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Jordan Buys Into New Medicine

By The Moscow Times

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Investment group Sputnik and its Russian partners have purchased a 35 percent stake in PalliaTech, an American producer of marijuana-based pain medication.

The deal was worth $10 million, making it a relatively small investment for Sputnik, its CEO Boris Jordan told Vedomosti on Wednesday.

PalliaTech was established in New Jersey in 2010 — the same year that the state legalized the cultivation of marijuana for medical purposes — and has a research center in Colorado, where medical marijuana has been legal since 2000.

The production and use of marijuana for medical purposes is now legal in 19 states in the U.S., according to the American NGO Procon.

The company is currently trying to obtain licenses for production centers in other states and is developing devices to be used for administering the medicine under supervision by a doctor, said Jordan, a Russian-American businessman involved in the Russian finance and media

industries since the early 1990s.

PalliaTech is not the first company to produce a product of this kind — in 2010, the British company GW Pharmaceuticals began producing nabiximols, a cannabis derivative used in the treatment of multiple sclerosis.

The market of potential consumers for these products is very large, and patients are ready to pay, Jordan said.

Sputnik's investments are primarily in the Russian financial sector, including Renaissance Insurance, the private pension fund Renaissance Life and Pensions, and the asset management company Sputnik Capital Management.

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