
Hiring To Firing – Matt Leeth, Executive Vice President of Legal Affairs at Jushi Holding, Incorporated

Evan Gibbs ([00:05](#)):

Welcome to Hiring To Firing, the podcast. I'm Evan Gibbs. And with me today, as always, is my co-host Tracey Diamond. We're both partners at Troutman Pepper in the firm's Labor and Employment Practice Group. And I think that together we've probably handled just about every type of employment issue under the sun, from hiring to firing, hence the name of our aptly named podcast. We're also happy to welcome today our guest, Matt Leeth, who's the Executive Vice President of Legal Affairs at Jushi Holding, Incorporated. Matt, why don't you take a second to say hello and tell us a little bit about Jushi and your role here.

Matt Leeth ([00:44](#)):

Yeah. Thanks, Evan and Tracey. Thanks for having me as well. First, let me talk about Jushi real fast. Jushi was formed in early 2018 by four veteran investors in the cannabis industry actually, including one who was previously CEO of a Canadian licensed producer, a publicly traded company itself.

Jushi was principally formed because these founders firmly believed that they could differentiate themselves from competitors by building a disciplined management team that would foster a well-integrated business model in the cannabis industry, paired with industry subject matter experts that could create top quality products and a retail experience.

Jushi's operations began in 2019 when it acquired a couple of dispensaries in Pennsylvania under what's called the Beyond/Hello brand. Since then we've built out and now run vertical businesses in Pennsylvania, Virginia, Nevada, Massachusetts, and soon to be vertical in Ohio and Illinois. We do have standalone retail operations in California. So we really span coast to coast in our multi-state operations. As of today, and this just changing rapidly, we currently operate 34 retail locations nationwide and have grower-processor facilities in four states currently.

And now myself personally, I've been practicing law in the cannabis industry since 2016 and joined Jushi shortly after its formation in 2018. And I've been a leader here in the company since then. Really it's been an absolute pleasure seeing this company grow from what was four founders when I was hired to over 1600 employees, more than likely over 2000 by the end of this year. That explosive growth has been in part due to some shrewd acquisition strategies. But also we've had a lot of organic growth, both on assets we acquired as well as existing businesses where we obtained licenses to operate.

Thanks again for having me. Really looking forward to this.

Tracey Diamond ([02:23](#)):

Hey, Matt, that is really impressive growth. And, wow, in such a short period of time and in the middle of COVID. How did you manage that kind of explosive growth remotely?

Matt Leeth ([02:33](#)):

I'll say that when I joined Jushi, I'm actually on the West Coast of Florida and Jushi's headquarters is Boca Raton, so I actually do work remote. And I was traveling down there quite frequently, but most of what we call our OSC team, our headquarters, is down there in Boca Raton. And COVID was an interesting situation for everyone, every industry. But it led to explosive growth in the cannabis space too, and helped render more efficient the ways we can deliver products to customers, given the sort of political headwinds that we still deal with in every state. And what that means is we've had a lot of opportunity come out of COVID. We've had a lot of challenges that have come from COVID. At the end of the day, this is an industry that a lot of people want to work in, very interesting.

I remember talking with Evan back in 2016, about the jump into the industry and being a bit concerned about jumping into this space as a lawyer and in a federally legal business. I of course got over that hump and have been very happy for making the decisions I have. Everyone at just about every discipline and profession is interested in joining companies like Jushi. It's a very interesting world.

And as far as managing this business from afar, that was one of the things that COVID helped our organization and many others handle with remote working because it forced everyone to learn Microsoft Teams, Zoom, et cetera, and use online communication tools more effectively, which will be an interesting tie into the day's discussion.

Tracey Diamond ([04:01](#)):

So interesting.

Evan Gibbs ([04:01](#)):

Yeah. That is, like Tracy said, that's a lot of growth, especially with respect to employee headcount. Have you had any particular challenges around, I guess, you said when you started, it was just about five of you. Have you I guess had to fully build out an HR department from scratch or did you have some of those in place with senior acquisitions or how'd that come about?

