In The Court of Appeals

Of Maryland

Filed

JUN 23 2017

September Term, 2016 No. 98 Bessie M. Decker, Clerk Court of Appeals of Maryland

JANE AND JOHN DOE, et al.,

Appellants,

V.

ALTERNATIVE MEDICINE MARYLAND, LLC, et al.,

Appellees.

Appeal from the Circuit Court for Baltimore City, Maryland (The Honorable Barry G. Williams)

BRIEF OF APPELLANT FORWARDGRO, LLC

Ira T. Kasdan Joseph D. Wilson Bezalel A. Stern (by special admission) KELLEY DRYE & WARREN LLP 3050 K Street, N.W., Suite 400 Washington, D.C. 20007 (202) 342-8400 (Telephone) (202) 342-8451 (Facsimile) ikasdan@kelleydrye.com jwilson@kelleydrye.com bstern@kelleydrye.com

Counsel for Appellant ForwardGro, LLC

TABLE OF CONTENTS

.

TABI	LE OF .	AUTHORITIES	ii		
I.	STAT	TEMENT OF THE CASE	1		
II.	QUES	STIONS PRESENTED	5		
III.	STATEMENT OF FACTS				
IV.	STAN	NDARDS OF REVIEW	9		
	A.	The Circuit Court's Denials of ForwardGro's Motion to Intervene	9		
	B.	The Circuit Court's Email Invitation to ForwardGro, as a Non-Party, to Participate in the Preliminary Injunction Hearing in a Limited Fashion	. 10		
V.	ARG	UMENT	. 10		
	А.	ForwardGro Must Be Permitted to Intervene in the Proceedings Below	10		
	В.	ForwardGro's Constitutionally-Protected License May Not Be Taken Prior to a Final Disposition on the Merits	13		
VI.	CON	CLUSION	15		
		S AND TEXT OF PERTINENT CONSTITUTIONAL PROVISIONS, , ORDINANCES RULES AND REGULATIONS	17		
CERTIFICATION OF WORD COUNT AND COMPLIANCE WITH RULE 8-112					
CERTIFICATE OF SERVICE					

TABLE OF AUTHORITIES

Page((s)
-------	------------

CASES

<i>Bd. of Regents of State Colls. v. Roth</i> , 408 U.S. 564 (1972)	. 1, 11
<i>Chaney v. State</i> , 397 Md. 460 (2007)	6
Citizens Coordinating Comm. on Friendship Heights, Inc. v. TKU Associates, 276 Md. 705 (1976)	11
Cote v. Cote, 89 Md. App. 729 (1992)	14
Davis v. Slater, 383 Md. 599 (2004)	10
Dua v. Comcast Cable of Md., Inc., 370 Md. 604 (2002)	. 1, 11
<i>Ehrlich v. Perez</i> , 394 Md. 691 (2006)	15
Maryland-Nat. Capital Park and Planning Com'mn v. Town of Washington Grove, 408 Md. 37 (2009)	. 9, 11
Pitsenberger v. Pitsenberger, 287 Md. 20 (1980)	14
Sapero v. Mayor & City Council of Baltimore, 398 Md. 317 (2007)	12
<i>Texas v. U.S.</i> , 805 F.3d 653 (5th Cir. 2015)	11

CONSTITUTIONAL PROVISIONS

Declaration of Rights, Article 24 14
Md. CONST., art. III, § 40 14
STATUTES
Md. Code, Health-Gen § 13-3302 5
Md. Code, Health-Gen § 13-3306 5, 6, 13
Md. Code, Health-Gen § 13-3307 5, 6
Md. Code, Health-Gen § 13-3309 5, 6
RULES
Md. Rule 2-214 11
Md. Rule 15-501 13, 14
Md. Rule 15-505 3, 10
REGULATIONS
COMAR § 10.62.08.06
COMAR § 10.62.34.01
COMAR § 10.62.34.02 13
COMAR § 10.62.34.03
OTHER AUTHORITIES
http://mmcc.maryland.gov/Pages/industry.aspx (last visited June 21, 2017)6
Moore's § 24.03[2][a] 11

.

.

.

