



## Cannabis

**As of November 2018, 10 states, as well as the District of Columbia, have legalized recreational marijuana. An additional 33 states allow for the use of medical marijuana.\* According to Forbes, spending on legal cannabis worldwide is expected to reach \$57 billion by 2027.†**

As the cannabis industry continues to grow, sound legal advice becomes increasingly necessary. The legal issues found within cannabis industry are complex and ever-changing, as each state determines the legality of medical marijuana, cannabis for recreational use, or both.

Companies operating in this space must address changing regulations, varying state laws, considerations for federal law, insurance coverage and risk management, investment and governance concerns, and more. Start-ups and entrepreneurs also face additional legal challenges as they try to grow in this emerging marketplace.

Leech Tishman's cannabis practice group was created to provide comprehensive guidance to cannabis companies, including those that manufacture, distribute, or sell cannabis in compliance with state law. Our attorneys also assist third-party business that work directly with cannabis companies or operate within the cannabis industry, including investors and banks; doctors; ancillary service companies, such as advertising, packaging, and logistics; and real estate brokers, owners, or developers. Leech Tishman's team assists and counsels clients regarding the unique and ever changing legal landscape of the medical cannabis industry.

Our multi-disciplined practice group has assisted our clients to address complex issues in various legal areas.

### Corporate, Investment, and Transactional

- Business audits
- Business entity consultation, formation, and structuring
- Corporate governance
- Creation of operational / business plans
- Domestic and cross-border financing transactions
- Drafting and/or revising operating and shareholder agreements to prepare for potential of taking your cannabis company public.
- Exit strategy

- Identifying struggling cannabis companies in heavily regulated / licenses states and navigating the state approval process for acquisition / assignment of licenses.
- Investor relations
- Mergers and acquisitions
- Operating and shareholder agreements
- Preparing your cannabis company for investments / sale opportunities
- Purchase or sale of businesses
- Securities law compliance
- Valuation matters
- Venture capital and business financing arrangements

### Environmental

- Disposal
- Environmental impacts
- Hazardous materials
- Land use
- Natural resource protection
- Pesticide use
- Product labelling
- Water quality, supply and rights

### Government Policy and Affairs

- Challenging statutes and administrative decisions
- Federal Trade Commission (FTC)
- Food and Drug Administration (FDA)
- Industry-related regulations
- Regulatory compliance and lobbying

### Health Law

- Hospital compliance
- Research and development
- Think-tanks
- University research centers

### Immigration

- Adjustment of status applications
- Audits
- Employment-based sponsorship, including obtaining green cards and visas for foreign national employees
- Global migration/international intracompany transfers
- Government immigration audits/enforcement actions

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- Labor certification
- Labor condition applications
- Regulatory compliance
- Specialty visa applications
- Training/education based visas

### Intellectual Property

- Licensing
- Marketing and branding
- Patent registration and prosecution, including cannabis compositions, drug formulations, methods of preparation, or specific plant patents
- Trade secrets
- Trademarks

### Labor and Employment

- Drafting employment policies specific to medical cannabis
- Drug testing and hiring of medical cannabis card holders
- Discipline for medical cannabis users
- Hiring requirements for grower/processors
- Training on medical cannabis and the workplace

### Litigation

- Application appeal process
- Commercial
- Debt collection
- Products liability
- Regulatory actions and appeals

### Real Estate

- Advanced planning to address land use and zoning issues.
- Applications for grower and processor & dispensary licenses
- Expansion and ancillary development considerations for dispensaries – practical approach to take advantage of value created with successful dispensary in a retail area.
- Landlord considerations for leasing to cannabis businesses
  - Gross sales rent structures
  - Eviction considerations
  - Impacts on ability to finance property
  - Insurance considerations
- Licensing certification process for successful applicants
- Structuring investment structures / joint venture agreements
- Real estate transactions (acquisitions and leasing), including land use and zoning approvals

## Insurance Coverage & Corporate Risk Mitigation

### Taxation

- Federal and state tax planning and advice
- IRS filings and audits

In this rapidly growing and ever changing industry, it is critical to have a team available to guide clients in all aspects of the law.

<sup>1</sup>Berke, Jeremy. "Canada Has Legalized Marijuana - This Map Shows Every US State That Has Legalized Marijuana." *Business Insider*, Business Insider, 17 Oct. 2018, [www.businessinsider.com/legal-marijuana-states-2018-1](http://www.businessinsider.com/legal-marijuana-states-2018-1).

<sup>1</sup>Pellechia, Thomas. "Legal Cannabis Industry Poised For Big Growth, In North America And Around The World." *Forbes*, Forbes Magazine, 1 Mar. 2018, [www.forbes.com/sites/thomaspellechia/2018/03/01/double-digit-billions-puts-north-america-in-the-worldwide-cannabis-market-lead/#1a4a55816510](http://www.forbes.com/sites/thomaspellechia/2018/03/01/double-digit-billions-puts-north-america-in-the-worldwide-cannabis-market-lead/#1a4a55816510).