

# Marijuana Update: Allard Decision and the MMAR's

✘ The Federal Court of Canada today released its long-awaited *Allard* decision. Making a complicated story simple, the question was, will the 45,000 medical marijuana users who had been licenced to grow and consume their own strains of marijuana be allowed to continue, or will they be forced into the new MMPR system to buy from third parties. (More detailed background articles [here](#) and [here](#).)

The short answer is, keep growing your own.

The decision from Justice Phelan is [here](#).

He found in a 100-plus page decision that the new MMPR regulations infringed upon the old MMAR holders' section 7 rights under the *Charter of Rights*, and could not be saved by s.1 of the *Charter*. As a result, the MMPR regulations are invalid.

Found under the Heading "Legal Rights", section 7 of the *Charter* reads, "Everyone has the right to life, liberty and security of the person and the right not to be deprived thereof except in accordance with the principles of fundamental justice."

What's fascinating is the remedy imposed by the court. From paragraphs 296 and 297 of the decision:

*The appropriate resolution ... is to suspend the operation of the declaration of invalidity [of the new MMPR system] to permit Canada to enact a new or parallel medical marijuana regime. ... The declaration [of invalidity] will be suspended for six (6) months to allow the government to respond to the declaration of invalidity.*

That means the federal government has 6 months to figure out a better system. This is very similar to what the Supreme Court of Canada did with the issue of prostitution. It also creates a great deal of confusion.

As a practical matter, this means the existing MMPR's lost a substantial portion of their target markets, which will have a downward impact on their values. It also means there is a great deal more risk associated with the MMPR's, since we have no idea what the Trudeau government will do about this in the next six months. The system can be overhauled or the government can tinker with it. Will the MMPR's keep their licences? In what form? What kind of licence will the MMAR's get?

At one point on the day *Allard* was released, Canopy (TSXV:CGC), the largest MMPR and bell-weather for the group, was off about 9%. It closed down 6% on the day on over 5 million shares being traded.

Health Canada must be thrilled. Regardless of what the Federal Court would have decided, while this case was pending Health Canada was blocked from fulfilling its simple mandate of, "helping Canadians maintain and improve their health". With this guidance from the court, the government can get going in some direction, any direction...

This decision is in keeping with the philosophies expressed by the Supreme Court of Canada in *Smith*. **While it is a delicate balancing act, the rights of the patient take priority over the interests of the government.**

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# Aurora Cannabis' Terry Booth on the impact of the Allard decision and the election on the Marijuana Industry

September 22, 2015 – In a special **InvestorIntel** interview, Publisher Tracy Weslosky, speaks with Terry Booth, President, CEO and Director of Aurora Cannabis Inc. (CSE: ACB | OTCQB: ACBFF) on the two new Board members and securing the former executive director of the CMCIA for the Aurora management team. They also discuss how Aurora is positioned as rising leaders in the marijuana sector and what the Allard decision and elections will mean to the overall industry.

**Tracy Weslosky:** Terry I noticed you had a big corporate update, but I also noticed that you keep attracting some of the leaders in the industry, a new brand manager, a couple of new board members. Can you tell us just a little bit more about this?

**Terry Booth:** Adam Szweras joins us, Chuck Rifici, ex-CEO of Tweed and Neil Belot, he was an executive director of the CMCIA, association of LPs in Canada. Quite happy with the team we're assembling.

**Tracy Weslosky:** Well, I think there's a lot of other companies looking at you because you seem to be attracting all the best and brightest. Could that be your personality or does it have to do with the actual story, which I'm assuming it does?

**Terry Booth:** I'd like to say it's the personality, but it's not. It's the team we've assembled, it's the facility that we've built and I think it's the corporate vision that we have.

**Tracy Weslosky:** And, of course, all of you out there who may not be familiar with Aurora Cannabis, can you just step back and give us an overview as you were one of the first facilities in Canada?

**Terry Booth:** Yes. We're one of 26, I believe, licensed producers in the country out of 1,400 applicants. The facility itself is over 55,000 square feet. It's in a very tax friendly jurisdiction in Alberta. We're the very first facility in Canada built brand new from the ground up. We're ready to roll. We've got a license to produce. We've pulled over seven harvests in to our vault and looking forward to the sales.

**Tracy Weslosky:** It's my understanding that you have some competitive advantages to this processing facility. Would you mind telling us what those are?

**Terry Booth:** Sure. Well, building brand new, the flow of the facility itself is built for growing cannabis. There's tax advantages in Alberta with its corporate tax rates. We hope that remains the same. We're in a rural location in Alberta. We don't pay for our water, its mountain fed. There's farm tax credits in Alberta that a lot of provinces don't have and our power rates are the second lowest in the country and the lowest in the country when we get our discounts for deregulation.

**Tracy Weslosky:** Of course, there's a lot happening in the marijuana sector in Canada right now. We have a major election and we also have the Allard decision. Can you give us some insight into both of these events?

**Terry Booth:** On the election front both the opposing candidates have said they'll either decriminalize or legalize it. Either way the existing government is who we're answering to now. If it changes then it will only be good for us and we're poised to take on any increase in market. With respect to the Allard decision...to access the rest of the interview,

[click here](#)

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