I. STATEMENT OF THE CASE

On May 17, 2017, following months of diligent, time-consuming and expensive activity by ForwardGro, LLC ("ForwardGro") and its affiliates, the Natalie M. LaPrade Maryland Medical Cannabis Commission, also known as the Maryland Medical Cannabis Commission (the "Commission") issued ForwardGro a final stage 2 grower license (the "License"), allowing it to grow cannabis in the State of Maryland. (E 1083 ¶ 13). As of that date, ForwardGro held-and currently holds-an indisputable, and heretofore undisputed, vested right as well as a constitutionally-protected property interest in that License. See Dua v. Comcast Cable of Md., Inc., 370 Md. 604, 623 (2002) ("No matter how 'rational' under particular circumstances, the State is constitutionally precluded from abolishing a vested property right or taking one person's property and giving it to someone else."); Bd. of Regents of State Colls. v. Roth, 408 U.S. 564, 577 (1972) ("To have a property interest in a benefit, a person clearly must have more than an abstract need or desire for it. He must have more than a unilateral expectation of it. He must, instead, have a legitimate claim of entitlement to it.").

On May 25, 2017, the Circuit Court issued a temporary restraining order, temporarily enjoining the Commission from issuing any further final stage 2 grower licenses (the "TRO"). (E 667). The Circuit Court issued the TRO in response to an eleventh-hour "Emergency" Motion filed by Appellee Alternative Medicine Maryland, LLC ("Appellee" or "AMM"). (E 409-414).

Previously, on February 21, 2017, ForwardGro and several of the other Appellant-Intervenors (collectively, the "Intervenors") had been denied intervention by the Circuit Court.¹ (E 33). A prime reason the Intervenors gave to the Circuit Court in support of their Motion to Intervene² was that they needed to protect their interest in obtaining—and then later keeping—a final, stage 2 grower license. *See, e.g.*, (E 116 ¶¶ 4, 7). The Circuit Court denied the Intervenors' Motion for Intervention, finding, *inter alia*, "that the proposed intervenors [only] have a general interest in the outcome of the case" which does "not rise to the level of a right to intervene." (E 300).³ Because ForwardGro and the other Intervenors had been denied intervention, they were unable to explain to the Circuit Court, either in briefs or at the May 25, 2017 TRO Hearing (the "TRO Hearing"), why the TRO would negatively impact them, their employees and their contractors. *See section* V.A, *infra*.

Ultimately the TRO that the Circuit Court issued did not include ForwardGro. (E 667). Nevertheless, AMM had argued at the TRO Hearing that the Circuit Court should "maintain the status quo [by issuing the TRO], *minus the one small exception*, because we want you to suspend the license that's been recently issued [to ForwardGro]."

¹ ForwardGro joins in the Intervenors' Brief before this Court in full and incorporates it herein by reference.

² The Intervenors' Motion to Intervene was filed on December 30, 2016. (E 115-119).

³ The Circuit Court also denied as moot the Intervenors' Motion to Dismiss and Motion to Consolidate the below case with a companion case, *GTI Maryland, LLC v. Maryland Medical Cannabis Comm'n*, No. 24-C-16-005134 (the "GTI Case"), in which the Intervenors filed the same motions. (E 199-205).

(E 1021) (emphasis added).⁴ The Circuit Court declined Appellee's request at that time,

stating: "No matter what I decide, I will not make that decision [to suspend ForwardGro's

License] today." Id. (emphasis added).

In the TRO Order, the Circuit Court scheduled a preliminary injunction hearing

for June 2, 2017. (E 667). On the evening of May 25, 2017, ForwardGro's (then)

counsel received an email from the Circuit Clerk's law clerk, stating:

Counsel,

Please be advised that, I have faxed out the TRO Order to all parties. The original has been filed with the Clerk's office and you should receive a time-stamped copy from them.

Mr. Berman and Mr. Rifkin, I have included you in this message because the Court, at the TRO hearing, invited counsel for only ForwardGro, LLC, to briefly argue at the Preliminary Injunction Hearing scheduled for June 2, 2017 at 10:00am in Courtroom 528E, only on the issue of if the Preliminary Injunction is granted whether or not the license issued to ForwardGro, LLC should be suspended. To that end, I have sent you a copy of the TRO order as well.

(E 671) (the "May 25 Email").

Maryland Rule 15-505(a) provides that "[a] court may not issue a preliminary injunction without notice to all parties and an opportunity for a full adversary hearing on the propriety of its issuance." The Maryland Rules do not provide for notice of a preliminary injunction to be made to non-parties.

