; Ex. 5, Letter from Michael Nuss, Coors Distrib. Co., to Jim Sabia, Exec. Vice President, Crown Imports LLC (“CDC Letter”). In Section 11.2, the parties agreed that “any and all controversies in connection with or arising out of this Agreement or the breach or termination thereof that are not resolved by mutual agreement shall be submitted to non-binding mediation within thirty (30) days of the written request of either party.” Ex. 1, Agreement § 11.2. Section 11.2 further provides that “[c]ontroversies that are not submitted to mediation within the foregoing time limit or are not resolved through mediation within 45 days of being submitted thereto shall be submitted to final and binding arbitration before JAMS.”⁴ *Id.* Given CDC’s September 14 letter requesting mediation, the dispute must be submitted to mediation by October 14. If mediation does not resolve the dispute over Constellation’s purported termination, CDC will file an arbitration demand with JAMS.

Constellation’s unlawful termination presents an immediate and substantial threat to CDC’s business. Under Constellation’s novel interpretation of Colorado law, its termination will

³ Constellation agreed to a modest 15-day extension of the 30-day sale deadline, until October 29, 2026. Ex. 4, Email from Jeff LaBarge, Exec. Vice President & Chief Legal Officer, Constellation Brands, Inc., to Natalie Maciolek, Chief Legal, Communications & Government Affairs Officer, Molson Coors Beverage Company (“Constellation Email”).

⁴ The Agreement contains a carveout from mandatory arbitration that allows either party to institute “equitable proceedings to enforce its rights under this Agreement during the pendency of any proceeding hereunder or otherwise.” Ex. 1, Agreement § 11.4. This action falls squarely within what Section 11.4 authorizes.

become final after 90 days. In the interim, there is a likelihood that CDC will face cascading terminations from its other suppliers. Indeed, earlier this week a second supplier, Mark Anthony Brands Inc. (“Mark Anthony”), sent CDC a similar termination letter purporting to terminate its 27-year distribution agreement with CDC without cause. Ex. 2, Nuss Decl. ¶ 25; Ex. 6, Letter from David Barnett, President, Mark Anthony Brands Inc., to Michael Nuss, Coors Distrib. Co. (“Mark Anthony Letter”). CDC plans to challenge Mark Anthony’s termination as unlawful as well.

CDC has a contractual right to arbitrate the validity of Constellation’s termination. But the circumstances of these terminations and the attendant timelines risk destroying the promise of arbitration. Accordingly, CDC has filed this motion for preliminary injunction to preserve the status quo while it proceeds to arbitration with Constellation. *See* Colo. Rev. Stat. § 13-22-208(1).

Certification of Conferral

Pursuant to Colo. R. Civ. P. 121 § 1-15(8), counsel for CDC conferred in good faith with Constellation’s attorneys via videoconference on September 25, 2026 about the relief CDC requests in this motion. Counsel for Constellation did not agree to the relief requested in this motion before it was filed.

Argument

I. This Court Should Enter a Preliminary Injunction to Protect the Parties’ Contractually Agreed Mediation and Arbitration Process

Colorado law empowers this Court to enter an injunction preserving the status quo while the parties mediate, and then arbitrate, their dispute. Under Colorado’s Uniform Arbitration Act, “[b]efore an arbitrator is appointed and is authorized and able to act, the court, upon motion of a party to an arbitration proceeding and for good cause shown, may enter an order for provisional

remedies to protect the effectiveness of the arbitration proceeding to the same extent and under the same conditions as if the controversy were the subject of a civil action.” Colo. Rev. Stat. § 13-22-208(1). The Colorado Supreme Court has explicitly held that “district court[s] ha[ve] the authority to grant preliminary injunctive relief to preserve the status quo pending outcome of the arbitration.” *Merrill Lynch, Pierce, Fenner & Smith, Inc. v. Dist. Ct.*, 672 P.2d 1015, 1018 (Colo. 1983). And the Colorado Supreme Court has also recognized that “preliminary relief is particularly appropriate where resort to arbitration may prove futile if the status quo is not preserved pending the selection and appointment of an arbitrator prior to the arbitrator’s exercise of jurisdiction over the dispute.” *Hughley v. Rocky Mtn. Health Maint. Org.*, 927 P.2d 1325, 1330 (Colo. 1996). In these circumstances, the entry of a preliminary injunction to preserve the status quo ensures that the parties’ contractual “promise of arbitration” does not “ring hollow.” *Id.*

Constellation and CDC agreed to a specific dispute-resolution process in their contract. Section 11.2 requires that “any and all controversies” involving “breach or termination” of the Agreement must first be submitted to mediation, and if not resolved submitted “to final and binding arbitration before JAMS.” Ex. 1, Agreement § 11.2. CDC invoked the process under Section 11.2 on September 14, 2026, by requesting that the parties submit their dispute regarding Constellation’s purported termination to mediation within 30 days. Ex. 2, Nuss Decl. ¶ 20; Ex. 5, CDC Letter. If mediation proves unsuccessful, CDC will submit the dispute to JAMS for arbitration.

