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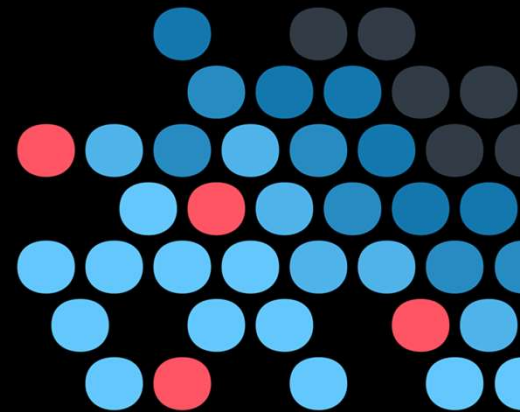
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ATTORNEYS AT LAW

Cannabis: The Future of the Hemp-Derived THC Market

Minnesota CLE, October 17, 2023

Michelle Bodian and Jason Tarasek, Vicente LLP

Jeffrey O'Brien, Chestnut Cambronne, P.A.



Jason Tarasek

Counsel, Vicente LLP

- Jason Tarasek serves as counsel at Vicente LLP and manages the firm's Minnesota office. He assists hemp, cannabinoid, medical-marijuana and adult-use cannabis clients throughout the Upper Midwest. With more than 20 years of legal experience as a transactional attorney and litigator, he has handled hundreds of civil-litigation matters and first-chaired several trials in state courts and federal courts throughout the Upper Midwest.
- In 2023, Jason advocated for Minnesota's passage of an adult-use cannabis bill. Over the course of several months, Jason worked closely with chief bill authors Sen. Lindsey Port, Rep. Zack Stephenson and legislative staff to fine-tune the landmark legislation.
- In 2022, Jason successfully lobbied in favor of Minnesota's "hemp-derived THC" law, working closely with Majority Leader Ryan Winkler, Rep. Heather Edelson, Republican senators, and a team of other talented lobbyists to draft and negotiate the terms of the groundbreaking legislation.



Bar Admissions:

- Minnesota
- Wisconsin
- Michigan
- South Dakota
- North Dakota
- California

Michelle Bodian

Partner, Vicente LLP

- Michelle Bodian serves as a partner in Vicente LLP's Boston and New York offices, where she is co-chair of the firm's Hemp and Cannabinoids Department and Grants and Loans practice group. In addition, Michelle leads the firm's Environment, Health & Safety practice group and is a leading member of the firm's cannabis licensing and regulatory compliance efforts in Connecticut and New York.
- She advises hemp and CBD clients on how to navigate through the complex and interconnected federal, state, and local regulatory frameworks. In addition, she counsels tri-state (Connecticut, New York, and New Jersey) clients on all aspects of cannabis licensing and regulatory matters. Her clients include existing medical operators throughout the tri-state, as well as businesses and individuals seeking new adult-use, medical, and cannabinoid hemp licenses.
- Michelle also advises cannabis and hemp clients on environmental, health and safety federal and state laws through identification, prevention, mitigation, and resolution of relevant issues.



Bar Admissions:

- Connecticut
- Massachusetts
- New York

Jeffrey O'Brien

Partner, Chestnut Cambronne, P.A.

- Jeff O'Brien is a partner with Chestnut Cambronne and serves as outside general counsel to a wide variety of small and closely held businesses as well as real estate investors and developers. He has significant experience working with craft breweries, distilleries, and a variety of other liquor and hospitality focused businesses on an array of issues including entity formation, financing, real estate matters, intellectual property protection, operational issues, securities law, and distribution contracts. Jeff also advises clients in the industrial hemp and cannabis industries and is a member of the Minnesota Industrial Hemp Association's Board of Directors.
- Jeff's practice is regional and national in scope. In addition to Minnesota, Mr. O'Brien is admitted to practice in the States of Iowa, North Dakota, South Dakota and Wisconsin, and before the United States District Court for the District of Minnesota, the District of South Dakota and the Northern and Southern Districts of Iowa. He is a member of the Board of Directors of the State Bar of Wisconsin's Non-Resident Lawyers Division (NRLD), and he regularly assists businesses across the United States on matters pertaining to Federal securities law, with an emphasis on exempt offerings under Regulation D and Regulation CF.