Because of this anomaly, ForwardGro stated its belief to the Circuit Court that the May 25 Email served as reconsideration of the Circuit Court's earlier denial of

⁴ AMM's characterization to the Circuit Court of what it sought with respect to ForwardGro, namely "one small exception" to the *status quo*, was in fact a brazen request to violate ForwardGro's constitutional rights. *See infra*, Section V.B.

ForwardGro's December, 2016 Motion to Intervene in the proceedings, and that the Circuit Court now considered ForwardGro a party in the case. (E 1005). ForwardGro's new counsel⁵ stated in its Notice of Appearance: "Accordingly, ForwardGro will govern itself as a party going forward in this matter, unless the Court orders otherwise." *Id.* (footnote omitted).

On May 31, 2017, the Circuit Court ordered otherwise. The Circuit Court stated, in a summary order:

The [Circuit] Court's May 25, 2017 email did not serve as reconsideration of this Court's February 21, 2017 denial of ForwardGro's Motion to Intervene nor is ForwardGro LLC is permitted to "govern itself as a party," in this matter absent express approval by this Court. As noted in the email, counsel for ForwardGro, LLC is invited to argue solely on the issue of whether or not the license issued to ForwardGro, LLC should be suspended, if and only if, the Court grants a Preliminary Injunction at the June 2, 2017 hearing.

(E 39).

The Circuit Court's Order did not explain how ForwardGro's contemplated appearance at the preliminary injunction hearing as a non-party complied with the Maryland Rules. The Circuit Court's Order also did not explain why it denied, for a second time, ForwardGro's proposed intervention, given that ForwardGro had obtained the License and thus had a property interest meriting intervention of right.

On the morning of June 2, 2017, this Court stayed proceedings in the Circuit Court. On June 9, 2017 the Court issued a writ of certiorari. (E 1016).

⁵ Because ForwardGro's License gives it clearer rights relative to the other Intervenors, ForwardGro informed the Circuit Court on May 30, 2017 that it had retained the undersigned as new litigation counsel in this case.

II. QUESTIONS PRESENTED

1) Should ForwardGro, which currently possesses a License, be permitted to intervene in this case in order to protect its vested right and constitutionally-protected property interest?

2) If the case is remanded, can the Circuit Court suspend, revoke, or cause to be revoked ForwardGro's License as preliminary injunctive relief?

III. STATEMENT OF FACTS

The Maryland Legislature established the Commission by statute. Md. HEALTH-GENERAL Code ("HG") § 13-3301, *et seq.* (2017) (the "Medical Cannabis Legislation"). The expressly stated "purpose of the Commission is to develop policies, procedures, guidelines, and regulations to implement programs to make medical cannabis available to qualifying patients in a safe and effective manner." HG § 13-3302(c) (2017).

The Medical Cannabis Legislation created three steps in the chain of cannabis medication, each requiring a separate Commission-issued license. The first step requires a grower license. *See* HG § 13-3306 (2017). The second step requires a processor license. *See* HG § 13-3309 (2017). The final step requires a dispensary license. *See* HG § 13-3307 (2017). The Medical Cannabis Legislation allows the Commission to license "no more than 15 medical cannabis growers" until June 1, 2018 if necessary to meet the demand. HG § 13-3306(a)(2)(i)-(ii) (2017); *see also* COMAR § 10.62.08.06(A)(1).

As part of the legislation enabling the Commission to provide medical cannabis to the patients who are the intended beneficiaries of the program, the Medical Cannabis Legislation provides that the Commission should "[a]ctively seek to achieve racial,

5

ethnic, and geographic diversity when licensing medical cannabis growers." HG § 13-3306(a)(9)(i)(1). The legislation also states that the Commission should "[a]ctively seek to achieve racial, ethnic, and geographic diversity when licensing dispensaries." HG § 13-3307(c)(2).⁶

Following the Commission's promulgation of Regulations pursuant to the Medical Cannabis Legislation (the "Regulations"), ForwardGro applied for a grower license and a processor license. ForwardGro's application for a stage 1 grower license was approved. ForwardGro was not issued a stage 1 processor license.⁷ AMM also applied for a grower license, a processor license and a dispensary license. AMM was awarded a stage 1 dispensary license, but was not issued a stage 1 grower license or a stage 1 processor license.⁸

AMM brought the underlying lawsuit against the Commission on October 31, 2016, only after it was denied a stage 1 grower license. AMM's lawsuit alleges, in pertinent part, that the Commission should have considered race in its determination of

⁶ The Medical Cannabis Legislation did not contain a similar dictum regarding processor licenses. *See* HG § 13-3309.

