

Cannabis Co. Attys Can't Practice In Okla., Shareholders Say

By Kevin Penton

Law360 (August 24, 2020, 7:05 PM EDT) -- Two shareholders suing a cannabis company and its CEO in a derivative suit over alleged mismanagement have urged an Oklahoma federal court to disqualify the defendants' attorneys, arguing the lawyers are not authorized to practice law in the state.

Attorney Blair Krueger of Krueger LLP had his license temporarily suspended earlier this year in California yet continued to practice law, while Krueger and two other attorneys also representing Upper Street Marketing and CEO Joseph Earle in the case did not request permission to practice in the Northern District of Oklahoma before filing motions in the matter, according to shareholders James Janis and Keith Thomas' Friday motion to disqualify.

"By failing to obtain proper admission to practice before this court prior to requesting the assistance of the court in a motion to dismiss ... defendants' attorneys have disregarded their duty 'candor, diligence and utmost respect' to the judiciary," Janis and Thomas told the court.

Janis and Thomas presented evidence to the Oklahoma court that Krueger's law license was suspended in California from March to April this year, purportedly for issues related to the payment of child support, according to court documents.

Yet during that period, Krueger wrote a letter to an individual working with Janis and Thomas in the case, telling the person that Linear Park Marketing Inc. — the successor-in-interest to the assets of Upper Street Marketing — would sue the person over alleged defamatory statements, according to Friday's motion.

"Considering the pattern of disciplinary scrutiny and temporary suspensions of Mr. Krueger's California law license, and his deliberate disregard of the suspension of his license, plaintiffs respectfully urge the court to exercise judicial discretion in the event Mr. Krueger attempts to ... gain admittance to this court by denying his application," Janis and Thomas wrote.

The shareholders [brought their derivative action](#) in May against Upper Street and Earle, among other parties, alleging Earle had mismanaged the company into the ground and was

attempting to move its assets into entities he controlled.

Thomas and Janis also say Upper Street Marketing has falsely represented to the public the size of its cannabis crops, a plan to purchase industrial CBD extraction systems, a plan to purchase 1.5 million pounds of hemp for CBD and a promised \$3 million acquisition of pharmaceutical company PrimaPharma, another defendant in the case.

The pharmaceutical company and its CEO, Mark Livingston, [sought in July](#) to duck the case, arguing they have little involvement in the alleged malfeasance.

"PrimaPharma's involvement in this matter is that of an entity alleged to have been a takeover target of [Upper Street] which never came to fruition," their motion said.

Counsel for the parties could not be reached for comment on Monday.

Thomas and Janis are represented by R. Brent Blackstock and Lacey L. Shirley of [Brent Blackstock PLC](#).

Earle, Upper Street and Linear Park are represented by Blair Krueger, Jeremiah J. Sullivan and William Parker of Krueger LLP.

PrimaPharma and Livingston are represented by David C. Senger and Don W. Danz of [Coffey Senger & Woodard PLLC](#).

The case is Janis et al. v. Earle et al., case number [4:20-cv-00193](#), in the [U.S. District Court for the Northern District of Oklahoma](#).

--Additional reporting by Cara Salvatore and Sam Reisman. Editing by Janice Carter Brown.