It is necessary for this Court to enter a preliminary injunction to preserve the status quo pending arbitration because, without that relief, there is a significant likelihood that CDC will suffer irreparable harm before an arbitrator is appointed and can evaluate the merits of the dispute. Constellation asserts that termination will be effective 90 days after delivery of its

notice—December 13, 2026. Ex. 3, Constellation Letter. Given the parties’ agreed dispute-resolution timelines in Section 11.2, it is unlikely that the dispute will have been submitted to JAMS arbitration, that an arbitrator will be appointed, and that the arbitrator will have an opportunity to address the merits of the dispute before termination takes effect.

Even more pressing, Constellation asserted in its termination notice that CDC has just 30 days “to find a buyer for the distribution rights to the Subject Beverages, subject to Constellation’s approval” under Section 6.2 of the Agreement. Ex. 3, Constellation Letter. Although Constellation agreed to a modest extension of this deadline until October 29, 2026, Ex. 4, Constellation Email, CDC will be irreparably harmed if it is forced to transfer its valuable distribution rights to the Constellation brands on an accelerated timetable *before* an arbitrator can decide the merits of whether Constellation’s without-cause termination was lawful in the first place.

Additionally, CDC is facing other forms of irreparable harm from Constellation’s unlawful termination *now*, including the risk of cascading terminations from other suppliers. *See infra* Section II.B. Unless this Court grants a preliminary injunction to temporarily pause Constellation’s termination and preserve the status quo, the parties’ agreed arbitral mechanism for resolving the merits of this dispute may become futile. This is precisely the kind of situation that Colo. Rev. Stat. § 13-22-208(1) was designed to address.

II. CDC Satisfies All of the *Rathke* Factors for a Preliminary Injunction

A preliminary injunction to preserve the status quo pending arbitration under Colo. Rev. Stat. § 13-22-208(1) is amply justified for the reasons explained above. To the extent the Court also evaluates the traditional preliminary-injunction factors in evaluating this motion, those factors favor CDC. Colorado courts exercising their discretion in determining whether to grant a

preliminary injunction consider whether the moving party has demonstrated: (1) “a reasonable probability of success on the merits”; (2) “a danger of real, immediate, and irreparable injury which may be prevented by injunctive relief”; (3) “that there is no plain, speedy, and adequate remedy at law”; (4) “that the granting of a preliminary injunction will not disserve the public interest”; (5) “that the balance of equities favors the injunction”; and (6) “that the injunction will preserve the status quo.” *Rathke v. MacFarlane*, 648 P.2d 648, 653–54 (Colo. 1982).

A. CDC Has a Reasonable Probability of Success on the Merits

The merits of this dispute are for an arbitrator as the parties agreed. *See* Ex. 1, Agreement § 11.2. Nevertheless, to the extent the Court deems it relevant to granting a preliminary injunction to preserve the status quo pending arbitration, CDC has a “reasonable probability of success on the merits.” *Rathke*, 648 P.2d at 653. To satisfy this factor, CDC “need only show a likelihood of success on the merits rather than actual success.” *Boe v. Children’s Hosp. of Colo.*, 589 P.3d 478, 489 (Colo. 2026). Here, CDC has a likelihood of success on two grounds: (1) Constellation’s without-cause termination is prohibited by Colorado’s Beer Franchise Law; and (2) if Colorado law permits without-cause terminations, CDC must have the full 90 days required by Colorado law to transfer the distribution rights.

1. Constellation’s Without-Cause Termination Violates Colorado’s Beer Franchise Law

Colorado, like almost every other state, has a beer franchise law that governs the relationship between brewers and distributors. Constellation contends that it has the right to terminate its distribution agreement with CDC without any cause under that law. Colo. Rev. Stat. § 44-3-408(3). Constellation’s interpretation is wrong as a matter of statutory text, structure, and legislative intent.

