



# Cannabis

## Overview

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The Tucker Ellis Cannabis Group assists clients across the broad spectrum of seed-to-sale opportunities in the cannabis industry. Our clients include recreational and medical dispensaries, hemp growers, CBD producers, retailers, investors, and consumers. With a thorough understanding of the complex and evolving federal and state regulations governing the cannabis industry, our team thoughtfully guides entrepreneurial clients seeking business opportunities in this dynamic marketplace.

### Industries Served

- Cosmetics and personal care companies
- Food and beverage companies
- State-licensed:
  - » Cultivators
  - » Craft Growers
  - » Infusers
  - » Processors
  - » Dispensaries
  - » Testing laboratories
- Retailers
- Marketers
- Pharmacies
- Health care providers
- Investors (domestic and international)
- Real estate owners/lessors
- Employers
- Trade publications

### Speaking Engagements

- “Cannabis in Healthcare: A New Challenging Frontier for Providers,” Moderator, Crittenden Medical Insurance Conference (September 2020) – Victoria Vance
- “CBD in Cosmetics: So, What’s Legal?”, LUXE PACK | MakeUp Los Angeles, Los Angeles, California (February 2020) – Ronie Schmelz
- “Cannabis Regulations: Canada & European Union,” Processing of Cannabis/Hemp Plants and Refining of CBD Oil: Market, Regulations and Applications, Las Vegas, Nevada (December 2019) – Ronie Schmelz

- “The Farm Bill Has Passed: How Will Federal Refinement of Rules & Regulations for CBD and Hemp Oil Affect the Cosmetics, Personal Care Products and Dietary Supplements Industries?”, Beauty & Supplement Regulatory Exchange, Washington, D.C. (November 2019) – Ronie Schmelz
- “The Legality of CBD: Separating Fact from Fiction,” 2019 In-House Counsel Summit, Tucker Ellis LLP, Cleveland, Ohio (November 2019) – Ronie Schmelz
- “How to Tap into the CBD Beauty Trend the Right Way!”, Webinar, Cosmetics Design (October 2019) – Ronie Schmelz
- “CBD and Cosmetics: Separating Fact from Fiction,” Intermountain West Society of Cosmetic Chemists (IMWSCC), Park City, Utah (August 2019) – Ronie Schmelz
- “CBD and Beauty: The Next \_\_\_\_ Year(s),” Cosmoprof North America 2019, Las Vegas, Nevada (July 2019) “CBD and Cosmetics: Separating Fact from Fiction,” California Society of Cosmetic Chemists, Malibu, California (May 2019) – Ronie Schmelz
- “The Business Side of CBD: Contracts, Liabilities and More,” California Society of Cosmetic Chemists, Malibu, California (May 2019) – Paul Malie
- “High on Beauty: The Cannabis Dilemma,” Cosmoprof North America, Las Vegas, Nevada (July 2018) – Ronie Schmelz
- “Marijuana and Ohio Businesses: Anticipation and Confusion at an All-Time ‘High,’” Tucker Ellis In-House Counsel Summit (October 2017) – Joseph Koncelik, Thomas Simmons, and Thomas Peppard

## **Publications**

- “Hemp/CBD Companies: Make Your Voices Heard on USDA and DEA Regulations Restricting Hemp Production,” Tucker Ellis Client Alert (October 2020) – Ronie Schmelz and Edward Racek
- “Report on the FDA Cannabis Hearing: Passionate Presenters Urge Clarity in Regulation of Complex Industry,” Tucker Ellis Client Alert (June 2019) – Victoria Vance and Ronie Schmelz
- “FDA Cannabis Regulation: Help Us Make Your Voice Heard,” Tucker Ellis Client Alert (April 2019) – Ronie Schmelz and Edward Racek
- “Congress Passes Farm Bill Legalizing Hemp, Opening the Gate for Use of CBD in Consumer Products,” Tucker Ellis Client Alert (December 2018) – Ronie Schmelz
- “Sifting Through the Weeds: A Primer on Federal Laws and CBD Oil,” *Nutrition Industry Executive* (September 2018) – Ronie Schmelz and Edward Racek

