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VIRTUAL



JUNE 30, 2020

Cannabis and Hemp: Up in Smoke?

How the Hospitality Industry Can Avoid Traps for the Unwary

What's the Difference Between Cannabis and Hemp?

Cannabis

- Contains more than .3% THC
- Federally illegal
- Legal or decriminalized in 40+ states

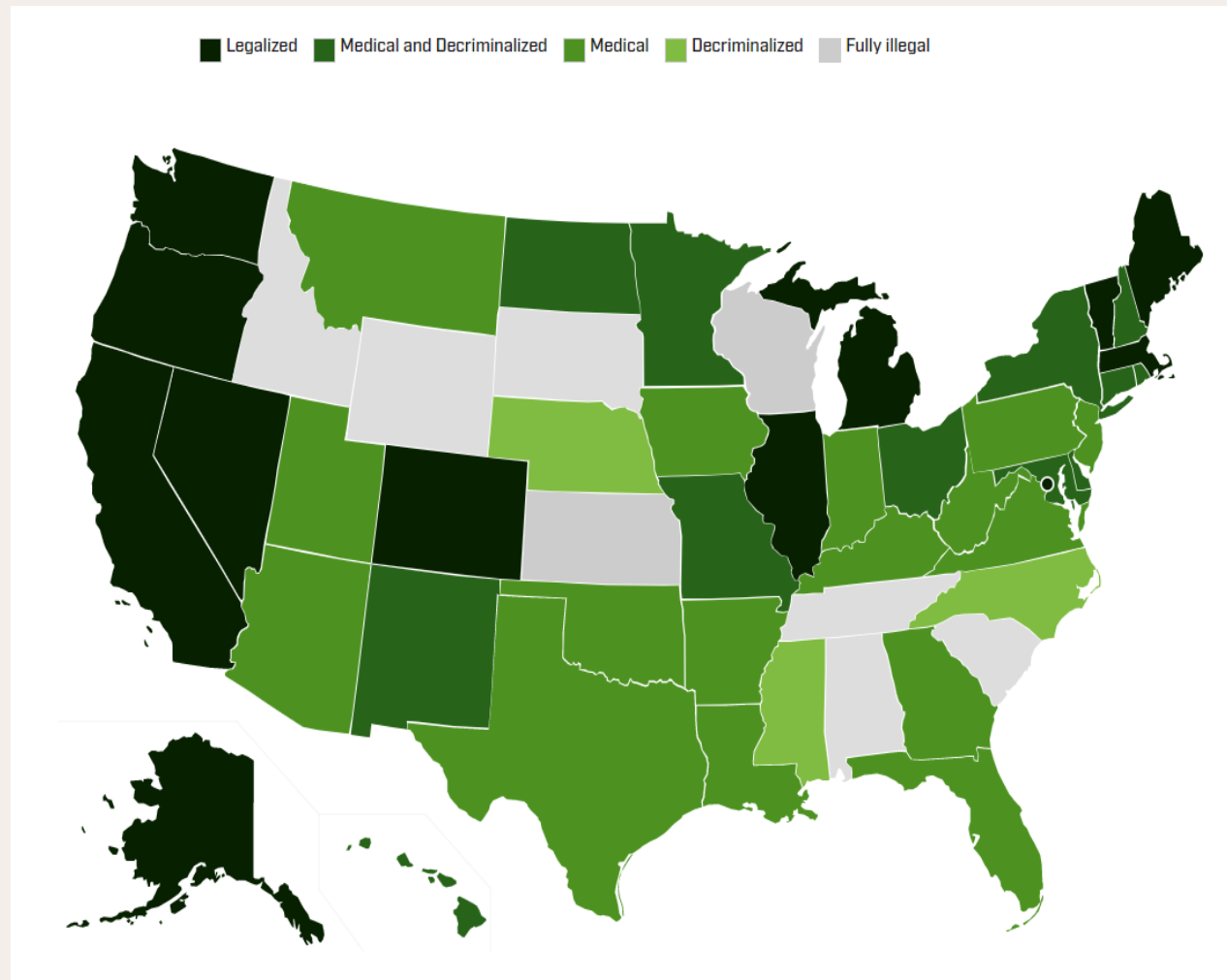


Hemp

- Contains .3% or less of THC
- Federally legal, if grown in compliance with applicable law
- Cultivation legal in 40+ states



Where is Cannabis Legal?