Matt Leeth ([04:19](#)):

I'd like to take credit for hiring Nichole Upshaw, our EVP of Human Relations. However, I can't. And she's probably been the best HR professional I've ever worked with. She's been with the company since I believe either late 2018 or early 2019. She has been instrumental, as everyone, lawyer or not, can appreciate having a trusted HR partner as a lawyer is a godsend, and having a trusted legal advisor on the HR side is a godsend as well. So there's been a very good stable relationship there, which has been instrumental because our business dictates that we do have to fundamentally change the way we do operations or have policies state to state, both because it's cannabis and both because of labor and employment issues that are state specific. So really thankful for the load off of having competent HR teams really driving the ship there and helping to advise and counsel accordingly.

Tracey Diamond ([05:11](#)):

As in-house counsel, you, of course, wear many hats. And particularly in the cannabis industry, you must have to wear a tremendous amount of hats. Have you dealt with labor and employment issues prior to your work with Jushi? And how did you get up to speed to do it in this kind of industry with all the legal challenges attached to it?

Matt Leeth ([05:30](#)):

Yeah, good questions. In fact, I probably did more percentage of my time in past lives on the HR side when dealing with labor and employment issues. I'm also fortunate to have a Co-head of Legal Affairs, Tobi Lebowitz, who generally handles most of the HR related issues at the company I'm at now. And I'm brought in as needed, which is all too often. In past lives when I was more of a generalist, even more of a generalist, I should say, I definitely spent a lot of efforts, everything from HR investigations to dealing with EEOC responses to potential litigation as well. I've had my fair share of experience on the HR front.

Evan Gibbs ([06:06](#)):

I think probably a lot of people want to hear the answer to this question. How did you get into the cannabis industry?

Matt Leeth ([06:12](#)):

Yeah, I actually was in, ironically Boca Raton, Florida, working in a health insurance agency, a national marketer of health insurance products at the time. And in 2015, I decided due to an opportunity to move out to Denver. At that time, I had barely even known that adult use cannabis had just gone online there in Colorado. Wasn't really even on my radar. As I lived and worked there in and around Denver, very quickly bought into the industry itself. And knowing that it is a CPG product, consumer packaged good, much like liquor stores or alcohol. And seeing that, where at the time in Florida there wasn't even medical marijuana available to patients as there are today, it was a very conservative outlook that most people here in Florida, including myself at the time, had towards the prospects of the industry.

But then moving out West and just living near dispensaries, frankly, not even going in them, knowing how safely regulated those products are, how safely regulated those facilities, the lack of incidents that occur at these stores or these cultivation and processing centers, just subconsciously by the time 2016 rolled around and an opportunity presented itself, I was already a big believer in the industry. In 2016, the summer of then, I had an opportunity present itself and as I mentioned earlier, it did take a lot of foresight and frankly risk taking as a lawyer to jump from a very well-known company that I was working at doing very intelligent high-level stuff to a cannabis company. And I'm so glad I did. It was a great opportunity that only continued to challenge me on a daily basis.

Evan Gibbs ([07:55](#)):

That's all really cool. I've heard people talking about getting into the industry and things like that, so I know that was helpful for a lot of people just hearing that story. Were you always in house since you started practicing?

Matt Leeth ([08:07](#)):

I was, excepting some summer associate slash internship positions that I had in law school. And when I graduated law school in Florida in 2011, it was an interestingly challenging moment in time for new lawyers. Most of us who were practicing back then know, the market was still fairly thin and reeling from the Great Recession. And I had an opportunity present itself from my 2L summer working at an e-commerce company in Boca Raton and they offered me a position straight out of school and doing the kind of generalist work that I knew I'd be doing I knew it was a great way to build a good base of experience. Since then, I have hopped from a few different companies along the way. And I have been at this company, Jushi, for over four years now.

Evan Gibbs ([08:54](#)):

So the focus of today's podcast is on the risks that come with managers socializing with their subordinate employees outside of work. And to illustrate these concepts, as we always do on our podcast, we're going to use some clips from a TV show, and today we're going to go to one that's a favorite for a lot of people, The Office.

