

Missouri Lawyers

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POT PRACTICE

Armstrong Teasdale has marijuana law group based out of St. Louis

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Since Armstrong Teasdale opened an office in Denver in late 2014, it's not surprising that soon after the law firm added a marijuana law practice.

What is surprising is that the practice didn't start in the Denver office. It started in St. Louis with partner Eric Walter representing clients in Illinois, and then Missouri, who were starting businesses in the medical marijuana industry.

Colorado was among the first states to legalize marijuana. Missouri enacted a law in 2014 that made it legal for certain patients to obtain, possess and use "hemp extracts," which includes CBD oil. Illinois started a medical marijuana pilot program in 2014 that will run through 2018.

When Walter tells people about his marijuana law practice, he said their reactions are "a lot of interest and a lot of excitement, in the sense that it's a new practice area."

"There is little in the way of negative reactions," he said, noting that is in line with the nation's changing views on marijuana, as shown in polling.

And as more states legalize marijuana use, at least for medical purposes, the area seems ripe for growth as a law practice, Walter and other experts agree.

An enormous undertaking

Armstrong's marijuana practice started when a client of Walter's recruited him to help file in Illinois for a license for cultivating and dispensing medical cannabis.

The process, he said is an "enormous undertaking," that includes extensive paperwork.

"That's part of the political compromise," Walter said of the lengthy application.

Walter spent many late nights working on the application, including a couple of days when he hardly left the office, or slept, as the deadline approached. The work paid off — his client, Nature's Care Company, had its license approved in February.

The company's owner, Mitch Meyers, said she would not have wanted to go through the project without Walter and his team. She didn't realize that at first, she said, but quickly learned it was essential to have a lawyer on board.

"This is such a scary industry to begin with, it's so highly regulated," and the application was especially intimidating, Meyers said. "It takes a lawyer to understand and respond to what's there."

When Meyers decided to apply for one of the only two available licenses available in Missouri to cultivate cannabis and produce CBD oil, which is used to treat epilepsy, she again enlisted the help of Walter and his team at Armstrong to successfully obtain the license.

Walter is continuing to advise Meyers on her businesses, "with the same issues" he advises any client on, he said, such as corporate investors and employee and regulatory issues.



Armstrong Teasdale attorney Eric Walter, left, with his client, Mitch Meyers, in his office in Clayton, Mo. Tuesday. He helped her with her company's application to grow and dispense medical cannabis. Photo by Karen Elshout

"It runs the full gamut," he said.

Meyers said it would be impossible to get the work done without an attorney.

"Once we got the license we had to put together a company," Meyers said, also pointing to the need for investors and other issues.

A growing practice

Walter said he anticipates the practice will expand.

As Armstrong is marketing its expertise, he said it's important for people to know that consultants, who often market themselves as experts that can advise businesses looking to dispense medical marijuana or CBD, are not lawyers.

"Our main focus is to explain to them that it is a legal issue. You have a legal application and you have to show you're complying with regulations. You need a lawyer," Walter said.

In the legal community, experts aren't surprised to hear a marijuana law practice had started in Missouri even if they hadn't heard about it until recently.

Kelly K. Dineen, an assistant professor of health law and ethics at Saint Louis University, said she thinks it "makes good sense to organize a practice group around the many legislative, regulatory, and business practice nuances involved in medical marijuana."

"In some ways, it will involve applying existing legal expertise to a new business area. In other ways, it presents somewhat novel questions, particularly given the unsettled interaction of federal regulation and oversight with proposed or new state laws," she said.

For medical marijuana, she said there are "significant questions" surrounding issues such as appropriate manufacturing standards of quality and consistency, labeling and marketing, limitations on use and the availability of clinical evidence.

"Beyond the typical business issues, legal assistance will be needed in working with health regulatory and public health agencies, professional licensure boards, health care facilities, professional practices, and dispensaries," she said. "This work will encompass practice areas ranging from legislative advocacy to employment law to health law to intellectual property to land use."

Since the area is "increasingly a lucrative business investment and a viable alternative for some individuals with inadequately treated chronic health conditions," she said taboos will start to fade and marijuana law will become a fairly routine practice area in the future.

Marijuana law on the ballot

Of course, one major barrier in the way of marijuana law being a more lucrative practice in Missouri is current state

laws, which, aside from the CBD law, are still strict.

Those could change soon, as an organization called New Approach Missouri, with the support of the advocacy group Show-Me Cannabis, is working to get a medical cannabis initiative on the November ballot.

"We believe, and our polling indicates clearly, that if we get that on the ballot, it will pass," said Dan Viets, a criminal defense lawyer who is the secretary of the board for New Approach and chairman of the board of Show-Me Cannabis.

Show-Me Cannabis has tried before to get an initiative on the ballot, in 2012. Viets said the organization was brand new at the time, but said that was a "good rehearsal."

When asked what was different this time, Viets said the organization has "significant amounts of money" — he said a soon-to-be filed financial report will show the organization has more than \$300,000 — and the group has "very bright and capable people" working on the campaign.

Plus, there is more public support.

"The American public... believes marijuana prohibition should be repealed and replaced with regulation and taxation," Viets said, pointing to a Gallop poll that showed 58 percent of Americans backed legal marijuana use. "That number grows every year, every day."

Those businesses will need lawyers

The Missouri General Assembly will also consider some bills related to marijuana this session, including bills that would expand CBD access, allow for access to medical marijuana, legalize marijuana or would allow those licensed by the Department of Agriculture to grow and handle industrial hemp.

Viets said he thinks the bills regarding CBD and hemp have a chance, but others likely don't.

"I don't think that a real medical marijuana bill is going to pass through the legislature and I don't think the legislature is going to legalize marijuana for recreation," he said. "That's the focus of our initiative process. The voters are the people who change these laws."

If laws change in Missouri, Viets does see marijuana law as a practice that will grow, although he said he's not sure if "it's going to be a bonanza for business lawyers" because it will involve only a few hundred, at most, retailers across the state.

"It's not enough for most lawyers to build a practice around just that business, but obviously those businesses will need legal services just as every business does," he said. MO