

Cannabis

The Cannabis Industry

Across the United States, medical and recreational marijuana programs are being allowed by state laws and regulations. In response, local governments are passing ordinances and rules to either encourage or limit the presence of the cannabis industry in their localities. As New Jersey expands its medical marijuana program and codifies its newly legalized recreational marijuana program, Sills Cummis & Gross's experience in New Jersey and nationally places it at the forefront of this industry.

Our History and Our Experience

Our Cannabis Industry Practice Group, first formed in 2015, is on the cutting edge of this rapidly evolving area. Having represented clients in cannabis-related transactions and litigations in New Jersey, Nevada, Arizona, Pennsylvania and Maryland, we are well-versed in the industry and the associated laws and regulations.

In New Jersey, Sills Cummis & Gross is no stranger to the dawn of a newly regulated industry. As one of a few law firms involved at the outset of the legalization of gambling in New Jersey, we understand the political, business and legal challenges clients will face. In that spirit, we work both to understand the regulatory framework and to guide our clients to maximize the benefits and protections available under existing and proposed laws and regulations.

A member of the Practice is an executive committee member of the New Jersey State Bar Association's Cannabis Law Committee and the co-chair of the Business Law Section's Cannabis Subcommittee.

Our clients include applicants for licensure to do business in the cannabis industry, operators in the cannabis industry, consultants and advisors to the cannabis industry, investors, owners of property where cannabis-related facilities are proposed, cannabis executives seeking guidance in connection with their employment agreements, and others seeking to do business with cannabis-related entrepreneurs.

Our Team

Our multi-disciplinary team understands the complex political, legal and business issues impacting companies operating in this industry. Our Practice Group is designed to provide a broad range of skills and experience to those already in, and those seeking to enter, the cannabis industry.

Areas of Experience

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- Corporate and Commercial Transactions, both Domestically and Cross-Border
- Mergers and Acquisitions
- Corporate Formation and Business Licensing
- Fund Formation and Investment Management
- State Licensing
- State and Federal Regulatory
- Branding and Intellectual Property Protections
- Commercial Licensing Agreements
- Banking and Financial Compliance
- Real Estate Law, including Zoning and Land Use
- Environmental Law
- Litigation and Insolvency
- Secured Creditor Issues
- Employment Law
- Tax Law

Possessing, using, manufacturing, distributing, and/or selling/dispensing cannabis or cannabis-based products is illegal under federal law, regardless of any state law that may legalize or decriminalize such activity under certain circumstances. Although federal enforcement policy may at times defer to states' laws and not enforce conflicting federal laws, you should be aware that compliance with state law in no way assures compliance with federal law, and there is a risk that conflicting federal laws may be enforced currently and in the future. No legal advice we give is intended to provide any guidance or assistance in violating federal law.

Representative Matters

- Representation of clients in connection with the acquisition or sale of businesses in the CBD, recreational and medicinal cannabis industries, including:
 - Representation of the operator of a cannabis business in Nevada in connection with the sale to an American subsidiary of publicly traded Canadian corporation.
 - Representation of the operator of a medical marijuana business in Arizona in connection with sale to publicly traded Canadian corporation.
 - Representation of a New Jersey-based CBD company in its sale to publicly traded Canadian corporation.
- Representation of a lender in connection with the financing of a California-based CBD operator.
- Representation of clients in connection with licensing matters in the hemp, recreational and medicinal cannabis industries, including:
 - Representation of four applicants, including one of the successful applicants in 2018, in connection with their applications for medicinal licenses in New Jersey in the 2018 and 2019

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application rounds.

- Representation of a client in connection with joint venture interest in a Pennsylvania cannabis application.
- Representation of clients in connection with the sale of cannabis licenses in Arizona and Maryland.
- Representation of investors in a New Jersey medicinal cannabis license.
- Representation of cannabis industry clients in connection with a broad range of regulatory and corporate counseling on matters involving labor peace agreements, employee stock options plans and corporate finance.