When “construing a statute” in Colorado, the court’s “primary purpose is to ascertain and give effect to the legislature’s intent.” *People v. Iannicelli*, 449 P.3d 387, 391 (Colo. 2019). The court “endeavor[s] to effectuate the purpose of the legislative scheme.” *Id.* “In doing so,” the court “read[s] that scheme as a whole, giving consistent, harmonious, and sensible effect to all of its parts.” *Id.* The court must “avoid constructions that would render any words or phrases superfluous or that would lead to illogical or absurd results.” *Id.*

State beer franchise laws emerged in the 1970s, in response to a “rapidly consolidating beer industry” and the resultant imbalance between “powerful breweries with expansive market share” and the local distributors who marketed and sold their beer to retailers. Michael B. Newman & Jason H. Barker, *Retying the House: How the Evolution of Prohibition Era Alcohol Beverage Laws Has Facilitated a Generation of Independent Craft Breweries*, 12 Buff. Intell. Prop. L.J. 159, 164 (2018). The fundamental goals of these franchise laws were “balanced bargaining power and protections of the wholesaler’s expenditures—as a putative franchisee—in making a market in a brewery’s products.” *Id.* That is the backdrop against which Colorado’s beer franchise law was passed.

The law on the books today reflects a careful balance that protects distributors and the massive investments they must make in infrastructure and brand-promotion against arbitrary terminations from suppliers like Constellation. To that end, Colo. Rev. Stat. § 44-3-408 closely regulates the termination of beer-distribution agreements by prohibiting brewers from terminating their agreements without cause.

Subsection 1 of the statute contains a general prohibition on terminations unless specific requirements are met. Subsection 1 provides that, “[e]xcept as provided in subsections (2) to (4) of this section, *no supplier shall terminate an agreement* with a wholesaler unless all of the

following occur”: (1) the “wholesaler fails to comply with a provision of [the] written agreement” with the supplier; (2) the “wholesaler receives written notification by certified mail . . . of the alleged noncompliance and is afforded no less than sixty days in which to cure such noncompliance”; (3) the “wholesaler fails to cure such noncompliance within the allotted sixty-day cure period”; and (4) the “supplier provides written notice by certified mail . . . to the wholesaler of such continued failure to comply with the agreement,” and the written notice “contain[s] a statement of the intention of the supplier to terminate or not renew the agreement, the reasons for the termination or nonrenewal, and the date the termination or nonrenewal shall take effect.” *Id.* § 44-3-408(1)(a) (emphasis added). “If a wholesaler cures an alleged noncompliance within the” 60-day “cure period,” then the notice of termination “shall be null and void.” *Id.* § 44-3-408(1)(b).

Subsection 2 identifies limited circumstances where immediate termination is permissible, such as the revocation or suspension of the distributor’s license or the distributor’s owner being convicted of a felony. *Id.* § 44-3-408(2). And Subsection 4 outlines a comprehensive termination procedure, including arbitration, for when “a particular brand of products” is transferred from “a supplier to a successor supplier.” *Id.* § 44-3-408(4). That process is designed to ensure the terminated distributor receives the fair market value of the distribution rights if a successor supplier wishes to proceed with a new distributor.

Subsection 3 of the statute, on which Constellation relies, says that a “supplier shall have the right to terminate an agreement with a wholesaler at any time by giving the wholesaler at least ninety days’ written notice by certified mail, return receipt requested, with copies by first-class mail to all other wholesalers in all other states who have entered into the same distribution agreement with the supplier.” *Id.* § 44-3-408(3). Subsection 3 has a specific purpose and does not

give suppliers like Constellation the right to terminate select distributors without cause. Instead, it authorizes network-wide terminations of a distribution agreement, such as when a supplier wants to phase out an existing form agreement and replace it with an amended agreement, or when a supplier wishes to withdraw from the market, or discontinue a brand entirely.⁵ This is precisely why Subsection 3 requires sending *nationwide* copies of the termination to “all other wholesalers in all other states who have entered into the same distribution agreement with the supplier.” *Id.* Constellation has not attempted a nationwide cancellation of all distributors under the same agreement. Therefore, Subsection 3 does not apply.⁶

Constellation seeks to apply Subsection 3 to authorize a without-cause termination of a single distributor as long as it provides 90 days’ notice. But that reading renders at least three different provisions in the statute superfluous. *See People v. Madden*, 111 P.3d 452, 457 (Colo. 2005) (noting in exercises of statutory construction, courts “are not to adopt a construction that renders any term superfluous”).

First, it nullifies the carefully calibrated for-cause termination requirement in Subsection 1. Subsection 1’s requirements that a supplier identify specific contractual breaches, and give the

⁵ Indeed, the parties’ agreement includes an explicit termination provision that matches the situation Subsection 3 contemplates. Section 6.7 of the Agreement says that Constellation “shall have the right to terminate this Agreement at any time by giving Distributor at least 30 days’ prior written notice, provided that Crown contemporaneously gives such notice to all other Crown distributors located in Distributor’s state or, if the termination notice relates to a specific brand(s), to all distributors with an agreement to distribute such brand(s).” Ex. 1, Agreement § 6.7.

