DISTRICT COURT, CITY AND COUNTY OF DENVER, STATE OF COLORADO 1437 Bannock Street, Room 256 Denver, CO 80202 (303) 606-2300	
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 Defendants Crown Imports LLC, d/b/a Constellation Brands Beer Division, and Constellation Brands, Inc.: Names: Randall H. Miller, #33694 R. Reeves Anderson, #48057 Shay Longtain, #55348 Address: 1144 Fifteenth Street, Suite 3100 Denver, CO 80202 Phone Number: 303.863.1000 Fax Number: 303.863.2301 Email Addresses: randy.miller@arnoldporter.com reeves.anderson@arnoldporter.com shay.longtain@arnoldporter.com	Case Number: 2026CV33488 Courtroom: 203
DEFENDANTS' MOTION TO STAY PRELIMINARY INJUNCTION PENDING APPEAL[1]	

[1] **Notice regarding use of generative artificial intelligence.** Pursuant to Paragraph VI.1 of this Court's Pre-Trial Order dated September 25, 2026, undersigned counsel states that generative artificial intelligence tools were used to assist in preparing and reviewing all portions of this filing.

Defendants Crown Imports LLC, d/b/a Constellation Brands Beer Division, and Constellation Brands, Inc. (together, "Constellation") move under Colo. R. Civ. P. 62(c) for a stay, pending appeal, of the Court's October 28, 2026 Order Granting Preliminary Injunction to Preserve the Status Quo Pending Arbitration (the "Order"). Constellation also requests an expedited briefing schedule, providing Coors Distributing Company LLC ("CDC") five business days to file a response brief, and Constellation two business days to file a reply brief. Because this motion is filed on a Friday, that schedule would give CDC seven calendar days to respond.

CERTIFICATE OF CONFERRAL

Pursuant to Colo. R. Civ. P. 121 § 1-15(8), counsel for Constellation conferred in good faith with counsel for CDC on November 4, 2026 by telephone. CDC opposes the motion. CDC did not agree to the expedited briefing schedule without first seeing the motion, but indicated a willingness to proceed on an expedited schedule.

BACKGROUND

The Court's preliminary injunction bars Constellation from terminating the parties' Distributor's Agreement, from taking "any steps to effectuate" termination, and from "[t]aking any other action inconsistent with CDC's rights under the Agreement." Order at 5. It remains in effect "pending the selection and appointment of an arbitrator and until the arbitrator determines whether the injunction should remain in place or further order of this Court." *Id.* CDC's declarant attested that CDC would challenge the termination "by first mediating with Constellation and then filing an arbitration with JAMS if the mediation is unsuccessful." Declaration of Michael Nuss ¶ 30 (filed as Exhibit 2 to CDC's Sept. 25, 2026 motion for preliminary injunction) ("Nuss Decl."). The parties mediated on October 7, 2026 without resolution. CDC still has not filed an arbitration

demand, but has now stipulated that it will commence JAMS arbitration no later than November 18, 2026.

Constellation has filed a notice of appeal under C.A.R. 1(a)(3), which permits an appeal from "an order granting or denying a temporary injunction." The appeal presents legal questions that the Court of Appeals will review *de novo*. As described herein, Constellation's likelihood of success on appeal weighs in favor of granting a stay. A stay is also warranted because the relevant harms are severely asymmetric. CDC's alleged harms are expressly compensable through the Agreement's own damages provision, and, if CDC prevails on its theory that Colorado's Beer Franchise Law does not permit terminations without cause, through the statutory damages remedy under C.R.S. § 44-3-408(5)(a). By contrast, Constellation's recovery for a wrongful injunction is now limited by the $75,000 security set by the Court.

