



Green Thumb Wins TRO In Arkansas Dispensary License Fight

By **Diana Novak Jones**

Law360 (July 24, 2020, 4:29 PM EDT) -- Cannabis company Green Thumb Industries notched an early win in its lawsuit over Arkansas' decision to award a medical marijuana dispensary license to a competing applicant after a state court judge granted it a temporary restraining order against the award.

Pulaski County Circuit Court Judge Mary McGowan sided with Green Thumb on Wednesday, a day after it filed a lawsuit complaining that the Arkansas Medical Marijuana Commission had ignored its own rules limiting the amount of dispensary licenses a business can hold when it awarded a second license to Native Green Wellness Center.

The temporary restraining order requires the commission to hold off on finalizing the award until the court can hold a hearing on Green Thumb's request for a preliminary injunction. But the judge said she believes Green Thumb is likely to succeed on its argument that Native Green's license was awarded improperly and could be harmed if the award goes through.

Amendment 98, which legalized medical marijuana in Arkansas, says no person can have ownership in more than one medical marijuana dispensary, Judge McGowan said. And yet the commission awarded Native Green the next available license in Pulaski County, even though a year ago Native Green received a license in a different county, she wrote.

Scott Hardin, spokesman for the commission, said Native Green received its license several days before the temporary restraining order was issued. The dispensary remains licensed despite the order, he said.

Jay Hickey, chief financial officer of Green Thumb Industries Arkansas, told Law360 the company is pleased with the ruling.

"Every single applicant applying, or having applied, for a cultivation or dispensary license with the MMC should legitimately believe they are, or were, afforded fair treatment under the law," Hickey said. "The timeline and facts leading up to Green Thumb Industries Arkansas' denial of their dispensary license makes clear that Green Thumb Industries Arkansas was not treated fairly as mandated by relevant law, the Constitution, or even common practice."

Green Thumb's suit, filed Tuesday, claims that its application for the Pulaski County license was ranked just behind Native Green's, so it would be **next in line** for the license should the court determine that it was improperly awarded.

The state has yet to be served with the complaint, according to court records.

The suit is the second filed in recent weeks challenging a batch of license awards the commission made at a pair of June meetings.

The first suit was filed by the **state's five original licensed cultivators**, arguing that the commission's decision to award the state's three remaining cultivation licenses was done without a required determination that they were necessary.

That case, which also seeks an injunction to stop the new licensees, is ongoing, according to court records.

Green Thumb is represented by Jerry L. Malone.

Counsel information for the state was not available.

The case is Green Thumb Industries Arkansas LLC v. Arkansas Department of Finance and Administration et al., case number 60CV-20-3981, in the Circuit Court of Pulaski County, Arkansas.

--Additional reporting by Sarah Jarvis. Editing by Adam LoBelia.

Update: This story has been updated with comment from Green Thumb Industries Arkansas.