⁶ No Colorado court has addressed the meaning of Colo. Rev. Stat. § 44-3-408(3). Two judges in the Western District of Washington have opined, in *dicta*, that Section 44-3-408(3) authorizes without-cause terminations of beer distribution agreements. *See, e.g., City Beverages LLC v. Crown Imports LLC*, 645 F. Supp. 3d 1075, 1081 (W.D. Wash. 2022), *rev’d*, 2023 WL 4637113 (9th Cir. July 20, 2023). Neither judge examined the Colorado statute’s overall structure, purpose, or legislative history, and their decisions are not binding on this Court.

distributor 60 days to cure, would make little sense if a supplier could short-circuit the entire process simply by terminating without cause with 90 days' notice under Subsection 3. Second, Constellation's reading renders superfluous the requirement in Subsection 3 that the supplier send copies of the termination "to all other wholesalers in all other states who have entered into the *same distribution agreement* with the supplier." *Id.* § 44-3-408(3) (emphasis added). The nationwide notice requirement serves *no purpose* under Constellation's reading. Instead, the nationwide notice requirement is persuasive evidence that Subsection 3 was designed to address the specific situation of a nationwide termination. Third, Constellation's construction eliminates the need for Colorado law's small-brewer carveout. Colo. Rev. Stat. § 44-3-408(8) ("Nothing in this section shall apply to a manufacturer that produces less than three hundred thousand gallons of malt beverages per calendar year."). That provision exists to provide small breweries with flexibility in their choice of distributor. Distributors need fewer protections from craft brewer terminations because their largest investments are designed to serve a brewer producing hundreds of millions of gallons per year, not thousands. But there would be no need for the carveout in Subsection 8 if a small brewer could terminate a distributor at any time under Subsection 3.

Additionally, the legislative history confirms that Section 44-3-408 was meant to protect distributors. During a 2007 hearing on House Bill 1103, which enacted Section 44-3-408, one of the bill's sponsors, Representative Buescher, explained the bill's protectionist purpose. He testified that "[t]he distributors who I like to think of as the mom and pop companies that distribute Budweiser or Coors or some other product in a local area frequently make very, very large investments in their companies. The manufacturers sometimes move product lines or change distributors with very little notice and that jeopardizes a very large investment." Ex. 7,

1/29/07 Hr’g on H.B. 1103, Tr. at 1:35. Representative Buescher described the legislation as “a consensus bill worked out between the manufacturers and the distributors to set out a framework for proper notice, the proper opportunity for the distributor to sell his facility or his investment.” *Id.*

In another hearing, Representative Buescher explained that the bill “covers the situations in which the supplier can terminate the agreement with the wholesaler and lays out a process by which notice can be given and 60 days allowed to cure the reason for the termination.” Ex. 8, 1/25/07 Hr’g Tr. at 0:44. Representative Buescher further explained that the bill “sets out the reasons why the contract can be terminated immediately.” *Id.* Importantly, at no time during the hearings did Representative Buescher (or anyone else) state that Subsection 3 gave beer suppliers the unfettered right to terminate distribution agreements without cause as long as they provide 90 days’ notice. That is because no one understood Subsection 3 to have that meaning. Such a gaping hole in the finely tuned statutory scheme surely would have been noted during the legislative hearings. The fact that no one discussed Subsection 3 is further persuasive evidence that the legislature intended it to apply in the narrow circumstance of a simultaneous nationwide termination of *all* of a supplier’s distributors. Driving the point home, to CDC’s knowledge, no beer supplier in Colorado has ever invoked Subsection 3 to terminate a single distributor prior to Constellation’s attempt to do so here. Ex. 2, Nuss Decl. ¶ 32.

In sum, CDC’s interpretation of Subsection 3 is correct because it “effectuate[s] the purpose of the legislative scheme . . . as a whole” and “give[s] consistent, harmonious, and sensible effect to all of its parts.” *Iannicelli*, 449 P.3d at 391. Constellation’s interpretation, by contrast, guts the statutory scheme, renders “words [and] phrases” in the statute superfluous, and

“lead[s] to illogical or absurd results.” *Id.* CDC thus has a reasonable probability of success on its argument that Constellation’s without-cause termination is unlawful.

2. The Transfer Window in Section 6.2 of the Agreement Must Be at Least 90 Days

CDC and Constellation’s Agreement gives CDC the right to find a new buyer in the event Constellation attempts to terminate without cause—regardless of whether that termination is itself lawful. The relevant provision, Section 6.2, also specifies the amount of notice Constellation must provide before terminating the Agreement. It reads:

[I]n the event of the termination of this Agreement by Crown without cause, Crown shall give Distributor 30 days written notice of its intent to terminate on this basis, and Distributor during *such 30 day period* Distributor [sic] may transfer its rights to the Subject Beverages to another distributor, subject to Crown’s approval.