⁷ The Court may take judicial notice that ForwardGro received a stage 1 grower receive stage processor license. See license, and did not a 1 http://mmcc.maryland.gov/Pages/industry.aspx (last visited June 21, 2017). Chaney v. State, 397 Md. 460, 471 n.7, (2007) ("Because the forms mandated by law to be sent are in the nature of official documents prepared by a State agency and are readily available to the public and to the Court, we may fairly take judicial notice of them.")

⁸ The Court may take judicial notice that AMM received a stage 1 dispensary license, but did not receive a stage 1 grower or stage 1 processor license. *See* http://mmcc.maryland.gov/Pages/industry.aspx (last visited June 21, 2017). *Chaney*, 397 Md. at 471 n.7.

grower license awardees. See, e.g., (E 61-62 ¶ 96). Although the Medical Cannabis Legislation used almost precisely the same language regarding race and ethnicity respecting grower licenses and dispensary licenses, AMM did not bring a lawsuit against the Commission alleging that the Commission should have considered race in its determination of dispensary license awardees (of which AMM was one).

On December 30, 2016, ForwardGro, along with three of the other Intervenors, moved to interevene in the Circuit Court, both as of right and by permission. (E 115-119). Although AMM's lawsuit did not name any of the Intervenors as defendants, the Intervenors recognized that, if successful, the lawsuit had the potential to destroy the human and financial investment they had already made and would necessarily have to make in order to ensure that they were awarded final, stage 2 licenses. The Intervenors further recognized that, after being awarded stage 2 licenses, their property rights and other interests would be impaired or impeded as a result of the lawsuit. *See* (E 116 \P 7).

AMM opposed the Intervenors' Motion to Intervene. (E 179-85). In its papers, AMM represented to the Circuit Court that "the only party bound by the judgment in this case is the Commission. The pre-approved growers will neither assume legal obligations nor lose legal rights. *None of their property interests in a current pre-approval or future license will be irrevocably governed by the judgment in this case.*" (E 181) (emphasis added). AMM continued: "Of course, AMM wants a grower license . . . Nonetheless, *there's nothing about the relief AMM seeks from the Court that impedes any of the four Proposed Intervenors/pre-approved growers'* [including ForwardGro] *ability to also obtain a license.*" *Id.* (emphasis added). The Circuit Court held a hearing on Intervenors' Motion to Intervene on February 21, 2017 (the "February 21 Hearing"). At the February 21 Hearing, counsel for Intervenors expressed what should have been an apparent understanding, stating that the holders of stage 1 grower licenses are "able to perform, they spen[t] millions in reliance on both the Stage I awards and on Plaintiff's unreasonable silence. AMM admits that it is challenging the entire licensing process, including the intervenor's awards. If AMM prevails, all of the money that these grower awardees has spent is lost." (E 284).

The Circuit Court denied the Intervenors' Motion to Intervene, ruling from the bench:

The Court therefore does not find that the intervenors have sufficient interest that are connected to the actions involved in each case.⁹ And that's whether the person is so situated that the disposition of the action as a practical matter may impair or impede that person's ability to protect that interest...

The Court understand[s] that the proposed intervenors have a general interest in the outcome of the case. The growers want nothing to stand in the way of the process which would allow them to get a [final, stage 2 grower] license, the patients certainly want access to medical cannabis as soon as possible. Those wishes do not rise to the level of a right to intervene.

(E 299-300). The Circuit Court subsequently issued a written Order, (E 33), which

ForwardGro, along with the other Intervenors, timely appealed. (E 268).

While ForwardGro was shut out of the judicial process concerning its substantive rights, it could not sit on its hands to await the outcome of the underlying lawsuit. That is because the Regulations mandate that "[t]he Commission may rescind pre-approval of a

⁹ The Circuit Court was referring to the underlying action and the companion GTI Case.

grower license if the grower is not operational within 1 year of pre-approval." COMAR § 10.62.08.06(E). As the clock was ticking, ForwardGro and its affiliates continued to work diligently to move toward final approval and issuance of the License, with millions of dollars spent and a state-of-the-art facility built toward that end. (E 1081-85); (E 1093-97); (E 1100-1102).