So the clips that we're going to use today, they happen to come from what's my personal favorite episode, and this is the name of the episode or the title is called Dinner Party. And it was first broadcast in 2008 as part of Season Four of the show. And as viewers of the show will remember, this particular episode, Michael Scott invites two couples from work, Jim and Pam, and Andy and Angela, to a dinner party at his condo on a Friday night. So the backstory was Michael had been trying to schedule a double date with Pam and Jim for quite some time, and Pam and Jim had kept putting him off and making excuses. And so through sort of a ruse, Michael ended up tricking them into coming into this dinner party. So Michael and his live in girlfriend, Jan, are the ones who are hosting this dinner. So we'll go ahead now and we'll listen to our first clip that we'll talk about,

Michael Scott ([10:06](#)):

You know what? Hunter was a terrible assistant. That is why Ryan fired him.

Jan ([10:10](#)):

Well, I think he's probably just about as reliable as Pam being that it usually takes you an afternoon to get back to me.

Angela ([10:14](#)):

Sometimes I think she holds on to faxes.

Pam ([10:19](#)):

I don't care what they say about me. I just want to eat, which I realize is a lot to ask for, at a dinner party.

Jan ([10:28](#)):

Cow.

Andy ([10:28](#)):

No, it's a hump, this is hump.

Jan ([10:28](#)):

Joe Camel.

Evan Gibbs ([10:33](#)):

So I think this clip highlights the issues that we see with managers and subordinates being friends outside of work, that there's just no way that they're not going to discuss work and potential employee relations type issues in a formal non-business setting. And I think that in my experience, I think this can really lead to a lot of real problems, both in terms of liability for the company, and what I think of as softer employee relations issues. So Matt, I'll ask you in your experience in house, have you ever seen any issues come up or heard about issues coming up around managers being friends with their subordinates outside the workplace?

Matt Leeth ([11:09](#)):

Yeah, absolutely. First I'd say generally it does seem like over the last decade or two, this is becoming a more common issue in inner office politics. The ease of communication, the availability, has really changed the game. Connecting to coworkers, connecting with coworkers even, outside of work is easier than ever. I'd say a simple Instagram follow can lead to a friendship itself or even more. And of course all these relationships are premised on a shared work environment, which means that the most common thing to talk about is work in that situation. So work product, other coworkers, those sorts of discussions become inevitable. And those connections can extend sometimes and frankly dangerously to managers and their subordinates. What could be a healthy venting session no longer is around a water cooler, lost to the ethos of verbal communication, but instead that's replaced with text messages and social media messages that will be there for discovery purposes long after the venting is long forgotten.

A friendship can come and go, but the liability of those comments could remain in one or both of those hands forever. It's even worse, frankly, when you're dealing with group messages, which is becoming increasingly common, having large WhatsApp or telegram groups sort of thinking they're unofficially communicating with one another. And unfortunately they find out much later, that's not the case. And that's not to say people only become friends to gossip. More generally interoffice relationships between managers and subordinates have been a plague for HR departments and employment attorneys since the beginning of time, or at least since the beginning of HR departments and employment attorneys. It's one of those things that is like playing with fire. And I think as we'll discuss in a little bit, it's very difficult to manage, too.

Tracey Diamond ([12:51](#)):

Yeah. I think that you're right, Matt, in terms of the growth of electronic forms of communication, it just creates evidence in all different formats these days. And employees by now pretty much hopefully know that emails don't go away, but a lot of times they're surprised to hear that text messages don't go away, Slack messages don't go away, Teams messages, et

cetera. And they tend to be even more informal in their communications with each other on those message platforms than they do in emails. And I think it's just really surprising when they're maybe bad mouthing a coworker or discussing something personal that it comes back in the context of a deposition many years later, and it's not so funny, the joke they told at the time.

