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Why Seasoned In-House Attys Are Joining Cannabis Industry

By **Michele Gorman**

Law360 (August 5, 2019, 10:19 AM EDT) -- Just days after Illinois legislators voted to legalize recreational marijuana in May, Revolution Enterprises, a cannabis company in the Prairie State, broke the news that it had hired Groupon's former chief compliance officer as its general counsel.

At the coupon site, Ali Jubelirer said she witnessed the company "go from Wild West startup to a more mature place for employees to work and for consumers to trust."

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Ali Jubelirer

General counsel, Revolution Enterprises

At Revolution, which grows, processes and sells its own brands of medical cannabis products, Jubelirer is helping to guide the company as it expands nationally. It recently brought operations to Florida and Arkansas.

"I don't know what you call this if that's the Wild Wild West," said Jubelirer, comparing her former and current gigs.

Jubelirer is among the seasoned in-house counsel who have **recently left their jobs** at high-profile organizations to lead the legal departments at cannabis companies or cannabis practices at law firms and say they're intrigued by the rare chance to help set policy, innovate and educate others in a nascent industry.

Among the challenges they face is a complex landscape in which regulations aren't yet

completely clear.

While lawyers working at cannabis companies or in firm practices build up policies and procedures, most will need to deal with banking restrictions, expand their legal teams, assess risk, and guide their companies with legal and compliance boundaries in mind, not to mention maintain a patient mindset as the developing industry continues to emerge from the shadows.

Nicole Stanton, who worked in BigLaw for nearly 20 years before joining a cannabis company in June, acknowledged there are many areas of the law that are "well-plowed" and "tried and true."

"This certainly isn't one of them," said Stanton, who is now vice president and general counsel at multistate cannabis operator Harvest Health & Recreation Inc. "I think every day you're seeing — in various different states — things changing. Just being a part of that on the very ground level attracted me for sure."

Cannabis is prohibited under federal law, but the industry has been steadily growing since California first legalized marijuana for medicinal purposes in 1996. Sixteen years later, voters in Colorado and Washington passed initiatives legalizing cannabis for recreational use.

Now, 11 states and the District of Columbia have legalized marijuana for adult use, and a total of 26 states and Washington, D.C., have eliminated jail time for possessing small amounts of the drug, according to the Marijuana Policy Project.

Cannabis entrepreneurs have increasingly started popping up around the country. They have created dispensaries that sell, cultivators that grow and manufacturers that process cannabis-based goods.

More than half of the in-house counsel surveyed for a recent white paper released by Shook Hardy & Bacon LLP said they planned to spend more in the next two years to accommodate the evolving cannabis market.

And some in-house lawyers have been jumping into the industry themselves.

Jubelirer, who previously worked in-house for nearly 15 years at well-known organizations including what is now Tribune Media Co., said her leap into the highly regulated industry has been challenging rather than scary.

I think every day you're seeing — in various different states — things changing. Just being a part of that on the very ground level attracted me for sure.



Nicole Stanton

General counsel, Harvest Health & Recreation

"Things that other companies may take for granted as being relatively straightforward, we cannot," Jubelirer said. "Things that maybe are easy for other companies — setting up a bank account, for example — are more complicated for companies that are in this space."

What would appear to be a simple act of creating a bank account is among the complications that lawyers in the industry are facing. Under guidelines from the federal Financial Crimes Enforcement Network, banks generally can decide whether they want to accept cannabis money. But many refuse to do so, largely because of the risks of opening themselves up to civil and criminal penalties under federal anti-money laundering laws.

Industry experts also warn lawyers about how restrictions around marketing and advertising can impact their work, as well as the frequent changes to cannabis laws, mostly at the state level.

"The pace at which the landscape is changing is like nothing I've ever seen," Jubelirer said. "Equally, the pace and the workload and the amount that needs to be done internally is also like nothing I've ever seen."

Yoko Miyashita, a general counsel who moved from a mainstream business to the cannabis realm, says she's embracing the emerging marketplace.

Miyashita, who in the spring **started** working as the top lawyer at cannabis information resource platform Leafly, applauded her predecessors — whom she called the true pioneers in the industry — for laying the early-stage infrastructure that has charted the way and provided comfort for their peers who are making the leap from more mainstream and established companies.

Miyashita had worked at Getty Images, most recently as the general counsel and senior vice president, since 2005, before she was recently named general counsel at Leafly. She acknowledges that she's still in the "novice" stage of her journey as she continues to dig into what she referred to as "the 101" of cannabis.

But industry experts encourage attorneys like Miyashita to join the industry.

"You don't have to come in being a top expert in cannabis," said Sabas Carrillo, CEO of accounting and consulting firm Adnant LLC. "It will help you be better at your job because it will help you understand the nuances in the space ... but a good GC is a good GC, in my opinion."

Taking time now to understand more about cannabis as the landscape develops will later help inform how lawyers interact with their clients, he said.

Like Miyashita, Stanton also had minimal experience in the cannabis industry and was looking to make a career move in a managerial and decision-making role. For nearly two decades, she had worked in various positions at Quarles & Brady LLP, including as the office managing partner in Phoenix and assistant general counsel.

During her job search, she was quickly attracted to Harvest, largely because of the conversations she had with CEO Steve White and the success of the business, which grows, manufactures and sells cannabis.

"The company is expanding, as is the industry, and I thought it would be a great opportunity to make a bold move with my career, and I was at a place where I was ready

to do that," Stanton said. "It provides a real unique opportunity, I think, to be involved in some very cutting-edge advice, and using good judgment to impact possible business decisions."

She was also drawn to the role, her first full-time in-house position, because of the chance to expand her skills, develop new relationships and be the top lawyer at a publicly traded company.

I can't think of another time when something was coming and everyone saw it on its way. We don't really have a concept of how big it's going to be, but the momentum is certainly building.



Fruqan Mouzon

Of counsel, McElroy Deutsch Mulvaney & Carpenter

"Certainly, change is difficult under even the best of circumstances, but that's really where you have opportunities to really find greater happiness," Stanton said. "You do have to take those professional risks sometimes."

And the opportunities aren't limited to in-house roles. The former general counsel at the New Jersey State Senate Majority Office, Fruqan Mouzon, recently established and **now chairs** the cannabis law practice group at McElroy Deutsch Mulvaney & Carpenter LLP.

His main project for his last two years at the state Senate was helping to draft the bill to legalize cannabis in the Garden State. There, it remains illegal for adult use, but is allowed for medical purposes.

"It only made sense if I would leave, I would go and start a practice somewhere else," he said.

After reaching out to firms that had vibrant health and real estate practices and that shared his vision of creating a full-service cannabis practice group to serve clients "from soup to nuts," he found his match in McElroy Deutsch.

"I don't expect it to be smooth sailing at all points, but I wouldn't say I'm afraid of anything," he said.

Amid the obstacles, there's a sense of excitement among many of the lawyers who have gone all-in on the cannabis industry. When asked about this aspect of his new role, Mouzon compared his experience to that of the individuals who contributed to the creation of the internet.

"I guess I feel like however those guys felt," he said. "I can't think of another time when

something was coming and everyone saw it on its way. We don't really have a concept of how big it's going to be, but the momentum is certainly building."

--Additional reporting by Diana Novak Jones. Editing by Jill Coffey and Rebecca Flanagan.

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