Having completed all mandatory requirements described in the Commission's Regulations, including the passage of all relevant inspections, ForwardGro was issued the License by the Commission on May 17, 2017. (E 1083 ¶ 13). The issuance of the License to ForwardGro provides ForwardGro with a vested right and property interest.¹⁰

IV. STANDARDS OF REVIEW

A. The Circuit Court's Denials of ForwardGro's Motion to Intervene

The Circuit Court's denial, first on February 21, 2017 and again on May 31, 2017, of ForwardGro's Motion to Intervene as a matter of right "is reviewed non-deferentially for legal correctness." *Maryland-Nat. Capital Park and Planning Com'mn v. Town of Washington Grove*, 408 Md. 37, 65 (2009). The Circuit Court's denial of ForwardGro's Motion to Intervene on a permissive basis is reviewed for abuse of discretion. *Id.*

¹⁰ AMM never disputed before the Circuit Court that ForwardGro possesses a vested right and property interest in the License—an argument ForwardGro advanced before the Circuit Court in its May 30, 2017 Memorandum. (E 1070). After ForwardGro obtained its License, AMM filed a June 1, 2017 bench memo before the Circuit Court in which it had every opportunity to contest the fact that ForwardGro had a vested right and property interest in the License. (E 1001). Notably, AMM did not do so.

B. The Circuit Court's Email Invitation to ForwardGro, as a Non-Party, to Participate in the Preliminary Injunction Hearing in a Limited Fashion

The Circuit Court's Order denying ForwardGro party status while inviting it to attend a preliminary injunction hearing as a non-party runs counter to the plain language of Maryland Rule 15-505(a), and thus raises an issue of statutory interpretation; it therefore is reviewed by this Court *de novo* for legal correctness. *Davis v. Slater*, 383 Md. 599, 604 (2004) ("[P]rovisions of the Maryland Code, and the Maryland Rules are appropriately classified as questions of law, we review the issues *de novo* to determine if the trial court was legally correct in its rulings on these matters.").

V. ARGUMENT

A. ForwardGro Must Be Permitted to Intervene in the Proceedings Below

The Circuit Court denied ForwardGro and the other Intervenor's intervention, finding that they did not have "*sufficient* interest" in the case. (E 299) (emphasis added). According to the Circuit Court, "the proposed intervenors have [only] a *general* interest in the outcome of the case . . . Those wishes do not rise to the level of a right to intervene." (E 300) (emphasis added).

The Circuit Court's decision and reasoning are wrong. ForwardGro and the other Intervenors had a very specific, sufficient interest in the outcome of the case, warranting intervention as of right, or at least permissibly. In that regard, ForwardGro joins in all of the Intervenors' arguments found in their Brief.

However, and specific to ForwardGro, since May 17, 2017, when it was issued the License, ForwardGro certainly obtained a vested right and protected property interest in

it,¹¹ for which intervention is appropriate as a matter of right. The Maryland Rule is clear:

Upon timely motion, a person shall be permitted to intervene in an action . . . when the person claims an interest relating to the property or transaction that is the subject of the action, and the person is so situated that the disposition of the action may as a practical matter impair or impede the ability to protect that interest unless it is adequately represented by existing parties.

Md. Rule 2-214(a)(2). See also Washington Grove, 408 Md. at 74-75 ("[T]he requirement which we have imposed on the applicant for intervention . . . is that he have an interest for the protection of which intervention is essential and which is not otherwise protected.") (quoting *Citizens Coordinating Comm. on Friendship Heights, Inc. v. TKU Associates*, 276 Md. 705, 712 (1976)). Indeed, "the easiest cases for intervention" are where the proposed intervenor "advances a clear property interest" such as the License ForwardGro possesses in this case. *Texas v. U.S.*, 805 F.3d 653, 658 (5th Cir. 2015) (quoting Moore's § 24.03[2][a]).

At the May 25 TRO Hearing, the Circuit Court recognized that ForwardGro had obtained its License. (E 1021). Because ForwardGro had a property interest in the License, it was plain error for the Circuit Court to deny ForwardGro intervention for a second time on May 31.

The Circuit Court compounded its error when it invited ForwardGro to participate—but only on a limited basis and as a non-party—in the preliminary injunction hearing set for June 2, 2017. (E 40). The Circuit Court evidently was trying to defend

11

See Dua, 370 Md. at 623; Bd. of Regents of State Colls., 408 U.S. at 577.

against ForwardGro's anticipated argument that, if the preliminary injunction would issue, ForwardGro would have been deprived of due process. This is sophistry: For the Circuit Court to allow ForwardGro to argue for 25 minutes without having had access to or participation in the proceedings from the start as an intervenor is no substitute for due process. *See Sapero v. Mayor & City Council of Baltimore*, 398 Md. 317 (2007).