Evan Gibbs ([13:34](#)):

Yeah. And I'll tell you, this has led, I'm curious, Tracey, if you've seen this as well, I think you probably have, but I've seen more and more frequently the data retention policies for different organizations for different clients, they're having separate retention period for instant messenger type communication. So whether it's a Teams log or I can't remember, the one we used to have, we now have Teams, but we used to have a different one. I can't remember the name of it, but-

Tracey Diamond ([13:59](#)):

I know Slack's a popular one with my clients.

Evan Gibbs ([14:02](#)):

Yeah. So I've been hearing a lot of clients, they're putting very short retention periods on those messages, and I think for that very reason. I've never had anybody tell me exactly why, but I mean, I know it's certainly saving costs on data storage, but I think that's a big driver. There is a growing recognition about the danger of keeping those chats around for a really long time.

But even with the data retention policy being short, I think a lot of people and a lot of organizations don't realize that a lot of those conversations, nevertheless, still get stored locally on your laptop and can still be pulled forensically from different forensic artifacts off the computer. So, yeah, I think even shortening data retention policies, there's still some real risk around those types of communications.

Tracey Diamond ([14:48](#)):

Yeah, the data retention policies are always a tension between making sure that you're not too aggressive so that you lose valuable business information, but also not holding on to communications that could turn around and become bad evidence in a employment lawsuit. So there's always all those competing considerations, as I'm sure Matt experiences with pretty much everything he does in the industry that he's in, for sure.

Matt Leeth ([15:12](#)):

Yeah. And there's enough out there that's in house general counsels that those retention policies are critical and maintenance and enforcement of its critical. And to the extent that there is litigation coming or landed, ensuring litigation holds are appropriately scoped and sent out and again also managed to as well. So it does complicate everyone's life for sure.

Tracey Diamond ([15:32](#)):

In The Office clip that we were just listening to though, they were actually physically at a party. So it's not an issue of data retention or electronic communications. They're actually talking to each other. But certainly it highlights issues with work folks getting together. But we're not looking to ban work employees from socializing with each other or interacting with each other. I think it would be a very poor workplace that doesn't allow its managers and its subordinates to talk to each other or grab a bite to eat outside of work. So what do you do then to ensure that the workplace relationships don't turn into a lawsuit?

Evan Gibbs ([16:11](#)):

Yeah. And I've dealt with this issue several times. I can anecdotally tell stories about employees that become friends with the supervisor and it causes so many problems, because from scheduling issues, that's one place that I've seen it a lot is a scheduling. If a subordinate and a manager become friends and let's say the friend wants to take off early, the subordinate wants to take off early, the manager, "Yeah, you don't have to worry about putting this time down as vacation time. You can just have the afternoon off." Or, "I know you didn't come in last week, but that's fine. We will just pretend like you were here." And to me, I've seen a lot of lax enforcement of policies that are not equally enforced as to other employees who aren't in the friend zone, so to speak. And so that's one issue that I've seen that can certainly create liability because obviously if you've got differential treatment of someone, then someone recognizes that and then may attribute that to a protected category or classification and so it can really create some real issues.

Tracey Diamond ([17:13](#)):

It could even create issues of the appearance of favoritism, even if there really isn't favoritism in reality.

Matt Leeth ([17:20](#)):

Yeah. Absolutely. It would definitely give a concern of nepotism. And then on the flip side, friendships end as they can begin. And next thing you know, one of those friends turns their back on the other and it becomes an HR nightmare all in and of itself.

Tracey Diamond ([17:34](#)):

Or they sleep together and now we're in a different kind of relationship.

Evan Gibbs ([17:39](#)):

Yeah, that's right.

Tracey Diamond ([17:42](#)):

I think that is an interesting tension though, because from the employee point of view, it's probably from a mentorship, right? They're looking for managers to be mentors to help them

succeed in their careers, which is something that is really important to career growth all around. And managers, if they really like their employees, there's some employees that you work with you really like them and you want to help them succeed and you want to have a relationship with them that's a friendship, that sort of is a natural progression in the relationship. How do you balance the career opportunities of a mentorship that sort of is a friendship, in some respects, with making sure that you don't create either favoritism or the appearance of favoritism?