Ex. 1, Agreement § 6.2 (emphasis added). Assuming for the sake of argument that Constellation’s without-cause termination is valid (which it is not), CDC has a reasonable probability of success on its argument that the 30-day transfer period in Section 6.2 must be extended to 90 days because that period is one-and-the-same with the termination notice period in the Agreement, which Constellation agrees is extended to 90 days by virtue of Colorado law.

The parties made clear that they intended for the Agreement to comply with Colorado law. *See* Ex. 1, Agreement §§ 12.1, 12.3 (making all terms “subject to” Colorado law). First and foremost, Colorado law prohibits Constellation’s attempted termination outright. But even if Section 44-3-408(3) operated in the way Constellation wishes it did, 90 days’ written notice by certified mail would be required. Indeed, Constellation’s termination letter acknowledges the 30-day-termination-notice period from the Agreement is actually a 90-day-termination-notice period by operation of Colorado law. Ex. 3, Constellation Letter (“Per the Statute, the termination will be effective 90 days from the delivery of this notice.”).

Yet Constellation cherry-picks from the statute and ignores the expansion of the notice period to 90 days in asserting that “CDC has 30 days during that period to find a buyer” for the distribution rights. *Id.* Constellation cites Section 6.2 of the Agreement for support, apparently taking the position that the extension of the termination-notice period by operation of Colorado law that it is attempting to employ has no impact on the transfer period. *Id.* But this reading, which would leave CDC with just 30 days to transfer its distribution rights, ignores the clear language in the Agreement that ties the length of the transfer period to the termination-notice period. Section 6.2 describes the transfer period as “*such* 30 day period.” The word “such” incorporates the prior termination-notice period by reference. The “30 day” descriptor was accurate only because the notice period was itself 30 days. If Section 44-3-408(3) allows a termination at all, then that provision reset the notice period to 90 days. When that happened the descriptor lost its reference point and there is no 30-day period anywhere in the amended provision to which “such” points back. The only way to conform the Agreement to Colorado law is to recognize that Section 6.2 describes a single notice period (covering both termination and transfer) that is extended to 90 days by Section 44-3-408(3).

CDC’s interpretation of Section 6.2’s combined notice-and-transfer period is also the most faithful to the purpose behind that provision. *See Johnson Nathan Strohe, P.C. v. MEP Eng’g, Inc.*, 501 P.3d 826, 829 (Colo. App. 2021). The transfer window exists so that CDC can market and transfer its rights *before* it loses them. Under Constellation’s reading, while termination does not take effect for 90 days, CDC’s right to transfer expires after just 30, leaving a 60-day period in which CDC still holds distribution rights it is contractually barred from transferring. Moreover, Colorado courts have long recognized that contractual notice periods offer the receiving party “an opportunity to comply with the contract and save forfeiture.” *Roller*

v. Smith, 231 P. 656, 658 (1924). Just as a notice-and-cure provision protects the recipient’s chance to act while the contract remains in force, Section 6.2’s notice-and-transfer provision serves the parallel purpose of protecting a distributor’s chance of finding a buyer and fair market value for its distribution rights while it still has them to transfer. *See Rata Constr., Inc. v. Anderson*, 190 P.3d 835, 845 (Colo. App. 2008) (recognizing that a party may not foreclose its counterparty’s bargained-for rights prematurely). The only interpretation that honors the purpose of having a notice period in the first place is the one that reads the transfer window as being identical to the notice period’s duration.

Additionally, this Court should hold Constellation to the interpretation it has ascribed to Section 6.2 in prior termination disputes. In 2022, Constellation issued a without-cause termination notice to its Seattle-area distributor, Olympic Eagle. Ex. 9, Compl. at 42 (Termination Letter), *City Beverages, L.L.C. v. Crown Imports, LLC*, No. 3:22-cv-05756-DGE (W.D. Wash. Oct. 6, 2023) (“Olympic Eagle Compl.”). Constellation’s distribution agreement with Olympic Eagle was substantially similar to its agreement with CDC, and Section 6.2 was identical. *See id.* at 30–31 (Distributor’s Agreement). Olympic Eagle’s contract also required “30 days written notice” of Constellation’s intent to terminate without cause and provided that Olympic Eagle “during such 30 day period . . . may transfer its rights to distribute the Subject Beverages.” *Id.* at 30. But Washington law overrode Section 6.2’s 30-day notice provision and instead required at least 60 days’ notice of intent to terminate. Wash. Rev. Code § 19.126.040(2). Faced with this statutory override, Constellation recognized in its termination letter that Olympic Eagle’s contractual transfer period was expanded to 60 days. *See* Ex. 9, Olympic Eagle Compl. at 42 (recognizing Olympic Eagle had “60 days . . . to transfer its rights to distribute the Subject Beverages.”). Thus, CDC asks only that Constellation be held to the interpretation it has already

given to Section 6.2: when a state statute displaces Section 6.2's 30-day notice provision, the transfer window moves in lockstep.