In Sapero, this Court held that the appellant did not have a legally sufficient opportunity to be heard in the circuit court, even though "[h]e received notice of the [appellee's] petitions, filed an answer, and a hearing was held." *Id.* at 346. Despite the lower tribunal's bare-bones following of Maryland's procedural due process mandate, this Court found that Sapero's purported "opportunity to be heard" was no such thing, because it was not "meaningful, reasonable, and appropriate to the nature of the case." *Id.* Particularly, the Court concluded that procedural due process was deficient because the underlying actions "are apparently truncated proceedings, in which the property owner, whose property rights are at issue, does not have sufficient access to general discovery in aid of litigation." *Id.* at 346-47.

This litigation is not a relay race, in which the Circuit Court can tag in and tag out parties at its whim. If the case is remanded,¹² ForwardGro must be allowed to intervene. Certainly, the Circuit Court cannot hold a preliminary injunction hearing without first allowing ForwardGro and the other Intervenors to intervene as full-fledged parties.

¹² ForwardGro joins the other Intervenors' in their request that the Court dismiss the underlying action *sua sponte*, with prejudice.

B. ForwardGro's Constitutionally-Protected License May Not Be Taken Prior to a Final Disposition on the Merits

Should this Court reverse the Circuit Court on the issue of intervention, the Court also should find that the Circuit Court cannot preliminarily suspend ForwardGro's License. At this juncture, the License constitutes a vested right and property interest owned by ForwardGro. A preliminary injunction, which is not a final finding on the merits, is not an appropriate vehicle by which to deprive ForwardGro of its constitutionally-protected interest.

The Medical Cannabis Legislation specifies that a grower's license can be rescinded only when the grower "does not meet the standards of licensure set by the Commission." HG § 13-3306(g) (2017); *see generally* COMAR § 10.62.34.01–10.62.34.03.¹³ Pursuant to this legislation, a court would need to make a final finding that ForwardGro did not meet the standards of licensure in order to suspend (or order the Commission to suspend) its License. But at a preliminary injunction hearing a court can only rule on a *likelihood* of success on the merits. Md. Rule 15-501(b) ("'Preliminary injunction' means an injunction granted . . . before a final determination of the merits of the action."). If the Circuit Court were to suspend ForwardGro's License on that basis, even temporarily, it would constitute a taking.

This Court has found "that three elements must be established in order to constitute a taking: (1) state action; (2) which affects a property interest in the

¹³ These COMAR provisions provide that the Commission may suspend or revoke a license only in limited circumstances, and only after notice and a hearing have been given "in accordance with the State Government Article, §§ 10-201–10-226, Annotated Code of Maryland." COMAR § 10.62.34.01.

constitutional sense; and (3) which deprives the owner of all beneficial use of his or her property." *Cote v. Cote*, 89 Md. App. 729, 738 (1992) (citing *Pitsenberger v. Pitsenberger*, 287 Md. 20, 34 (1980)). The Court of Special Appeals explained in *Cote* that judicially-imposed injunctions constitute state action:

There is no question that the injunction here constituted state action. The trial court's order was issued under the authority of § 1–203 of the Family Law Article enacted by the Legislature. In *Pitsenberger*, 287 Md. at 28, 410 A.2d 1052, the Court of Appeals held that use and possession orders under the Courts and Judicial Proceedings Article "involve state action because it is created, regulated and enforced by the State."

Cote, 89 Md. App. at 738.

ForwardGro has a property interest in the License. Any "suspension" of ForwardGro's License would completely and impermissibly deprive ForwardGro of the use of its property without just compensation. Maryland Constitution, Article III, § 40; Article 24 of the Declaration of Rights. This remains true even if the Circuit Court were to lift the preliminary injunction following "a final determination of the merits of the action," Md. Rule 15-501(b), and ultimately hold that the License should not have been suspended.

Finally, a preliminary injunction is meant to preserve the *status quo*—not to change it, or to deprive a party (or non-party) of its property interest. As both the Circuit Court and counsel for AMM recognized at the TRO Hearing, the proposed preliminary injunction would change the *status quo*:

MR. BROWN [for AMM]: Obviously I can't stop something that has already occurred.

