

Pennsylvania: Aspiring Medical Cannabis Producer, Keystone ReLeaf LLC , Files Lawsuit To Stop State's MMR Program Because They Didn't Receive A Permit

If Pennsylvania's medical marijuana program is delayed by the lawsuit "people will be forced to needlessly endure excruciating pain, agony, and, in some cases, death," according to State Sen. Daylin Leach, prime sponsor of the 2016 law legalizing medical cannabis in the state in the following [open letter to Keystone ReLeaf LLC](#).

Tipton filed the court papers Friday pm in the Commonwealth Court on behalf of Bethlehem's Keystone ReLeaf LLC seeking an injunction against the state [Department of Health](#). The company has requested that the court to rescind all awarded permits and start the application process again from scratch.

Tipton is a partner in the firm [Florio, Perrucci, Steinhardt & Fader](#). [Christian M. Perrucci](#), also a partner, is listed as [a managing member of Keystone ReLeaf](#).

Philly.com reported yesterday that

Keystone ReLeaf unsuccessfully applied to win one of 12 permits, of the 25 allowed by law, awarded in June to grow and process marijuana in the state. In addition, it did not win one of 27 permits, of the 50 allowed by law, to open cannabis-product dispensaries. According to an attachment document buried in the suit, the company missed the state deadline by two days.

The state has said it will award a second round of permits sometime in 2018. The company is one of at least 140 failed applicants who have filed appeals challenging the state's awards. Keystone ReLeaf maintains that the Department of Health botched the awards process, rendering it "arbitrary, capricious, and unreasonable." In doing so, the department's Office of Medical Marijuana broke the regulations it was ordered to uphold, the suit states.

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Sen Leach was also joined by State Rep. Chris Rabb (D., Phila.), who noted, "There are legal remedies available to the company without seeking such a sweeping option that would harm so many vulnerable people."

Philadelphia attorneys who specialize in marijuana law voiced their concerns Monday about the suit. Similar complaints have held up deployment of medical marijuana programs in Maryland and Florida.

"We expected this to happen and hoped it would not," said [Andrew Sacks](#) of [Sacks, Weston, Diamond](#) LLC. "We have worked for 3½ years to see medicine in dispensaries, and lawyers trying to

delay children with epilepsy from getting [the CBD](#) they need as soon as possible should think twice." CBD is cannabidiol, the compound in cannabis that is believed to reduce seizures in children suffering from some forms of treatment-resistant epilepsy.

The suit claims the state selection process may have been "infected by bias and favoritism" because the Department of Health has kept the panelists who picked the permit winners secret, in violation of the state's Right-to-Know law. A recent decision by the state Office of Open Records [ruled](#) that the panelists must be identified.

It also claims that regulations were arbitrarily waived for some applicants; that the department failed to conduct adequate criminal background checks; and that a yes-no question eligible for 50 points was graded on a sliding scale — scores varied from five to 41 points.

Keystone ReLeaf also criticized the state for awarding a permit [to a Minnesota company currently under criminal investigation](#) because two now-former executives illegally transported \$500,000 worth of hashish oil across state lines.

"No applicant understands how or why they scored a certain score in any category," the suit states, "and when challenged by way of administrative appeal, [the Department of Health] has, to date, utterly refused to explain or defend its scoring decisions."

The company offered as an example two applications it submitted for separate dispensary facilities. In 11 categories for which it submitted identical information, its answers received different scores. Medical marijuana attorney [Steve Schain](#) of the [Hoban Law Group](#) said it was unlikely the Keystone ReLeaf suit would derail the Pennsylvania program.

Read more at <http://www.philly.com/philly/business/cannabis/suit-to-halt-pa-marijuana-program-may-cause-pain-agony-death-20170911.html>