B. Without Injunctive Relief, CDC Faces a Danger of Permanent and Irreparable Harm

Without court intervention to preserve the status quo, CDC will experience irreparable harm that no monetary award can remedy. The harms CDC will experience start with the loss of a unique product line that CDC has invested in, marketed, and grown for nearly 30 years. But they extend well beyond that, to every aspect of CDC's business. Only a preliminary injunction can prevent CDC from suffering these varied and cascading harms before the company even has an opportunity to present its case on the merits to an arbitrator.

CDC's loss of the Constellation distribution rights will ultimately amount to the loss of a business built over decades. Section 6.2 of the Agreement confirms that "due to the built-in uncertainties in the market for the Subject Beverages, including the valuation of good will, Distributor's profit margins and certain other factors, it would be difficult to determine the actual damages . . . that may result from [Constellation's] termination of this Agreement." Ex. 1, Agreement § 6.2. Colorado courts likewise hold that irreparable harm exists when "monetary damages are difficult to ascertain or where there exists no certain pecuniary standard for the measurement of damages." *Gitlitz v. Bellock*, 171 P.3d 1274, 1279 (Colo. App. 2007). CDC meets that standard here. Neither CDC nor Constellation can meaningfully calculate the value of these distribution rights, and the injury CDC faces as a result of termination is manifest. *See* Ex. 2, Nuss Decl. ¶¶ 21–29.

Without preservation of the status quo, CDC will also be left exposed on tens of millions of dollars in capital investments to expand and modernize its Denver distribution facility. *Id.* ¶ 23. CDC undertook these investments in reliance on Constellation's repeated assurances of

satisfaction with CDC's performance, as shown by the awards it gave to CDC for best-in-class distribution across every metric. *Id.* ¶¶ 11–12, 19, 23. In addition to the loss of value from Constellation's business, CDC will be unable to recover these capital expenditures post-termination.

Constellation may invoke the Agreement's liquidated-damages formula to argue CDC will be adequately compensated post-termination. But the inadequacy of that remedy is evident.⁷ Section 6.2 provides for damages of twice CDC's net effective profit attributable to the sale of Constellation's Modelo brands over the trailing twelve months, plus CDC's net effective profit attributable to the sale of all other Constellation brands over the same period. This formula, fixed in 2008, takes no account of what CDC has built over decades, largely for Constellation's benefit. For example, since 2010, CDC has grown the distribution volume for Constellation products [REDACTED] and doubled Constellation's overall market share to nearly 23%. Ex. 2, Nuss Decl. ¶ 10. Constellation accounts [REDACTED] *Id.* ¶ 9.

In 1970, Judge Friendly considered the adequacy of monetary damages pegged to past profits in the context of a distributorship termination. *See Semmes Motors, Inc. v. Ford Motor Co.*, 429 F.2d 1197, 1205 (2d Cir. 1970). In affirming an injunction on Ford's attempted termination of one of its New York dealerships, he observed that when a termination threatens a distributor's very "right to continue" a business it has built over decades, the harm is "not measurable entirely in monetary terms." *Id.* In those instances, irreparable harm exists, especially when balanced against the relatively minor harm to a supplier who cannot show any good cause

⁷ CDC disputes that the liquidated-damages provision in Section 6.2 is enforceable in light of Colo. Rev. Stat. § 44-3-408. Damages questions, however, do not demand answers at this juncture.

for terminating the distributor. *Id.* That is exactly the case here. Since 1998, CDC has been a trustworthy, dependable, and profit-generating distributor of Constellation’s products in a major market. Constellation has no justifiable reason to terminate CDC. If it did, it would have invoked the framework set forth in Subsections 1 or 2 of Colo. Rev. Stat. § 44-3-408. Section 6.2’s backward-looking damages ignore the energy and investment CDC has poured into Constellation’s brands for nearly 30 years. The contract’s own attempt to fix a damages number falls so short that it confirms the absence of any reliable pecuniary standard. *See Gitlitz*, 171 P.3d at 1279. If CDC is forced to accept that calculation post-termination, it will recoup only a fraction of the value its own investment created, threatening the business’s viability as a whole.