Matt Leeth ([18:23](#)):

That really creates to me, when we were talking about friendships in the workplace, the biggest challenge I see is how do you create a bright line? And is there even a bright line to be made there? Sexual or romantic relationships, I think most would agree on a definition for that, but friendships, it's just so challenging. So what triggers, from an employer's perspective, concern and reporting and potentially dissuasion of those sorts of relationship, that as you said, naturally evolves from working closely together, being a mentor-mentee, things that are not inherently inappropriate in the workplace, but generate the risks that we're all trying to avoid? It's a real challenge.

Evan Gibbs ([19:03](#)):

Yeah. I'll tell you that kind of brings us around to our next clip. So we'll go ahead and play this one.

Dwight ([19:08](#)):

Michael, what time should I be arriving?

Michael Scott ([19:11](#)):

Dwight, it's couples only, and besides I only have six wine glasses, so it will be me and Jan and Pam and Jim. And Angela and Andy.

Andy ([19:20](#)):

Hey-o.

Dwight ([19:23](#)):

Does it bother me that I wasn't invited to Michael's dinner party?

Evan Gibbs ([19:31](#)):

So in this clip, this kind of highlights a couple of the points that we did raised where there's the appearance of favoritism. And clearly here, there was definitely some favoritism going on. Dwight's feelings were obviously very hurt by not being invited to the party. I mean, he ultimately ended up showing up, with his former babysitter as a date. Have either of you ever had or have seen a policy or a practice where a company tried to say outlaw friendly

subordinate relationships outside of the workplace between managers and the folks they supervise?

Matt Leeth ([20:02](#)):

I haven't seen an outright ban, at least in the companies I've worked for, just generally speaking. There has been some discussions about reporting that and logging that, but a challenge we so often face constructing these policies is how do you define, and frankly, how do you consistently manage to a policy which envelopes mere non-romantic relationships outside the workplace?

Tracey Diamond ([20:26](#)):

And who would want to work at a workplace where you're not allowed to have any friends, right?

Matt Leeth ([20:29](#)):

Yeah.

Tracey Diamond ([20:29](#)):

What kind of workplace is that?

Evan Gibbs ([20:32](#)):

Yeah. So I think this segues into a question about have you ever seen companies, or do you think it's a good idea for companies, to have mandatory reporting requirements of friendships between managers and subordinates?

Tracey Diamond ([20:49](#)):

I think that would be really hard to police and maybe would give the wrong message to employees that, "We don't want you to be friends with each other." But to the extent of friendship turns into a romantic relationship, or if there's a family relationship, I think it's important for the company to know that exists so that they can make sure there's not a manager-subordinate, that they're not reporting to each other.

Evan Gibbs ([21:12](#)):

And I'll tell you what I've done for other clients, I can think of one client in particular that I've done this for, where this was a recurring issue for them. And I think that something pretty much every company can and probably should implement is having a part of, whether it's annual training or something like that, where this issue is explained to managers so that they understand exactly what the ramifications could be for them personally, and for the company, because frankly, I just don't think that most managers, they don't really think about it. They think, "We're friends, it's not a romantic relationship. There's nothing wrong. Nothing can happen as long as I'm actively trying to treat the person fairly." So I think that's one thing companies probably should do, and it doesn't have to be anything elaborate or anything, but

just including some of this and some annual training that you're providing to them anyway, I think could probably go a long way.

Tracey Diamond ([22:03](#)):

Yeah. And I think that really could be done in the context of unconscious bias training too, so that the managers are aware both of their potential for favoring certain employees that maybe look like them or act like them or who they just like over other employees that are of diverse backgrounds that don't necessarily look like them and are coming at the company from a different culture or different perspective and make sure that they're not unconsciously favoring one type of employee over another.

Matt Leeth ([22:32](#)):

Yeah. I agree Tracey, that really hits nail on the head, which is good training and making supervisors and managers aware that this is possible, whether they understand it or not. As far as going back to the basic question, which is having a disclosure policy, I can agree with Tracey. It's just a struggle, I think if you have a reporting requirement like this that would need to then be effectively consistently managed to. And I think most companies, by and large, are inherently friendly and comprised of friendly people that generally want to be friends. And I could easily see a situation where entire departments or entire companies employees are to some degree outside of the workplace friends with each other.

