

News

Ryan Comments on How Retirement Investment Firms Remain Cautious of the U.S. Cannabis Industry

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Principal Alex Ryan provided commentary to *Bloomberg Law* in its article, “Retirement Investment Firms Remain Wary of Weed Industry.” The article discussed the reluctance of U.S.-based retirement investment funds to buy into companies that manufacture U.S. cannabis. Ryan discussed how the uncertainty of this relatively young industry in the U.S. makes it hard for retirement investment providers or fiduciaries to ensure these investments are prudent, a requirement of the Employee Retirement Income Security Act of 1974 (ERISA).

“This is an unsettled area right now,” Ryan said. “State law and federal law are not in agreement.”

“The production and distribution are largely illegal. In the ERISA space, these plans have to take prudent process—which is a heightened duty of care, both through judicial opinion and Department of Labor regulatory enactments—when considering what it invests in,” he said.