Courts that have considered the harm that results from the termination of a beer distribution agreement have held that liquidated-damages provisions do not account for “other aspects of harm that [the distributor] would incur” if it were to lose its distribution rights, including reputational harm and collateral terminations. *S. Glazer’s Distribs. of Ohio, LLC v. Great Lakes Brewing Co.*, 860 F.3d 844, 853 (6th Cir. 2017); *see also Dominion Video Satellite, Inc. v. EchoStar Satellite Corp.*, 356 F.3d 1256, 1263–64 (10th Cir. 2004) (recognizing “irreparable harm findings” in breach of exclusivity provision cases are often “based on such factors as the difficulty in calculating damages, the loss of a unique product, and existence of intangible harms such as loss of goodwill or competitive market position”). So too here, CDC will suffer myriad harms the liquidated-damages provision in Section 6.2 cannot address, including the risk of cascading terminations from other brewers, negative impacts on retailer relationships, and an erosion of CDC’s competitive position in the Denver market. *See Ex. 2, Nuss Decl.* ¶¶ 21–29.

The risk of CDC losing more of its suppliers is not hypothetical. These subsequent terminations have already started. On September 22, 2026, Mark Anthony emailed CDC a letter purporting to terminate (without cause) its distribution agreement with CDC, which has been in place since 1999. Ex. 2, Nuss Decl. ¶ 25; Ex. 6, Mark Anthony Letter. Mark Anthony indicated that it intended to transfer its business to the largest beer distributor in the country—Reyes Beverage Group. Ex. 6, Mark Anthony Letter. Mark Anthony is CDC’s third-largest supplier. Ex. 2, Nuss Decl. ¶ 26. One of the leading industry trade publications reported on Mark Anthony’s termination and its relationship to Constellation’s move. It included quotes from Mark Anthony and Reyes announcing the transfer as if it had already occurred. Ex. 10, *MAB Moving from CDC Branch in Denver Too; Going to RBG*, Insights Express, Vol. 28, No. 205 (Sept. 22, 2026). The publication further noted that “multiple sources” confirmed that with “2 large suppliers already seeking” to terminate their relationship with CDC, “other suppliers [are] likely to follow.” *Id.*

In a beer-distribution market moving toward mass consolidation around a handful of multi-state mega distributors—like Mark Anthony’s purported chosen successor, Reyes—more of CDC’s suppliers are likely to accelerate their own exits toward those competitors that now control a significant majority of the national distribution market. Thus, Constellation’s unlawful termination is likely the start of a chain reaction that will cause “the loss of other product lines.” *Lanvin Inc. v. Colonia, Inc.*, 739 F. Supp. 182, 194 (S.D.N.Y. 1990); *cf. Guidance Endodontics, LLC v. Dentsply Int’l, Inc.*, 633 F. Supp. 2d 1257, 1271 (D.N.M. 2008) (“Numerous cases have acknowledged that losing current and future customers is an irreparable harm.”). Relatedly, the loss of Constellation brands will have a negative impact on the service and support that CDC provides to retail accounts. This could lead some retailers to cut shelf space, draft placements, and promotional programs for CDC’s remaining brands. *See* Ex. 2, Nuss Decl. ¶ 28. Each

response erodes CDC's competitive position and would "permanently impair [CDC's] reputation and ability to cultivate goodwill in the community." *Am. Television & Commc'ns Corp. v. Manning*, 651 P.2d 440, 445–46 (Colo. App. 1982) (finding loss of customers and reputational harm caused plaintiff irreparable harm, weighing in favor of injunctive relief).

At bottom, Constellation's termination poses an imminent and substantial threat to a distributor that has operated in Colorado for more than 50 years and employs more than 450 Coloradans. Preserving CDC's ability to meaningfully challenge the lawfulness of Constellation's termination in arbitration is the only way to prevent that harm.

C. A Preliminary Injunction Preserves the Status Quo

The preliminary injunction CDC seeks will preserve the status quo for the limited period of time until CDC has an opportunity to present the merits of this dispute to an arbitrator. In analyzing the status quo, courts consider "the last uncontested status between the parties which preceded the controversy until the outcome of the final hearing." *Dominion Video Satellite, Inc. v. EchoStar Satellite Corp.*, 269 F.3d 1149, 1155 (10th Cir. 2001). Here, the last uncontested status between CDC and Constellation was on September 9, 2026, before Constellation informed CDC of its intent to terminate the Agreement without cause. If the Court grants preliminary injunctive relief, CDC will continue to distribute Constellation's products with no interruption, as it has done for decades under the terms of the parties' agreement, and as it must do in any event until the end of Constellation's purported 90-day termination notice period. Indeed, CDC will continue to provide the best-in-class performance for which Constellation has recognized CDC publicly over the course of the parties' relationship.

