



Pot Co. iAnthus Sued For Racial Discrimination By Ex-Director

By [Madeline Lyskawa](#)

Law360 (November 5, 2021, 5:21 PM EDT) -- Cannabis company iAnthus has been sued by a former compliance director who alleges he faced racial discrimination as a Black employee, was demoted to a regional role and then forced to resign.

In the suit, which was removed to New Jersey federal court on Thursday, former compliance official Shelby Brown purported that iAnthus Capital Management LLC and its subsidiary iAnthus New Jersey LLC violated New Jersey discrimination law by narrowing his oversight and replacing him with a less-qualified white man.

Brown, a disabled [U.S. Army](#) veteran who also worked as a drug investigator for the [U.S. Food and Drug Administration](#) and a cannabis investigator for the Maryland Department of Health, said in his complaint that he was hired by MPX Bioceutical Corporation as its national compliance director in August 2018. In this role, he was responsible for designing, developing, and updating policies and practices to maintain the company's compliance with various regulatory requirements.

Almost immediately after iAnthus acquired MPX in February 2019, Brown said he was required to interview for his job, a requirement that didn't apply to any of MPX's white compliance directors. He also noted in his complaint, which was originally filed in New Jersey state court, that the other directors were not more qualified than him.

Brown said he was then demoted from his position as national director to regional compliance director, overseeing a smaller operations territory for the company, despite "the lack of any professional blemishes or complaints about his performance."

According to Brown, iAnthus' reasoning behind the demotion was that it simply did not have national compliance directors. But Brown said that excuse quickly crumbled when the company named a white employee as its new national compliance director.

Additionally, Brown said iAnthus sought to have him forfeit the equity he had been promised by MPX for his role in assisting with its New Jersey cannabis licensing application to the state's Cannabis Regulatory Commission.

Throughout the duration of his time with the company, Brown said it refused to approve and failed to respond to a single budget or personnel request he made, yet it still required him to complete all the work he had submitted the requests for. As the only Black man in his position, Brown said he was also the only director required to take on such "menial tasks."

In his complaint, Brown described these conditions as so intolerable that it caused him to take a leave of absence from his role under the Family Medical Leave Act. After the leave period ended, Brown said the continued discrimination he faced led to his eventual resignation from the company.

Brown is seeking monetary damages and reasonable attorney fees. He has also requested a jury trial.

Brown's complaint was initially filed in the Superior Court of New Jersey, Monmouth County, on Oct. 14, and no further proceedings have occurred in the state court action since then.

In its notice of removal, iAnthus contended that it has not been served with the complaint in accordance with New Jersey law, thereby giving the company the ability to remove the case to federal court because the federal court has subject-matter jurisdiction over the dispute.

iAnthus Capital Management owns a nationwide network of cannabis brands and

operations centers, and its subsidiary iAnthus New Jersey is involved in the construction, operation and improvements of New Jersey marijuana facilities.

A lawyer of iAnthus, Paul Josephson of [Duane Morris LLP](#), told Law360 in a statement: "iAnthus is committed to equal employment opportunity and is employing a diverse workforce, and categorically denies Mr. Brown's allegations. Mr. Brown's decision to leave the Company, which was his idea and his alone, and there is abundant evidence that will prove that. When the facts are presented to the court, we are confident this baseless suit will be dismissed."

Counsel for Brown was not immediately available for comment on Friday.

Shelby Brown is represented by Rebekah R. Conroy and Surinder K. Aggarwal of [Stone Conroy LLC](#) and Matthew Sheppe of [Reiss Sheppe LLP](#).

iAnthus Capital Management LLC and iAnthus New Jersey LLC are represented by Paul P. Josephson of Duane Morris LLP.

The case is Brown v. iAnthus Capital Management, LLC et al., case number [3:21-cv-19693](#), in the [U.S. District Court for the District of New Jersey](#). The state court case was Shelby Brown v. iAnthus Capital Management, LLC and iAnthus NJ, LLC, case number MON L003496-21, in the Superior Court of New Jersey, Monmouth County.

--Editing by Steven Edelstone.