

Cannabis, Inc.
Business and Law of Marijuana
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“Forget the Gold Rush, here comes the billion dollar Green Rush.”

Course Description

This course will introduce students to the rapidly-developing legal questions encountered in the operation of marijuana-related businesses. The course will use a fictional business, Cannabis Inc., to explore (1) the interplay between state laws legalizing recreational and/or medical marijuana uses and the Federal Controlled Substances Act (CSA); (2) enforcement and application of other regulatory regimes governing the operation of marijuana-related businesses, such as banking and securities laws; and (3) the ethical considerations for an attorney advising a client engaged in a marijuana-related business. Students will also be encouraged to develop normative arguments regarding the legalization of marijuana.

As this is a new, burgeoning industry, with few clear and concise rules and even fewer dispositive judicial rulings, this course will include numerous news articles that students will need to review, consider and be prepared to discuss in class.

Learning Objectives: By the end of the course, students should:

1. Understand the benefits and risks associated with the legalization of marijuana;
2. Understand the legal implications and limitations of the CSA for marijuana-related businesses;
3. Understand the ethical obligations of an attorney who represents a client in connection with a marijuana-related business; and
4. Understand key regulatory issues potentially applicable to marijuana-related businesses, including the present roles of the Securities and Exchange Commission, Internal Revenue Service, Treasury Department, and Bankruptcy Courts, and the potential future role of the Federal Drug Administration.

SYLLABUS

I. Introduction

The first class will introduce students to the course and subject matter by providing them with an overview of the history of marijuana in the U.S. We will also discuss the emerging and

often conflicting laws governing marijuana. Reading materials and class discussion will introduce key concepts (such as the difference between medical and recreational marijuana use) and the general content and purpose of current laws governing the marijuana industry (exploring the “paradox” that the federal government has banned the drug with no exceptions and that states have legalized it for medical purposes and four states and the District of Columbia have legalized it for recreational purposes).

II. Is Marijuana Legal?

This section and group of class sessions will study Federal and State laws and regulation directly addressed to marijuana use and indirectly implicated in the operation of a marijuana-related business. Class discussion will (1) consider the implications of the CSA marijuana prohibition, including on medical research; (2) explore the conflict created by state laws permitting marijuana use; and (3) consider the regulation of marijuana-related businesses under securities, banking, and bankruptcy laws. Important questions include: What roles do the SEC, Treasury Department, Bankruptcy Courts and Internal Revenue Service have in marijuana-related businesses and companies? And, what, if any, role should the FDA have in regulating marijuana and marijuana-related businesses in the future?

III: Ethical Issues Facing Attorneys

The next section of the course and group of class sessions will examine how conflicting state and federal marijuana laws create ethical issues for lawyers. Class discussion will include the following questions: What are the ethical issues that an attorney may face in each state? What does New York say on this issue? What should an attorney do when asked to advise a company in the marijuana business? This section of the course will conclude with a class debate on the ethics of representing a client in a marijuana-related business, including the broad range of ethical issues that this industry presents.

IV: Marijuana as an Investment and a Policy

The class will conclude by critically evaluating the marijuana industry from an investment and policy perspective. Students will be invited to develop perspectives on the value of the emerging marijuana industry and on whether marijuana-related businesses should be legal and, if so, what types of businesses should be legal. Students will also be encouraged to consider the special case of the medical marijuana industry. How does it compare to non-medical marijuana-related companies? Are the ethical problems the same? What potential implications are there for doctors writing marijuana prescriptions? Are there issues regarding how much marijuana a person should use and/or be prescribed?

V: IN CLASS FINAL EXAM.