LEGAL STANDARD

When an appeal is taken from an order granting an injunction, "the trial court in its discretion may suspend, modify, restore, or grant an injunction during the pendency of the appeal upon such terms as to bond or otherwise as it considers proper for the security of the rights of the adverse party." Colo. R. Civ. P. 62(c). In deciding whether to issue a stay, courts consider four factors: "(1) whether the stay applicant has made a strong showing that [it] is likely to succeed on the merits; (2) whether the applicant will be irreparably injured absent a stay; (3) whether issuance of the stay will substantially injure the other parties interested in the proceeding; and (4) where the public interest lies." *Romero v. City of Fountain*, 307 P.3d 120, 122 (Colo. App. 2011). These factors operate on a sliding scale: "[t]he probability of success that must be demonstrated is inversely proportional to the amount of irreparable injury [the movant] will suffer absent the stay.

Simply stated, more of one excuses less of the other." *Id.* at 123 (quoting *Mich. Coal. of Radioactive Material Users, Inc. v. Griepentrog*, 945 F.2d 150, 153 (6th Cir. 1991)).

ARGUMENT

I. Constellation Is Likely to Succeed on Appeal

To obtain a preliminary injunction, CDC was required to establish all six *Rathke* criteria. *Rathke v. MacFarlane*, 648 P.2d 648, 654 (Colo. 1982) ("If each criterion cannot be met, injunctive relief is not available."). Reversal on appeal therefore only requires a finding of error as to any one of them. *See Atmel Corp. v. Vitesse Semiconductor Corp.*, 30 P.3d 789, 796 (Colo. App. 2001). Constellation is likely to show error on at least two independent grounds.

A. CDC Did Not Establish a Reasonable Probability of Success on the Merits

The Agreement expressly contemplates termination "by Crown without cause," and it prescribes what follows: written notice, a period during which CDC may transfer its rights, and, absent a transfer, a liquidated payment "in full and complete satisfaction, waiver and discharge of all claims" arising from the termination. Agreement § 6.2. Reviewing the same provision in another Constellation distribution agreement, the Ninth Circuit vacated a preliminary injunction because "[u]nless [Constellation] has the right to terminate without cause, the entirety of Paragraph 6.2 would be surplusage." *City Beverages LLC v. Crown Imports LLC*, 2023 WL 4637113, at *2 (9th Cir. July 20, 2023) (unpublished).

The statute is equally clear. "The 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." C.R.S.

§ 44-3-408(3) (emphasis added). The Colorado Supreme Court has repeatedly held that where statutory language is clear and unambiguous, the court's role is to apply the statute as written. *See, e.g.*, *Front Range Feedlots, LLC v. Rein*, 528 P.3d 494, 501 (Colo. 2023) ("If the statutory language is unambiguous, then we must apply it as written."); *People v. Zapotocky*, 869 P.2d 1234, 1238 (Colo. 1994) ("When the statutory language is clear and unambiguous, the statute must be interpreted as written without resort to interpretive rules and statutory construction."). CDC's contrary reading would require the Court to qualify the supplier's statutory "right to terminate . . . at any time" with a for-cause requirement that appears nowhere in the text and would be duplicative of a different subsection of the same statute. *See* § 44-3-408(1). No reading of the legislative history can supply that limitation, because legislative history "cannot render the plain and unambiguous language of [the statute] ambiguous." *Smith v. Exec. Custom Homes, Inc.*, 230 P.3d 1186, 1190 (Colo. 2010). "[I]t is presumed that the General Assembly meant what it clearly said." *State v. Nieto*, 993 P.2d 493, 500 (Colo. 2000).

B. CDC Has an Adequate Remedy at Law and Failed to Show Irreparable Injury Preventable by an Injunction Against Constellation

Even if CDC were likely to prevail on the merits, it was also required to establish "a danger of real, immediate, and irreparable injury which may be prevented by injunctive relief" and "no plain, speedy, and adequate remedy at law." *Rathke*, 648 P.2d at 653–54. The Order found that CDC's harms are "inherently difficult to quantify." Findings ¶ 24. The parties, however, already addressed that difficulty. Section 6.2 acknowledges that damages from a without-cause termination would be difficult to quantify, and then determines them by formula as a multiple of profits for the preceding year. Agreement § 6.2.

