

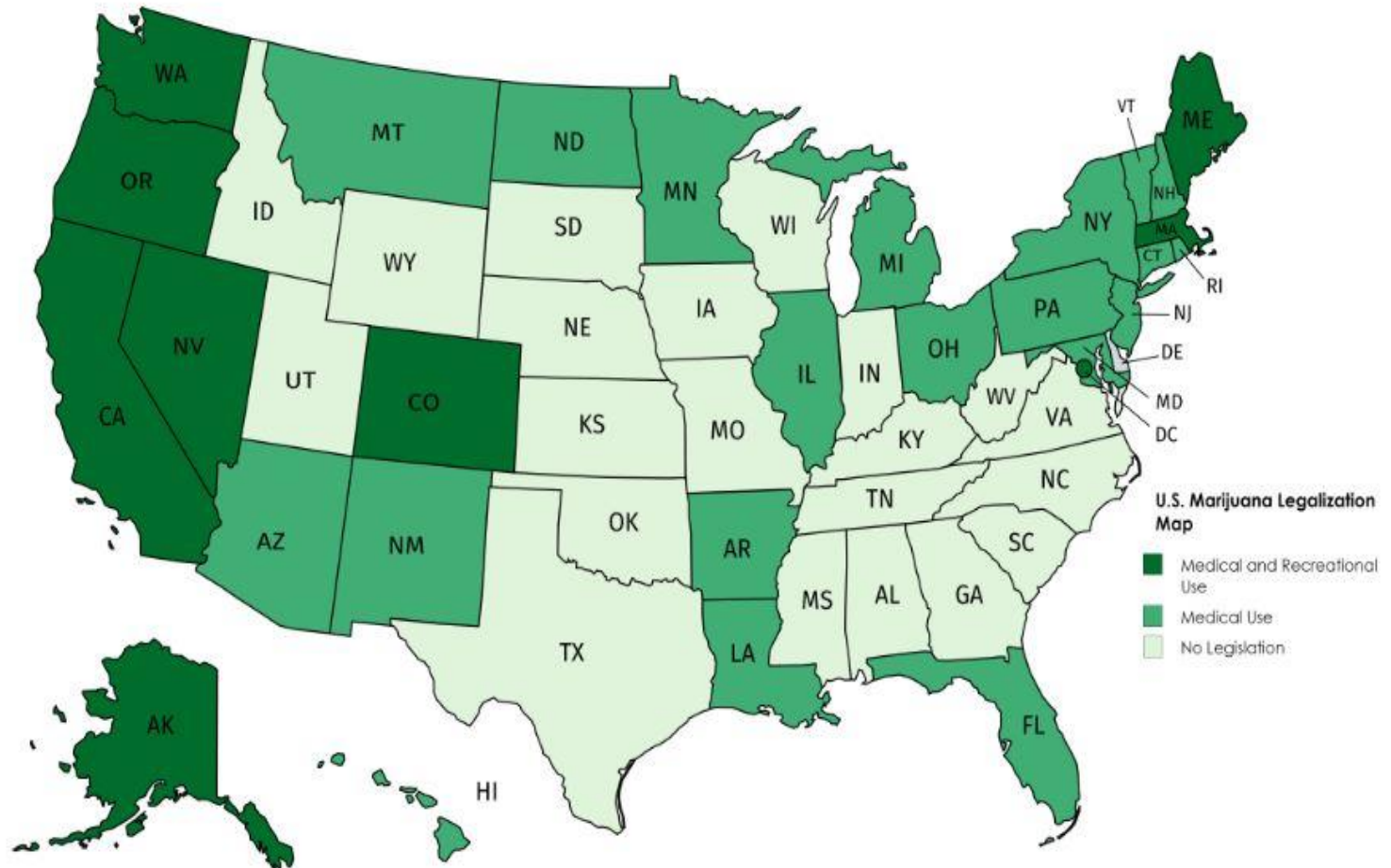
Marijuana and Banking: Next Steps?



1.24.2017

ZANE GILMER

Marijuana Landscape Post 2016 Election



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Marijuana Industry at a Glance



	2015	2016	Prediction
Colorado	\$996 Million	\$1.2 Billion (through Nov.)	\$1.5 - \$2 Billion
National	\$5.7 Billion	\$7.9 Billion (expected)	\$21 Billion (2020)



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Consolidated Appropriations Act of 2016

Sec. 542. None of the funds made available in this Act to the Department of Justice may be used, with respect to any of

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the States of Alabama, Alaska, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Oklahoma, Oregon, Rhode Island, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Wisconsin, and Wyoming, or with respect to the District of Columbia, Guam, or Puerto Rico, to prevent any of them from implementing their own laws that authorize the use, distribution, possession, or cultivation of medical marijuana.



