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PERSPECTIVE

Targeted Approach

Los Angeles boutique Mancini Shenk's wager on cannabis industry litigation has paid off.

By Shane Nelson

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Longtime friends and litigators John W. Shenk and Michael V. Mancini decided in 2018 they wanted to bet on themselves.

"We just decided we get along well, we have similar litigation backgrounds and practices, and it makes sense, so let's just take a shot," Mancini said of the duo's decision to hang a shingle together four years ago.

The two attorneys first met as associates at Ervin Cohen & Jessup LLP in 2010, and while their career paths later diverged, they stayed in touch until they again found themselves "getting coffees and lunches on a regular basis," according to Shenk.

"If I have one piece of advice for anyone going into business with anyone it would be to do it with people you trust," Shenk said. "Mike is someone who is just massively honest and trustworthy."

A six-attorney shop today with locations in Pasadena and Los Angeles, Mancini Shenk LLP focuses largely on investment and shareholder partnership disputes involving businesses operating in the cannabis industry, but the firm also handles some other commercial and real estate cases.

"When the cannabis industry was about to become recreationally legal, a whole lot of investor money came into California – like a gold rush – investing in companies and people who have been more traditional operators of cannabis businesses and cannabis ventures," Shenk explained.



Courtesy of Mancini Shenk

Photo caption: From left, John W. Shenk and Michael V. Mancini.

"Naturally, they ran into disputes between the investors and the managers of these entities."

Mancini emphasized, meanwhile, that his shop is not a cannabis firm.

"We don't provide advice to cannabis businesses about how to operate," he said. "We thought this was an industry that needed sophisticated litigators because it was going to have a lot of litigation. So far, that's been a good decision for us. ... Our business bet has paid off, and we've become knowledgeable about how to litigate those dis-

putes, which are unique because they're often influenced by cannabis regulations that would be unfamiliar to somebody who doesn't practice in the area."

Mancini Shenk filed a lawsuit in 2019 against MedMen on behalf of a group of shareholders, who alleged the cannabis company's co-founders Adam Bierman and Andrew Modlin breached their fiduciary duty and enriched themselves at the expense of investors. *MMMG-MC, Inc. and Brent Cox v. MedMen Enterprises Inc. et al.* 19SMCV00045 (L.A. Super. Ct., filed Jan. 8, 2019).

"Beneath the MedMen veneer is a complex web of interconnected subsidiary entities, virtually all of which are directly managed, directed, controlled, and owned by Bierman and Modlin, and all of which always pursue the best interests of Bierman and Modlin, rather than the best interests of any stakeholder or entity," the complaint said.

Shenk said his firm handled four cases representing investors in disputes against MedMen that were all eventually resolved, primarily through confidential arbitration rulings.

“Our original thesis has really worked,” said Mancini. “Being just the general litigator to everybody is not a good marketing strategy. It’s not a good business development strategy. Instead, a good strategy is to pick something where you can target an industry and become very knowledgeable in a particular space.”

Los Angeles business litigator Robert J. Becher has opposed Mancini and described him as a very effective advocate.

“While our matter was a hard-

fought dispute, he always acted very professional and approachable, and I definitely felt he was reasonable and fair dealing with opposing counsel,” Becher said. “He had a real mastery of the facts of our dispute. He was very capable of conveying some of the more complex points in a way that was readily intelligible, and he was fairly aggressive in pursuing his clients’ interests.”

Los Angeles litigator Paul M. Kelley said he opposed Sherk in “a very messy real estate dispute”

a few years ago and described him as a “very smart, creative and purposeful” attorney.

“In the hands of the wrong attorney, that matter could have turned into World War 3 between our clients, and it didn’t need to,” Kelly recalled. “Instead of just taking the opportunity to drop the hammer to see how many bits he could blow up, he figured out, ‘I can use Kelley’s client in this, and we can forge a union out of this,’ which we did. And I thought that ended up being a good result for

both my client and his client.”

Both Sherk and Mancini said they’re hoping to grow the firm and further broaden their targeted approach to litigation into an increasing collection of industries. Sherk noted, however, that while the firm could use more attorneys, the current labor market has been a challenge.

“Growth has always been the plan from the beginning,” he said with a chuckle. “How exactly to get there is, of course, the bigger question.”

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MANCINI SHENK