A contractually prescribed measure of damages is the definition of an adequate remedy at law. *See Ravenstar, LLC v. One Ski Hill Place, LLC*, 401 P.3d 552, 555–56 (Colo. 2017) (recognizing that parties may "define the consequences of the breach of a duty before assuming the duty" and are "free to bargain for liquidated damages as a sole and exclusive remedy"); *Marvin v. Pueblo Dairymen's Co-op*, 284 P.2d 238, 241–42 (Colo. 1955) (where dairy producer's marketing agreement had no fixed term and provided for liquidated damages, marketing association "had no further remedy beyond the stipulated amount" and was not entitled to injunctive relief). In *Dominion Video Satellite, Inc. v. EchoStar Satellite Corp.*, the Tenth Circuit reversed a preliminary injunction entered pending arbitration because, "should [the movant] win in arbitration on the merits, any damage caused by [the] breach . . . can be quantified in damages." 356 F.3d 1256, 1266 (10th Cir. 2004). That holding applied even though the parties had stipulated that a breach would cause irreparable harm. *Id.* Section 6.2 contains no such stipulation; it does the opposite. *See also Am. Inv'rs Life Ins. Co. v. Green Shield Plan, Inc.*, 358 P.2d 473, 475–76 (Colo. 1960) (no irreparable injury where "[e]verything [the movant] asserts is measurable and compensable in money").

Moreover, Colorado's Beer Franchise Law independently provides that a wholesaler aggrieved by an unlawful termination "shall be entitled to recovery of damages caused by the violation." C.R.S. § 44-3-408(5)(a). Thus, even if CDC were to prevail on its theory that Colorado's statute prohibits without-cause terminations, the statute itself directs CDC to a damages remedy.

The Order also relied on a risk of "termination of other distribution agreements," citing a different supplier's termination notice. Findings ¶¶ 22–23. But an injunction against Constellation

cannot prevent decisions by other suppliers under other contracts. *Rathke* requires injury "which may be prevented by injunctive relief." 648 P.2d at 653.

II. Constellation Will Be Irreparably Injured Absent a Stay

A movant establishes irreparable harm by "demonstrating a danger of real, immediate, and irreparable injury that may be prevented by the requested relief," *Romero*, 307 P.3d at 123, meaning a significant risk of harm that cannot be compensated after the fact by monetary damages, *see id.* (citing *Peak Med. Okla. No. 5, Inc. v. Sebelius*, 2010 WL 4809319, at *3 (N.D. Okla. 2010)). Constellation's harm meets that standard as a matter of law. A party wrongfully enjoined "may generally not recover damages in excess of the amount of the bond." *State v. Zahourek*, 935 P.2d 74, 77 (Colo. App. 1996), *aff'd sub nom. Graham v. State*, 956 P.2d 556 (Colo. 1998). Thus, the Order on its face exposes Constellation to irreparable injury for every dollar of loss above $75,000 that Constellation suffers while the Order remains in effect, as those harms are likely unrecoverable even if it is later determined that the Order should not have issued.

These losses flow from the Order's core effect: it compels Constellation to continue performing under an agreement it elected to terminate, and bars Constellation from taking steps to transition its business in the timely and orderly manner that the parties' bargained-for contract allows. Courts have recognized that, for a supplier like Constellation, the "loss of the ability to make basic business decisions such as to whom to sell is an irreparable harm," *Super Natural Distribs., Inc. v. Muscletech Rsch. & Dev.*, 131 F. Supp. 2d 1058, 1063–64 (E.D. Wis. 2001), and that it is "a great hardship" to be "frozen into an intimate and continuous relationship with a dealer it no longer wishes to be associated with," *Roland Mach. Co. v. Dresser Indus., Inc.*, 749 F.2d 380, 392 (7th Cir. 1984) (quoting *Jack Kahn Music Co. v. Baldwin Piano & Organ Co.*, 604 F.2d 755,

764 (2d Cir. 1979)). The Order also binds Constellation and its brands, for an indefinite term, to a distributor that is "actively exploring sale options." Nuss Decl. ¶ 31; *see also Alpha Distrib. Co. v. Jack Daniel's Distillery*, 207 F. Supp. 136, 138 (N.D. Cal. 1961) (denying injunction that would require suppliers to "indefinitely entrust the marketing of their product in a wide area to a distributor [with] whom a relationship of confidence and cooperation has become impossible"), *aff'd*, 304 F.2d 451 (9th Cir. 1962). Constellation now bears the risk of brand erosion for as long as the Order remains in effect.