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Georgia
Hawaii

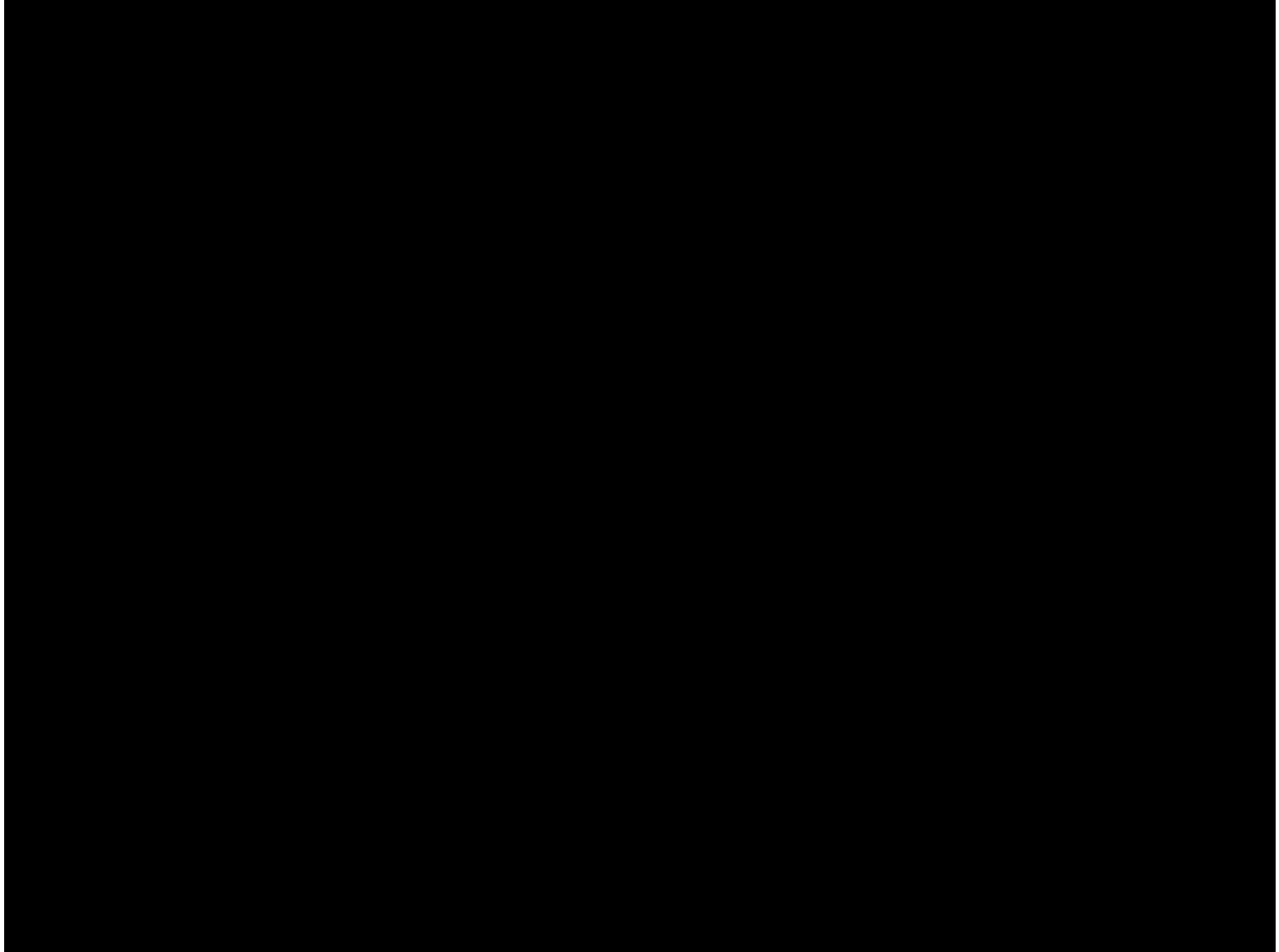
***U.S. v. McIntosh* (9th Cir. Aug. 16, 2016)**

- Section 542 prohibits DOJ from spending money on actions that prevent medical marijuana states from giving practical effect to their state laws that authorize the use, distribution, possession, or cultivation of medical marijuana.
- By prosecuting state-authorized medical marijuana users, DOJ, without taking any legal action against the medical marijuana states themselves, prevents them from implementing their laws that authorize the use, distribution, possession, or cultivation of medical marijuana by prosecuting individuals for those actions.
- If the federal government prosecutes such individuals, it prevents the state from giving practical effect to its law providing for non-prosecution of individuals who engage in the permitted conduct.