THE COURT: Right.

MR. BROWN: So when I am speaking about the status quo, I mean from today forward.

(E 1025). Now that ForwardGro has a License, the Circuit Court cannot alter the *status quo* by suspending (or directing the Commission to suspend) that License. For the Circuit Court to do so would be a misapplication of the law. *Ehrlich v. Perez*, 394 Md. 691, 733 ("[I]njunctive relief is a preventive and protective remedy, *aimed at future acts*, and is not intended to redress past wrongs.") (emphasis in original) (quotation omitted) (collecting cases).

VI. CONCLUSION

If the Court chooses not to dismiss AMM's Complaint with prejudice *sua sponte*,¹⁴ the Court should reverse the Circuit Court's Orders denying ForwardGro's proposed intervention, and order the Circuit Court to grant ForwardGro the right to intervene as of December 30, 2016, as a party in the case, with all of the rights and privileges attendant thereto. The Court should also rule that FowardGro cannot be deprived of its vested right and constitutionally-protected property interest in its License prior to a final judgment on the merits, and certainly not by way of a preliminary injunction.

¹⁴ See Brief of Intervenors.

Respectfully submitted,

Karley

Ira T. Kasdan Joseph D. Wilson Bezalel A. Stern (by special admission) KELLEY DRYE & WARREN LLP 3050 K Street, N.W., Suite 400 Washington, D.C. 20007 (202) 342-8400 (phone) (202) 342-8451 (facsimile) Email: ikasdan@kelleydrye.com jwilson@kelleydrye.com bstern@kelleydrye.com *Counsel for Appellant ForwardGro, LLC*

This brief was prepared using Times New Roman font, employing 13-point type and double-spacing.

CITATIONS AND TEXT OF PERTINENT CONSTITUTIONAL PROVISIONS, STATUTES, ORDINANCES RULES AND REGULATIONS¹⁵

MARYLAND CONSTITUTION:

Article III, § 40 1	8
Declaration of Rights, Article 24 1	19
RULES:	
Ad. R. 15-501	20
vId. R. 15-505	21
REGULATIONS:	
COMAR § 10.62.34.01	22
COMAR § 10.62.34.02	23
COMAR § 10.62.34.03	24

¹⁵ In order to avoid unnecessary duplication, the Pertinent Provisions, Rules and Regulations provided herein are only those which have not been included with Appellant-Intervenors' Brief.

ARTICLE III, § 40

The General Assembly shall enact no Law authorizing private property to be taken for public use without just compensation, as agreed upon between the parties, or awarded by a jury, being first paid or tendered to the party entitled to such compensation.

DECLARATION OF RIGHTS, ARTICLE 24

That no man ought to be taken or imprisoned or disseized of his freehold, liberties or privileges, or outlawed, or exiled, or, in any manner, destroyed, or deprived of his life, liberty or property, but by the judgment of his peers, or by the Law of the land.

MD. R. 15-501 (2017)

Rule 15-501. Injunctions – Definitions

The following definitions apply in the rules in this Chapter:

(a) Injunction. "Injunction" means an order mandating or prohibiting a specified act.

(b) Preliminary Injunction. "Preliminary injunction" means an injunction granted after opportunity for a full adversary hearing on the propriety of its issuance but before a final determination of the merits of the action.

(c) Temporary Restraining Order. "Temporary restraining order" means an injunction granted without opportunity for a full adversary hearing on the propriety of its issuance.

MD. R. 15-505 (2017)

Rule 15-505. Preliminary Injunction

(a) Notice. A court may not issue a preliminary injunction without notice to all parties and an opportunity for a full adversary hearing on the propriety of its issuance.

(b) Consolidation With Trial on Merits. Before or after commencement of the hearing on the preliminary injunction, the court may order that a trial on the merits be advanced and consolidated with the preliminary injunction hearing, so long as any right to trial by jury is preserved.

COMAR § 10.62.34.01 (2017)

.01 Operational Failure Risking Diversion or Endangering Health.

In the event the Commission finds there is a reasonable likelihood of diversion, contamination of medical cannabis, or any risk to the health of a patient or any other individual, after written notice and a hearing in accordance with the State Government Article, \$10-201-10-226, Annotated Code of Maryland, the Commission may:

A. Impose a fine of up to \$10,000 per violation on a licensed grower, licensed processor, licensed dispensary or registered independent testing laboratory;

B. Deny the license or registration;

C. Suspend the license, licensee, agent, employee, registration or registrant; or

D. Revoke the licenses, licensee, agent, employee, registration or registrant.

COMAR § 10.62.34.02 (2017)

.02 Pattern of Deviation from Standard Operating Procedure.