Those losses are real and ongoing. Since receiving the termination notice, CDC has changed how it works with Constellation's sales personnel in ways that limit Constellation's ability to support its brands in the marketplace. For example, CDC has restricted Constellation's access to CDC facilities, resisted investments in longer-term brand building efforts, and reduced coordination with Constellation's sales personnel. *See* Exhibit 1, Declaration of Robert Van Witzenburg ¶ 11. Meanwhile, the Order bars Constellation from transitioning its business to a new distributor in an orderly way, and is consuming the contractual and statutory notice period that exists for precisely that purpose. *See id.* ¶¶ 16–17. Each day the Order remains in effect shortens the time available for an orderly transition. And unlike CDC's alleged harm, which finds a remedy in both the contract and the statute, Constellation's recovery for these losses is limited by the $75,000 bond.

III. A Stay Will Not Substantially Injure CDC

By contrast, staying the Order will not substantially injure CDC because CDC already has an adequate remedy in the form of money damages (i) under the contract and (ii) under the statute, should CDC prevail on the merits. *See supra* I.B. Indeed, CDC's own declarant attests that CDC

is "actively exploring sale options" for its distribution rights. Nuss Decl. ¶ 31. CDC's interest is one it is prepared to convert to money. These damages are not limited by a $75,000 bond. Moreover, CDC can seek any protection it believes it needs—including interim relief—from JAMS arbitration, the parties' contractually chosen forum. Nothing in the record suggests that a stay would threaten CDC's viability. CDC is one of the largest beer distributors in the country, distributing hundreds of brands for 40 different beer and beverage suppliers, Nuss Decl. ¶ 5, including brands owned by its parent company Molson Coors. It will continue to distribute those products and can avail itself of any monetary damages to which it is entitled. Any harm to CDC from a stay would also be limited in duration. Constellation has already filed its notice of appeal and will ask the Court of Appeals to proceed on an expedited schedule.

IV. The Public Interest Favors a Stay

The public interest factor asks "whether there are policy considerations that bear on whether a stay or injunction should issue." *Romero*, 307 P.3d at 123. Colorado's legislature has already balanced the interests of suppliers and wholesalers. The statute expressly permits a supplier to terminate "at any time" on 90 days' notice, C.R.S. § 44-3-408(3), and gives an aggrieved wholesaler a damages remedy for any violation of this provision, *id.* § 44-3-408(5)(a). The public interest is served by enforcing that statutory balance, and the parties' Agreement, as written. *See Fox v. I-10, Ltd.*, 957 P.2d 1018, 1022 (Colo. 1998); *Ravenstar*, 401 P.3d at 555.

The Order cites the public interest in "orderly resolution of contract disputes through agreed upon arbitration." Findings ¶ 28. That interest is served by enforcing the parties' negotiated agreement on how to resolve disputes exactly like this one. The parties bargained for arbitration and a damages remedy, not an injunction. A stay restores that bargain.

CONCLUSION

For these reasons, Constellation respectfully requests that the Court stay the Order pending appeal.

DATED: November 6, 2026

ARNOLD & PORTER KAYE SCHOLER LLP

/s/ Randall H. Miller

Randall H. Miller, #33694
R. Reeves Anderson, #48057
Shay Longtain, #55348
1144 Fifteenth Street, Suite 3100
Denver, CO 80202
Telephone: 303.863.1000
Facsimile: 303.863.2301
randy.miller@arnoldporter.com
reeves.anderson@arnoldporter.com
shay.longtain@arnoldporter.com

Attorneys for Crown Imports LLC, d/b/a Constellation Brands Beer Division, and Constellation Brands, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on November 6, 2026, a true and correct copy of the foregoing **MOTION TO STAY PRELIMINARY INJUNCTION PENDING APPEAL** was served via Colorado Courts E-Filing on all counsel of record at the time of this filing.

/s/ Tanya Huffaker
Tanya Huffaker