## **Media**

- “CBD Snacks, Beverages May Present Issues for Retailers,” *Snacking News* (April 2019) – Ronie Schmelz
- “Hazy Regulations, Huge Reward,” *Marijuana Venture and Green Entrepreneur* (March 2019) – Ronie Schmelz
- “NYC Orders Restaurants to Stop Serving CBD,” *Vitamin Retailer* (February 2019) – Ronie Schmelz
- “FTC Official Signals CBD Not Enforcement Priority,” *Natural Products Insider* (June 2018) – Ronie Schmelz

## Experience

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### Licensing

- Assist with applications to comply with state regulatory requirements for marijuana cultivation, processing, laboratory testing, and dispensing
- Compile, edit, and draft supporting documentation in support of dispensary, infuser, and craft grower applications, with a specific focus on matters of security, employment, sales and disposal
- Represent dispensaries and craft growers in local zoning hearings regarding operational approval
- Represent dispensaries and cultivators in court and administrative hearings regarding licensure

### Regulatory Counseling: State and Federal

- Provide analysis and guidance on the 2018 Farm Bill and recent state and federal legislative initiatives
- Advise recreational and medical marijuana facilities on state recreational adult use and medical marijuana regulatory requirements, including ownership issues, background check requirements, testing requirements, siting and location requirements
- Provide guidance on FDA and state positions on CBD product marketing, advertising, and sales
- Provide guidance on FDA and state marketing, labeling, and approval requirements for foods, cosmetics, and dietary supplements
- Counsel on state and federal laws, including current USDA and USDOT rules on transportation, warehousing, storage and distribution, product placement, labeling, and promotion of hemp and CBD products

### Corporate: Formation, Ownership, and Transactions

- Assist with corporate formation and advise on corporate structure for entities in the recreational and medical marijuana and CBD industries
- Prepare contracts related to recreational adult use and medical marijuana sales, including purchasing and laboratory services contracts
- Assisted Illinois's largest independently owned dispensary owner in sale to national operator
- Draft master service agreements for dispensary operators and represent national MSOs in acquisition and negotiation of operating agreements with local recreational dispensaries
- Evaluate merger/acquisition opportunities for recreational and medical marijuana entities
- Assist with agreements related to purchase, storage, distribution, and re-sale of CBD products

## **Retailers**

- Contribute regulatory guidance and ROI analysis of strategic opportunities involving cannabis products
- Provide operational support with contracts, indemnity agreements, vendor endorsements, insurance requirements, warranty agreements for CBD products, and workforce training
- Assess the impact of CBD product sales on retailers' other business and professional licenses
- Assist with point of sale strategies for CBD products, including in-store product placement and signage

## **Real Estate Services**

- Evaluate and assist with state and local zoning requirements, public health considerations for medical marijuana facilities and CBD retailers
- Negotiate purchase and lease agreements for location of medical marijuana facilities

## **Litigation: Advocacy and Administrative Review**

- Representation of medical marijuana license holders in challenge to the state process for review and award of licenses
- Provide representation in administrative appeals for unsuccessful license applicants
- Representation of clients with regard to forfeiture of commercial property
- Respond to claims for product liability, failure to warn, and misbranding

## **Employment**

- Counsel owners of medical marijuana companies with various employment matters including non-compete clauses and employee terminations

- Assist employers of all kinds with respect to marijuana workplace issues (hiring, testing, policy updates, discipline and enforcement)

#### **Financing**

- Due diligence and guidance in identifying investment opportunities in marijuana related entities
- Advise ownership groups with respect to changes in ownership interests/stake

#### **Patent & Trademark**

- Evaluate opportunities and strategies for securing protection of intellectual property, including preparing trademark applications using proven state-based filing techniques and patent applications related to innovative technologies from seed to sale opportunities in the cannabis industry
- Drafting and implementing internal/external protocols to ensure trade secrets and other intellectual property rights are established for enforcement and defense