On the other hand, without an injunction, the status quo will change dramatically. CDC's relationship with Constellation will almost certainly terminate before an arbitrator has the

opportunity to hear the merits of this case, negating the parties' contractual alternative dispute resolution process. And Constellation's imposition of an unlawful 30-day transfer window (which Constellation modestly extended to 45 days) could force CDC into a rushed, below-fair-market-value transaction in an effort to recoup *some* value before CDC has any ability to contest the validity of the underlying termination in an arbitration.

The Agreement requires any dispute under the Agreement to "be submitted to non-binding mediation within thirty (30) days of the written request of either party." Ex. 1, Agreement § 11.2. But the mediation process itself could extend as long as 75 days total. *See id.* ("Controversies . . . not resolved through mediation within 45 days of being submitted thereto shall be submitted to final and binding arbitration."). Once mediation is complete, it will take time to select an arbitrator, initiate proceedings, and fully brief the issue of whether Constellation's termination was unlawful under Section 44-3-408(3). CDC triggered the parties' mediation period on September 14, 2026, Ex. 5, CDC Letter, but the timing provisions incorporated into the Agreement render the promise of a final decision on the ultimate issue in this case illusory without a court-ordered preservation of the status quo.

D. The Balance of Equities and Public Interest Factors Favor CDC

Weighing the irreparable harm CDC will suffer without injunctive relief against the lack of harm Constellation will suffer if that relief is granted makes clear the need for intervention at this critical juncture. CDC has been distributing Constellation's products in a highly successful manner for nearly 30 years. Ex. 2, Nuss Decl. ¶¶ 6, 11. Under any set of circumstances, CDC will continue to do so for the duration of the 90-day termination notice period. Constellation faces no real risk of harm by the Court pausing all termination and transfer deadlines while this case proceeds to

resolution on the merits. Constellation will simply continue to have its brands distributed in CDC's territory by the same highly successful distributor that has handled its business for decades. When one party's injury is demonstrable and imminent, as CDC's is, and the opposing party's is non-existent, the balance of equities tilts decidedly in favor of granting relief. *See Am. Invs. Life Ins. Co. v. Green Shield Plan, Inc.*, 358 P.2d 473, 475–76 (Colo. 1960).

Finally, granting a preliminary injunction to preserve the status quo pending arbitration “will not disserve the public interest.” *Rathke*, 648 P.2d at 654. To the contrary, Colorado’s “pro-arbitration policies . . . are furthered, not weakened, by a rule permitting a district court to preserve the meaningfulness of [an] arbitration by granting injunctive relief.” *Merrill Lynch, Pierce, Fenner & Smith, Inc. v. Salvano*, 999 F.2d 211, 214 (7th Cir. 1993). Here, a stay pending arbitration will ensure the parties’ eventual arbitrator has a live dispute to resolve that has not been mooted simply by the passage of time. Additionally, the public is served through an orderly and efficient beer distribution industry. *See Trans-W. Express, Ltd. v. Pub. Utils. Comm’n*, 877 P.2d 350, 354 (Colo. 1994) (recognizing the public has an interest in “efficient and economical services”). Preventing a hasty termination will better serve that interest. No distribution interruptions will occur while the parties’ arbitration is pending and, in the event a termination does go through, CDC and Constellation can engage in an orderly process to ensure the rights go to a buyer who has the right capabilities and experience to serve the Denver market. In the interim, customers will continue to have access to the beers they want, where they want.

Conclusion

For the above reasons, CDC respectfully requests that this Court enter a preliminary injunction to preserve the status quo pending arbitration of the merits of the parties’ dispute.

Specifically, CDC requests that the Court stay all deadlines relevant to Constellation's attempted termination, including both the 90-day termination notice and 30-day transfer window.

Dated: September 25, 2026

BARTLIT BECK LLP

By: /s/ Daniel C. Taylor
Daniel C. Taylor, #46772
Andrew C. Baak, #45646
Joseph W. Doman, #49217
Daniel J. Cummins, #62833
BARTLIT BECK LLP
1801 Wewatta Street, Suite 1200
Denver, CO 80202
Telephone: (303) 592-3100
Facsimile: (866) 381-7456
dan.taylor@bartlitbeck.com
andrew.baak@bartlitbeck.com
joe.doman@bartlitbeck.com
daniel.cummins@bartlitbeck.com

**Attorneys for Plaintiff Coors
Distributing Company**

CERTIFICATE OF SERVICE

I hereby certify that on this 25th day of September 2026, I served a true and correct copy of the foregoing **COORS DISTRIBUTING COMPANY LLC'S MOTION FOR PRELIMINARY INJUNCTION TO PRESERVE THE STATUS QUO PENDING ARBITRATION** by filing same via the Court's electronic filing system, which will send notification of same to all counsel of record.

/s/ Jamie Bee Clark
Jamie Bee Clark