And I think when you expand the scope of disclosures and potentially require remediation steps being taken, I think a company could easily find themselves in a chronic and maybe even unnecessarily bureaucratic scenario where the supervisors can't supervise without having every single decision they make vetted by an independent person in HR or otherwise, who may themselves be friends with the people that we're talking about here. So I think good training to make sure supervisors, managers, employees generally, can disassociate the decisions they make in the workplace with their feelings about someone outside the workplace is so key.

Tracey Diamond ([23:53](#)):

Yeah, I think that's true. I had a thought for both of you about the first clip where the coworkers are sort of reluctantly invited to the manager's house, they really don't want to have this kind of personal relationship with the manager, and the manager's kind of forcing himself on the employees. What are your thoughts about how an employee should handle it if a manager is pushing for a friendship. It's not a sexual relationship, it's just a friendship, but the manager's really pushing to insert themselves in the personal life of the employee as a friend and the employee just doesn't want it because it feels like it's crossing a line. What should an employee do?

Matt Leeth ([24:25](#)):

I think from an in-house perspective, I think you've got to have a good HR team that employees truly believe when the HR department says they have an open door policy to walk through that door and talk to HR. I think whether or not something like that would be explicitly forbidden in the workplace, it is a scenario where an employee clearly feels uncomfortable, and

it's very rational to link that discomfort or not going to the dinner party and making the supervisor angry, it's very rational to understand that that could lead to adverse actions against that employee. So I think in that case, that's a scenario where a manager is, particularly in this show, exerting their authority and status within the company to make people do what they don't want to do, which is inherently inappropriate.

Tracey Diamond ([25:09](#)):

Yeah. I think all the more reason that for the training that Evan's suggesting so that managers are aware of their role and where the limitations of that role are so that they don't blur the lines too much and make their employees feel uncomfortable. Matt, I have a question for you-

Evan Gibbs ([25:09](#)):

Well-

Tracey Diamond ([25:21](#)):

I'm sorry, Evan, go ahead.

Evan Gibbs ([25:23](#)):

No, no, go ahead, Tracey.

Tracey Diamond ([25:24](#)):

I wanted to shift gears. Did you have a follow up question for that?

Evan Gibbs ([25:27](#)):

No, I didn't.

Tracey Diamond ([25:28](#)):

Oh, okay. Now being in the cannabis industry where recreational marijuana is used for entertainment purposes, do you see a particular concern or issue or do you encourage your employees to go outside that box of manager-subordinate or even coworker relationship because of the products that you're selling and have more of a personal relationship with each other?

Matt Leeth ([25:47](#)):

It's a great question. I would say it definitely is an industry that is comprised of younger folks, that is generally skews towards the younger age, a little more risk takers inherently, and you've also got a lot of employees, almost virtually all the employees, that share a common interest in the product that we're working to manufacture and distribute. So, yeah, it does become a scenario where you have a product that people want to talk about and it's very comforting to talk to someone who knows the industry as well as you do to talk about that product, which can breed close relationships, collegiate relationships, frankly, around that. That said, I would say that my experience, not just where I'm at now, but in a previous company in this space, I really

didn't see anything out of the norm in terms of numerosity of these sort of incidents popping up. Nothing more than another good thing to talk about, which conveniently in our industry is technically usually work related. So it's not something I see too much more often than any other life.

Tracey Diamond ([26:47](#)):

It's a lot more interesting than talking politics, right?

Matt Leeth ([26:50](#)):

Yeah. Politics is a big part of cannabis, so that usually dovetails into it as well.

Tracey Diamond ([26:50](#)):

There you go.

Matt Leeth ([26:55](#)):

So it's the fun part of politics.

Evan Gibbs ([26:58](#)):

Well, this has been a great discussion, Matt. I really appreciate you joining us today and giving us your time.

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