

CANNABIS & HEMP LAW

In 2021, Arizona and New Mexico joined the list of states that legalized cannabis for both medical and recreational use. Whether you're a plant-touching business – such as a grower, processor, distributor, clinic, or dispensary – or an ancillary business – such as packaging, equipment manufacturing or service, facility, or investor – your cannabis business needs legal counsel to guide you through the myriad state and federal regulations particular to the cannabis industry.

APPROACH TO CLIENT SERVICE

Led by experienced entrepreneur and business law attorney **Kortney Otten**, G&K's Cannabis & Hemp Law practice is deliberately designed to provide a holistic, team approach to client service. With 165 years of cumulative legal experience, the G&K cannabis team combines exceptional legal counsel with fundamental business intelligence to help you grow your cannabis business.

EXPERIENCE IN YOUR BUSINESS

No matter where you are in your cannabis business journey, we provide comprehensive and strategic counsel for current cannabis business owner/operators, start-ups, and those seeking to expand into this emerging market.

Our team is here to counsel you in virtually every area and at every stage of your cannabis business journey.

Representative Matters:

- Represented cannabis grower and dispensary in structuring vertically-integrated businesses in the most tax-efficient manner to minimize the impact of IRS Code Section 280E.
- Advised infusion and lab testing facility cannabis businesses on pre-litigation, restructuring, and bankruptcy issues.
- Counseled a new cannabis business through the investor relations and buy-in process, including preparation and analysis of data room storage, document diligence, and data review.
- Represented acquirers and targets, including dispensaries and infusion facilities, in the tax structuring of their acquisitions and dispositions, including as asset, stock, and merger transactions.
- Negotiated the sale of a medical marijuana certification clinic franchisor to a publicly-traded Canadian corporation.
- Represented Arizona dispensary in connection with its conversion from non-profit status to for-profit corporation.
- Represented a plant-touching cannabis business in landlord/tenant dispute involving safety requirements and employee issues.
- Obtained new state-issued recreational application on behalf of private enterprise expanding into Arizona, which included significant interaction with local government, regulatory compliance, and resolution of uncertainty under Arizona's regulatory scheme.
- Represented infusion and kitchen facilities cannabis business in forbearance agreement and satisfaction thereof.
- Negotiated successful joint venture between an Arizona cannabis business and partners in neighboring states as to specific product development and wholesale operations.
- Defended private hemp farming operation in tradename dispute with a non-cannabis related public company.
- Obtained dispensary rights and licensing for a multi-state dispensary expanding operations to Arizona.
- Drafted and negotiated complex management and commercial lease agreements for a cannabis businesses.
- Represented infusion, kitchen, and laboratory testing cannabis businesses in commercial space acquisition.
- Advocated on behalf of cannabis businesses in regulatory matters before the Arizona Department of Health Services and state municipalities regarding licensing and new land zoning rules.
- Represented cannabis start-up in entity structure, formation, tax planning, and employment compensation/benefit plans and options.
- Advised non-cannabis business employer on enforcement of workplace policies, drug regulations, and drug-testing issues.
- Represented public cannabis business with negotiations, documentation and closing of acquisitions and dispositions of operating dispensaries, licenses, and real estate interests located in multiple states.
- Restructured the corporate organizational chart for a start-up private enterprise to pursue the most advantageous tax treatment of operations, as well as ancillary businesses, including trademark registrations, development and protection of intellectual property, pursuit of joint venture opportunities, real estate rights acquisition, and corporate governance.
- Assisted private enterprise in relocating its production kitchen from northern Arizona to southern Arizona, including settling

- disputes with its existing landlord and negotiating its new contractual arrangement with the new landlord.
- Represented public cannabis company with formation of a joint venture to acquire a recreational license and develop a new dispensary, including the negotiation and preparation of the acquisition documents and the joint venture agreement documents.
 - Represented cannabis-processing equipment manufacturer with commercial contract matters, including terms and conditions, forms of purchase agreements, and independent contractor agreements.
 - Advocated for medical marijuana producer and dispensary in challenging a state agency's promulgation of regulations affecting medical cannabis production, testing, and dispensation.
 - Represented medical marijuana dispensary in disputes concerning zoning ordinances and zoning permits related to dispensary locations, including appeals of zoning board decisions to the Arizona Superior Court.

AREAS OF CANNABUSINESS REPRESENTATION

Business Law & Transactions:

- Business entity formation and strategic business planning
- Supplier, manufacturing, management, cultivation, and grow agreements
- Mergers and acquisitions
- Securities
- Capitalization and investor relations
- Formations focusing on cannabis investments
- General business transactions and contracts
- Banking, financial services, and bank regulatory issues
- Operational plan review
- Shareholder and operating agreements
- Venture capital and other business financing arrangements
- State license applications
- Franchising and distribution
- Restructuring, including debt and bankruptcy issues
- Debtor-creditor matters

Labor & Employment:

- Employment agreements, benefit plans, and compensation
- Independent contractor agreements and relationships
- Employment litigation
- Wage and hour laws
- Risk management for liability claims

Intellectual Property:

- Non-disclosure agreements
- Due diligence of IP ownership
- Licensing agreements to commercialize your IP
- Litigation defense and prosecution to protect your IP, including copyright and patent infringement, non-competes, trademark disputes, trade secret misappropriation, false advertising, and domain name disputes and cybersquatting

Tax and Finance:

- Strategies for mitigating Section 280E impact
- Federal and state corporate tax planning strategies
- IRS audits and civil tax controversies
- Individual tax planning

Real Estate:

- Business zoning and jurisdictional issues
- Real estate acquisitions for grower/dispensary properties
- Lease and purchase negotiations
- Landlord/tenant relations

Insurance:

- Regulation and compliance
- Coverage analysis for you and your business
- Claims handling and seeking bad faith recompense

Government Affairs & Advocacy:

- Advocating before state and federal governmental entities
- Licensing and emerging markets
- Regulatory compliance

Litigation:

- Management and shareholder disputes
- Landlord/tenant relations involving dispensary and kitchen issues
- Tax matters
- Debtor-creditor issues
- Vendor, products, and contracts issues, including enforcement
- Receivership
- Dispute resolution
- Insurance matters