



## **Hemp is Here, and We are Committed.**

The Hemp Law Practice Group represents clients in all aspects of the hemp and cannabidiol ("CBD") industries, both in North Carolina and beyond.

Our hemp and CBD clients include direct industry participants, such as hemp cloning and genetics operations, farmers and growers, processors, extractors, and product manufacturers, wholesalers, distributors, and retailers. We also assist clients who are collaterally involved, including trade associations, brokers, consultants, marketing agencies, lenders and financial institutions, and other participants and vendors who do not directly "touch the plant."

Hemp and hemp-derived compounds, most notably CBD, were decriminalized with the passage of the Agriculture Improvement Act of 2018. As a result, commercial opportunities in the market have greatly expanded. That market is driven by the many commercial and industrial uses of the plant. To name just a few: hemp stalks and fiber can be processed into paper, durable textiles and clothing, building products and renewable insulation; hemp seeds and oils can be used in cooking applications, as food and beverage ingredients and flavorings, fuel, and animal feed; and hemp flower can be processed into CBD, which has been incorporated into countless medicinal, food, beverage, supplement, and personal care products.

The hemp and CBD industry has seen tremendous national and local momentum. The economic possibilities for hemp market participants, investors, and for North Carolina as a whole are very exciting. But, much risk and uncertainty remain in the market. The state and federal regulatory climate for food, beverage, supplement, and personal care products containing CBD or other hemp derivatives is dynamic and complex, and participation in that space requires a proactive and thoughtful approach. As hemp attorneys, we are continuously studying these issues – both on the state and federal levels – with an eye toward safely guiding our clients through the indeterminate landscape.

### **Adding Value for Clients**

As part of a full-service business law firm, our Hemp Law Practice Group draws on the experience of attorneys in all practice areas within our Firm to ensure that our clients' needs are met. The Hemp Law Practice Group is comprised of a team of attorneys with broad experience in the areas of agribusiness; business, corporate, tax, finance, and mergers and acquisitions; regulatory compliance and advice; trademarks, brand protection, and intellectual property; litigation; labor and employment; government relations and lobbying; and leasing, real estate development and transactions, and zoning and land use. Other attorneys in our firm with different areas of expertise are engaged as needed to provide services to our hemp and CBD industry clients.

Beyond the daily work of assisting our clients with their pressing legal issues, we are excited to be a part of the hemp and CBD communities. Our attorneys are passionate about the industry, the products, and the people we serve. We conduct educational seminars for clients, plan, present and participate at industry-focused continuing education forums, attend industry conferences, and are actively engaged with industry-focused trade associations. Among others, Ward and Smith is a proud member of the North Carolina Industrial Hemp Association. We also send informational articles and bulletins to clients on relevant issues that require immediate attention or consideration.

We regularly help hemp and CBD clients understand and comply with the complex rules and regulations enforced by state

and federal agencies, including:

- State-level commissions or quasi-governmental bodies that license and regulate the hemp industry within defined jurisdictions, including the North Carolina Industrial Hemp Commission
- State-level Departments of Agriculture, which oversee and implement state-level hemp and CBD statutes and regulations, including the North Carolina Department of Agriculture & Consumer Services
- North Carolina Department of Revenue
- Internal Revenue Service (IRS)
- Drug Enforcement Administration (DEA)
- Federal Trade Commission (FTC)
- Federal Food and Drug Administration (FDA)

We also assist our clients across a broad spectrum of their business needs, including:

- Licensing for growers, processors, and other industry participants
- Grower operations, including nursery, row crop, and greenhouse farming operations, and multi-crop integration
- Grower agreements, seed agreements, farm leases, and other operational documents
- Hemp and CBD processing, extraction, manufacturing, and retail operations
- Product liability issues
- Mergers and acquisitions
- Local, state, interstate, and international sales and employment matters
- Purchase contracts, sale agreements, distribution agreements, employment agreements, and other business contracts
- Entity formation, shareholder agreements, operating agreements, and partnership agreements
- Outside investments and capital fundraising, including cryptocurrency, crowdfunding, and state and federal securities compliance
- Equipment purchasing, equipment leasing, and warranty issues
- State and federal banking regulations, including lending, merchant services, and deposit account concerns
- Local land use and zoning issues
- Protecting hemp and CBD brands, plant varieties and genetics, formulas, recipes, trade secrets, and other intellectual property
- Interfacing with legislators concerning the North Carolina hemp and CBD industries through our lobbying and government relations team
- Regulatory compliance and advice as clients develop and implement their business plans and strategies

Ward and Smith's commitment to providing exceptional client service is an ongoing professional goal for each member of our Firm. We do this by creating and maintaining unique attorney-client relationships. Our clients appreciate the advantage of having accessible attorneys, and we encourage them to call whenever a legal or regulatory question or concern arises. Our attorneys make themselves available, at work or at home, in or out of the office. We are a full-service law firm whose focus never strays from our core values of reliability, responsiveness, and value-added legal services. Our firm and our attorneys are committed to the hemp and CBD industries. We have led from the front of the legal industry in North Carolina, and we will continue to do so for the benefit of our clients.