

# The Legal Intelligencer

THE OLDEST LAW JOURNAL IN THE UNITED STATES 1843-2017

PHILADELPHIA, FRIDAY, JUNE 23, 2017

VOL 255 • NO. 121 An **ALM** Publication

## It's Crunch Time for Medical Cannabis Attorneys in Pa.

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*Of the Legal Staff*

For Pennsylvania's newly licensed medical marijuana businesses and their lawyers, the next six months is set to be a mad dash as they try to meet a state-imposed deadline for becoming operational.

The Pennsylvania Department of Health named the 12 companies Tuesday that won permits to grow and process medical marijuana. The licensed dispensaries, which will sell the medical cannabis, are expected to be announced in the near future.

The successful applicants have six months to make their facilities ready for business. The Department of Health has aimed to have a fully operational medical cannabis program in the first quarter of 2018.

For growers "it's a pretty tight time schedule in order to be operational by the end of the year, beginning of next year," said Joshua Horn of Fox Rothschild, who represents two of the licensed grower/processors, which he declined to name. "It's really almost a punchlist the companies are going to have to go through."

Clifford Levine of Cohen & Grigsby said many of the successful applicants have experience launching medical marijuana growing facilities in other states, and should already have the zoning they need in Pennsylvania. His firm represents two of the permitted growers—Terrapin Investment Fund 1 LLC and PurePenn LLC.

"The applicants that got the award generally were well equipped and had good plans," Levine said. "It's an aggressive schedule, but it's realistic."

### 'BOOTS ON THE GROUND'

Lawyers for the grower/processors will have to firm up vendor agreements and



SACKS



ROARK

other contracts, Horn said, and deal with any land use issues that may remain. For out-of-state businesses, he said, the Pennsylvania lawyers will be their "boots on the ground."

They also have to ensure their clients remain compliant with Pennsylvania's specific regulations, Levine noted, like meeting seed-to-sale tracking and security requirements.

Andrew Sacks of Sacks Weston Diamond, who leads the medical cannabis committees of the Pennsylvania and Philadelphia bar associations, has one permitted grower client, Ilera Healthcare LLC. Becoming operational in six months is "nearly impossible," Sacks said, but growers may be able to get an extension from the Department of Health if they can show they need extra time.

William Roark of Hamburg, Rubin, Mullin, Maxwell & Lupin, who works with Sacks and co-chairs the PBA medical cannabis committee, noted that grower/processors have to set up multiple functions within their facilities, to both produce the cannabis and process it into a legal medical form.

"Aside from the physical construction of a building, you're also setting up in essence two businesses under one roof," Roark said. "That takes a lot of not only man power, but legal power."

The dispensaries will face the same tasks but to a lesser degree, Horn said. They may need to construct a facility, but the function is less complex.

Still, the dispensaries face a number of land use and zoning issues that grower/processors addressed before entering applications, said Dan Clearfield of Eckert Seamans Cherin & Mellott.

Clearfield said his firm's client, Franklin Labs LLC, is confident about becoming operational quickly. Franklin, which is also seeking a dispensary permit in Pennsylvania, has a facility in New Jersey that became operational within four months, Clearfield said.

Throughout that process, the legal work will likely center on compliance, vendor contracts and possibly financing, Clearfield said. Eckert Seamans had other clients who applied for grower/processor permits, but were unsuccessful, he said, and has several clients awaiting word on the dispensary applications.

For the grower applicants who did not get permits, an appeal may be in the cards. Those arguments could potentially delay the entire program, Sacks said, but Pennsylvania has said it will issue a second round of growing permits, which may cut down on appeals.

"These people can learn what they did wrong in the first round ... and go in on the second round," he said.

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