

Fox Rothschild Podcast

Understanding the Psychedelics Renaissance

Featuring Josh Horn

Interviewer: All right, I'm here with Josh Horn, the Co-Chair of the Cannabis Law Practice at Fox Rothschild, and we're going to be talking about psychedelics. They're a hot topic right now in business and in law, so let's start unpacking.

Josh, let's just begin with the basics. When we say psychedelics, what are we talking about? What does that term mean?

Horn: You can include a lot of different things, actually. It includes cannabis, but also includes other Schedule I drugs like LSD, MDMA and psilocybin, just to name a few, that have mind altering effects for individuals.

Interviewer: Why is this a hot topic right now? What are the commercial or business possibilities with psychedelics?

Horn: Well, in order to talk about why psychedelics are important today, it's important to have a sense of their history. And traditionally LSD — putting aside the military testing that was done on soldiers back in the fifties and early sixties — it was actually used to treat mood disorders until basically it became bastardized in the 1960s, through the tune-in and drop-out mindset of people like Timothy Leary. So, it kind of got wrapped into all of the Schedule I drugs when the Controlled Substances Act came out in 1971. But, those treatments for mood disorders never really went away. You now see companies doing FDA- and Health Canada-approved research in the development of drugs from things such as LSD or psilocybin for the treatment of mood disorders, much like they were historically done before. We have this period of time from the sixties, where it was more seen as a social substance people were taking to drop-out, so to speak.

Interviewer: So, what I'm hearing you say is there's a lot of R&D going on right now.

Horn: There is. There's a substantial amount of R&D. There are a number of companies that are traded on public exchanges, studying psychedelics for the purpose of treatment of mood disorders. So, it's really gotten a lot of traction, I would say, over the last couple of years. I think as medical marijuana has become more and more accepted — and people don't appreciate the fact that marijuana was traditionally considered to be a psychedelic as well — and now that use of medical marijuana and CBD have gotten so much traction, I think it's only logical that people are taking a look back at psychedelics and revisiting their efficacy in the treatment of mood disorders, for example.

Interviewer: So, you decided to create a national survey of state psychedelic laws. Tell me a little bit about the legal landscape right now and why you decided to create that survey.

Horn: Well, it's a lot like what we did a few years ago when we created our National Survey on Cannabis and Hemp Law, which we update on a regular basis. Because this, like cannabis, is becoming more and more state-specifically regulated where it is still illegal on a federal basis, but you have certain states like Colorado and Oregon and Washington, and some municipalities, that are recognizing or decriminalizing psilocybin, for example, that in particular. And so, I thought it was important for our clients who are in this space to know what the laws are, or who are looking to get into this space, to know what the laws are in the states where they may be located, because some states may be more open to the treatment of medical conditions with these substances than others. And so, what we try to do is capture all that data in one interactive survey where, if you go on to a particular state and click it, you'll get all the applicable law and whether or not the state recognizes it for treatment of the medical condition.

Interviewer: How many states are already taking significant steps in this area?

Horn: Only a handful at this time. I mean, the most out there, I would say are Colorado, Oregon and Washington, and maybe to a lesser degree, California. It's interesting because they are also the original cannabis states. And then there's municipalities within states are doing it as opposed to statewide. But I think that's pretty telling, and I suspect it's going to keep moving like cannabis did, from those states east.

Interviewer: When we think of investors or entrepreneurs who are thinking about getting into this space, what are the risks? Why would they want to use this tool?

Horn: Well, they would want to use this tool to be on the cutting edge of medicine. Like I said earlier, it was used for treatment of mood disorders a long time ago, but that research basically stopped because it wasn't being legally sanctioned. Now, you have it legally sanctioned with some companies, and so everyone is looking for the next great thing. Everyone wants to invest in the next Amazon when it's at a dollar a share as opposed to \$1,000 a share.

People who suffer from depression have literally suffered in silence and, unfortunately, taken their lives because it's gotten to be too much. I think public awareness of this tremendous problem in this country and elsewhere will only give rise to ingenuity and development of alternative treatments other than the pharmaceuticals that are available today, because some of those have adverse impacts on people's ability to function on a daily basis. And the hope is, maybe psychedelics will be an alternative form to get to the same spot without the same side effects that people get when they take other pharmaceutical drugs.

Interviewer: Talk to me about the comparisons between psychedelics and cannabis. What are the similarities between cannabis and psychedelics and what are the differences?

Horn: Well, it depends on the substance, really. I mean, psilocybin, that's otherwise known as magic mushrooms, so those are like a plant. Although a mushroom isn't a plant, it's a fungus. And LSD is derived from ergot, which is a naturally formed substance. But other things are not, and they're purely chemical.

So, I think if you're going to draw a big distinction, generally speaking, I think the traditional psychedelics like LSD and MDMA and things of that nature are more chemically derived.

Cannabis, in its purest form, is the bud of a plant that you crinkle up and put in your bong, or you roll into your joint, or you put in your pipe.

But it's interesting, even though you can see traditional psychedelics being more chemically based, at the same time, cannabis is going to the same spot because you have derivatives, oils and things called butters that are derived by using chemical formulations. So, there's a lot of overlap between the two, but I think that's probably the primary difference between them.

Interviewer: We like to refer to cannabis as a highly regulated industry, right? As psychedelics matures, becomes a more complete space and more states get involved, are they going to follow the cannabis model in terms of how they're going to regulate psychedelics?

Horn: I would say probably, yes. But at the same time, you have companies that are actively engaged in the psychedelic space. You have the imprimatur of the FDA saying it's okay to do it. I see the medical applications for psychedelics taking a more traditional medicinal approval approach, FDA approved, since there are already companies that have FDA-approved research going on. Unlike cannabis, where it was always a hard stop, no research, the DEA wouldn't allow it. And now that door is opening a bit with the DEA, so you may see cannabis going down the path of more traditional pharmaceuticals going forward as well.

On the adult-use side, I would see it as more like what we have in the states on the adult side. And look, it's still federally illegal to use them for that purpose. But it is the same for cannabis in states like Colorado, Washington, Oregon, California, Illinois and soon to be New York and New Jersey. But the federal government is not stopping that either.

Interviewer: Thank you, Josh. I think we can leave it there. For listeners who are interested in accessing the national survey of state psychedelics laws, you can visit the cannabis page at FoxRothschild.com and navigate to the Resources tab. Thanks for listening!