In the event the Commission finds there is a pattern of deviations from standard operating procedures or the terms set forth in the application or the license but the pattern does not directly create a risk of endangering the health or safety of a patient, after written notice and a hearing in accordance with the State Government Article, §§10-201-10-226, Annotated Code of Maryland, the Commission may:

A. Impose a fine of up to \$5,000 per violation on a licensed grower, licensed processor, licensed dispensary, or independent testing laboratory;

B. Deny the license or registration;

- C. Suspend the license, registration, licensee, registrant, or agent; or
- D. Revoke the license or registration.

COMAR § 10.62.34.03 (2017)

.03 Violation of Requirements.

In the event the Commission finds that a licensee, registrant, agent or employee violated a requirement of this subtitle, after written notice and a hearing in accordance with the State Government Article, §§10-201—10-226, Annotated Code of Maryland, the Commission may:

A. Impose a fine of up to \$5,000 per violation on a licensed grower, licensed processor, licensed dispensary or independent testing laboratory;

B. Suspend the license, registration, licensee, registrant, employee or agent; or

C. Revoke the license or registration.

CERTIFICATION OF WORD COUNT AND COMPLIANCE WITH RULE 8-112

1. This brief contains 4,089 words, excluding the parts of the brief exempted from the word count by Rule 8-503.

2. This brief complies with the font, spacing, and type size requirements stated in Rule 8-112.

Tra Kasled Ira T. Kasdan

CERTIFICATE OF SERVICE

I hereby certify that on this 23rd day of June, 2017, a copy of the foregoing Brief

was served, via U.S. Mail, postage prepaid, to:

Byron L. Warnken Bryon B. Warnken Warnken, LLC 2 Reservoir Circle, Suite 104 Baltimore, Maryland 21208

John A. Pica, Jr. John Pica and Associates, LLC 14 State Circle Annapolis, Maryland 21401

Brian S. Brown Brown & Barron, LLC 7 St. Paul Street, Suite 800 Baltimore, Maryland 21202

Attorneys for Appellee Alternative Medicine Maryland, LLC

Heather B. Nelson Robert D. McCray Kathleen Ellis Heather.nelson1 @maryland.gov Robert.mccray@maryland.gov Kathleen.ellis@maryland.gov Office of the Attorney General Maryland Department uf H~allh & Mt!nlal Hygit!n~ 300 West Preston Street, Suite 302 Baltimore, Maryland 21201

Mathew J. Fader Julia Doyle Bernhardt Office of the Assistant Attorney General 200 Saint Paul Place, 20th Floor Baltimore, Maryland 21202

Attorneys for Appellees Natalie M. LaPrade Maryland Medical Cannabis, Comm'n. et al. Bruce L. Marcus Sydney M. Patterson 6411 Ivy Lane, Suite 116 Greenbelt, MD 20770 (301) 441-3000 (301) 441-3003 (fax) bmarcus@marcusbonsib.com spatterson@marcusbonsib.com

Gary R. Jones Danielle M. Vraman 120 E. Baltimore Street, Suite 2100 Baltimore, MD 21202 (410) 230-3800 gri@bbscl aw.com dmv@bbsclaw.com

Attorneys for Appellant-Proposed Intervening Defendant, Holistic Industries, LLC

Paul D. Bekman 300 W Pratt Street #450 Baltimore, MD 21201 (410) 539-6633 bekman@bmalawfirm.com

Robert B. Schulman Schulman, Hershfield & Gilden, P.A. One East Pratt Street Suite 904 Baltimore, MD 21202 410-332-0850 rbs@shg-legal.com

Attorneys for Appellant-Proposed Intervening Defendant, Temescal Wellness of Maryland, LLC Arnold M. Weiner Michael D. Berman Barry Gogel Rifkin Weiner Livingston LLC 2002 Clipper Park Road, Suite 108 Baltimore, MD 21211

Alan M. Rifkin Rifkin Weiner Livingston LLC 225 Duke of Gloucester Street Annapolis, MD 21401

Attorneys for Appellant-Intervenors

na Karley

Ira T. Kasdan

5 . /