Bar Admissions:

- Minnesota
- Wisconsin
- Iowa
- South Dakota
- North Dakota

The Birth of Hemp 2.0 in Minnesota



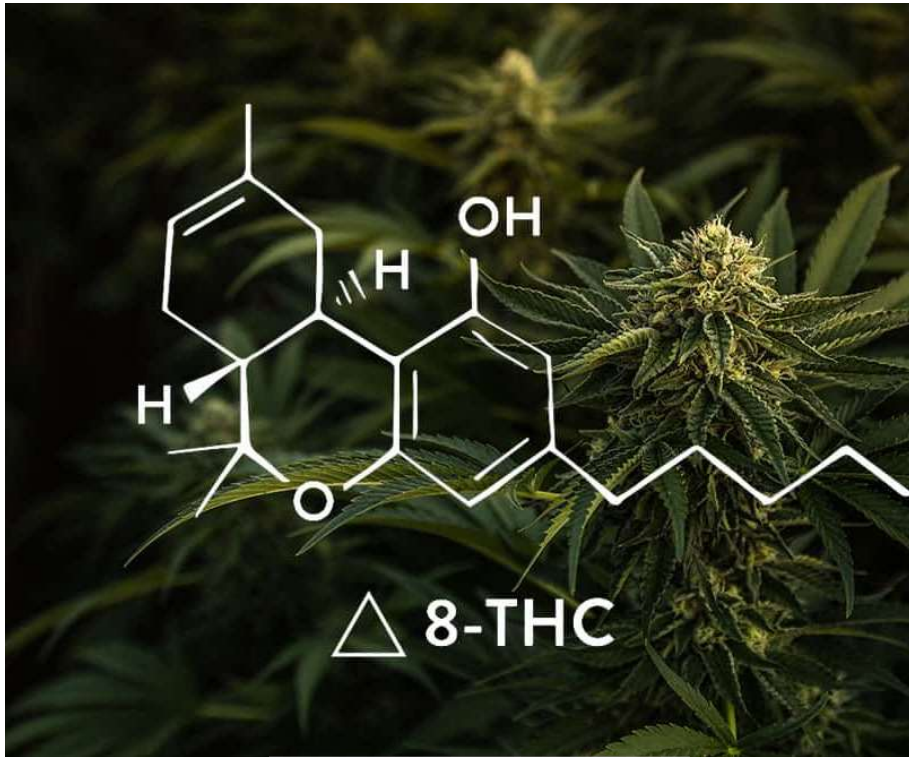
2014 Farm Bill: state pilot programs

2018 Farm Bill: 0.3% D9 THC legal

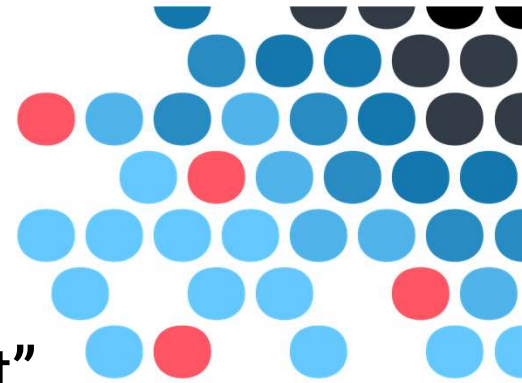
- Legalizes derivatives, including CBD
- Removes hemp from Schedule One of CSA

Minnesota hemp statute mirrors 2018 Farm Bill

Delta 8 Changes Everything



- Marijuana “light”
- Appears naturally but...
- Is it “derived from hemp”?
- Is it “synthetic”?
- Is it “intoxicating”?



The Crackdown of 2021

Board of Pharmacy lacks police

Enforcement is complaint-driven

- MDA Food Safety division
- Austin, MN

Local law enforcement

- Park Rapids, MN

Stillwater bans new CBD stores

FDA warning letters

Loveless shocks the industry



Summer 2022: Edible Cannabinoid Products

Legalizes hemp-derived THC in food/beverages

5mg per serving, 50mg per package

- MN Statute §151.72, Subd. 5a(f)

Effectively legalized intoxicating cannabis products for adults.

No vapes, no topicals with more than 0.3% THC

Adult use (21+)

“Certified Hemp,” COAs

No license required. (!?!)

No special tax. (!?!)

Board of Pharmacy regulates. (!?!)

Moratoriums ensue

No sales in liquor stores.

2023: Hemp-Derived THC Products Post-Legalization

“Low Potency Hemp Edibles”

Beverages limited to two servings per package (i.e., 10 mg)

Sales in liquor stores now legal

Can continue to be sold without license until March 2025

Must register with MN Department of Health by 10.1.23

Manufacturer and retailer licenses available (estimated date of issuance = 2025)

What Will Happen to Hemp-Derived THC Products?

- Adult-use MJ and hemp-derived THC
- Onboarding adult-use takes time
- Until late 2024 (early 2025), the hemp-derived product market will continue to flourish.

Hemp vs. marijuana

- Interstate commerce
- No tax penalty
- Banking
- Insurance
- Rescheduling?



Questions?



Thank You!

 Michelle Bodian

 M.Bodian@VicenteLLP.com

 Jason Tarasek

 J.Tarasek@VicenteLLP.com

 Jeffrey O'Brien

 jobrien@chestnutcambronne.com