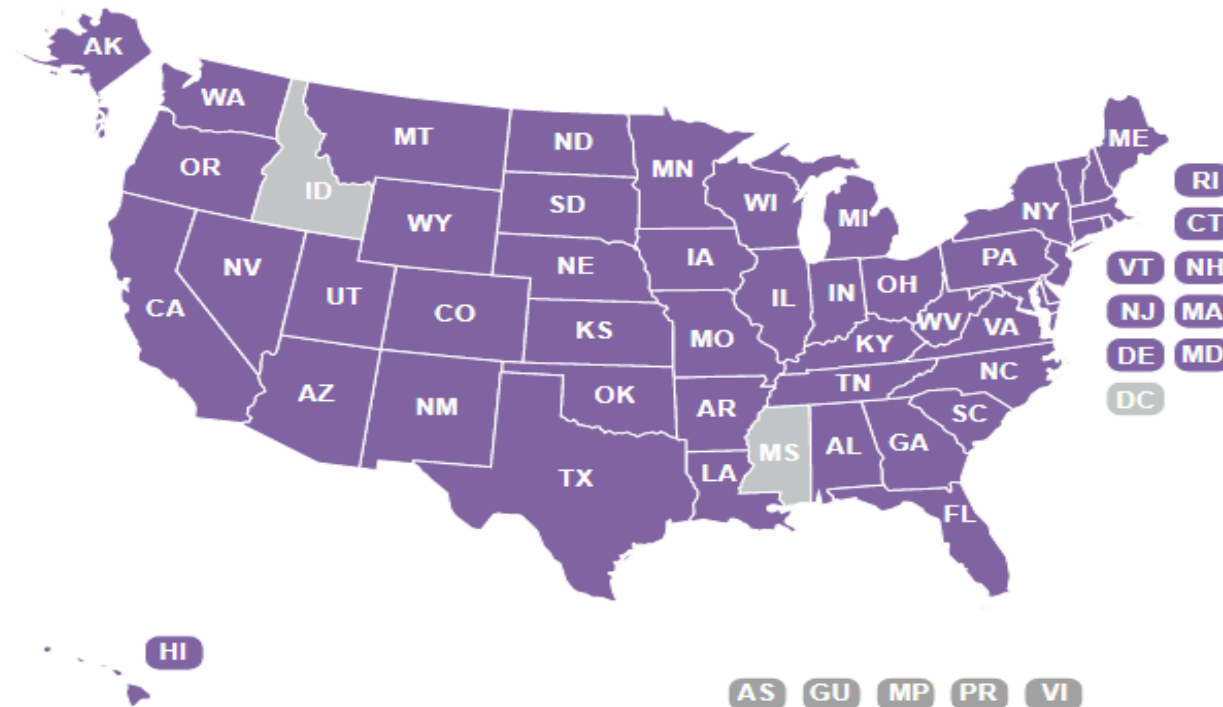


Source:
<https://disa.com/map-of-marijuana-legality-by-state> (last accessed on June 23, 2020)

Where is Hemp Legal?

Allows cultivation of hemp for commercial, research or pilot programs

Does not allow cultivation of hemp.



Source:
<https://www.ncsl.org/research/agriculture-and-rural-development/state-industrial-hemp-statutes.aspx> (last accessed on June 23, 2020)

What is the Size of the Opportunity?

Recreational marijuana
legalization in Denver →
\$130M in new hotel revenue

Source:
<https://news.psu.edu/story/611503/2020/03/09/research/hotels-benefit-marijuana-legalization-study-finds>, last accessed on
June 23, 2020



Trap 1: Imperiling Your Liquor License

- Sales of cannabis or hemp
- Services involving cannabis or hemp
- Training staff on over-service, when combined with alcohol



Trap 2: Using Hemp in Foods and Beverages

- Generally federally illegal, if introduced in interstate commerce
- Many states follow FDA guidance
- Impact on your liquor license



Trap 3: Accepting Percentage-Based Fees from a Cannabis Licensee

Tread carefully!

- Often arises in the advertising context
- Flat fee v. percentage-based fees



Trap 4: Failing to Update Insurance Policies

- Many policies exclude cannabis-related claims
- Significant exclusions for cannabis-related products liability claims



Trap 5: Failing to Use a Compliance Officer

- Rules frequently changing
- Compliance plan
- Compliance officer
- New policies, procedures and form contracts



Thank You!



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