***U.S. v. McIntosh* (9th Cir. Aug. 16, 2016)**

- Holding: Section 542 prohibits DOJ from spending funds from relevant appropriations for the prosecution of individuals who engage in conduct permitted by state marijuana laws.
- *See also U.S. v. Marin Alliance for Medical Marijuana* (D.Cal. Oct. 19, 2015)

Trump Effect

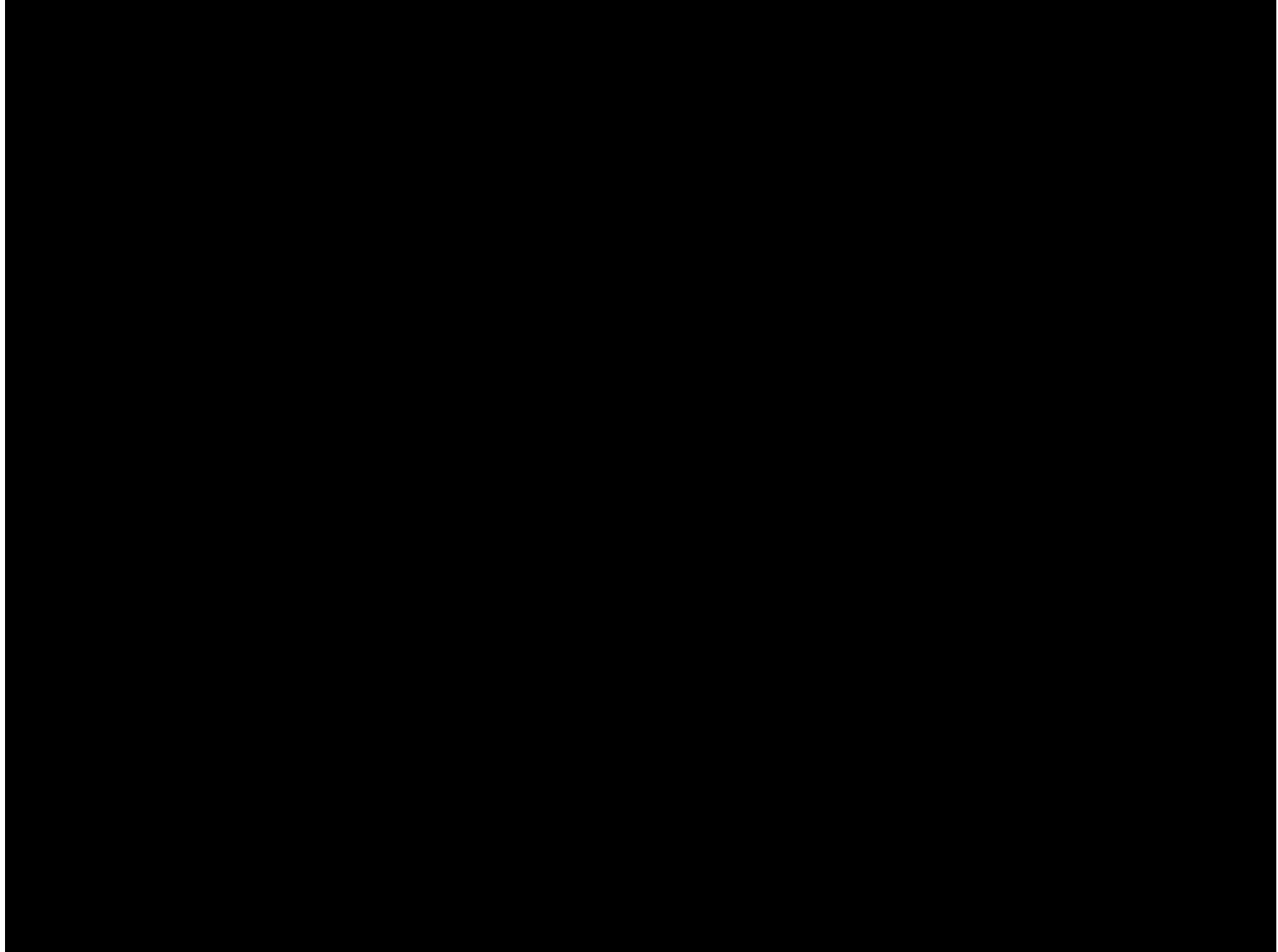


Attorney General Nominee Jeff Sessions Pre Election



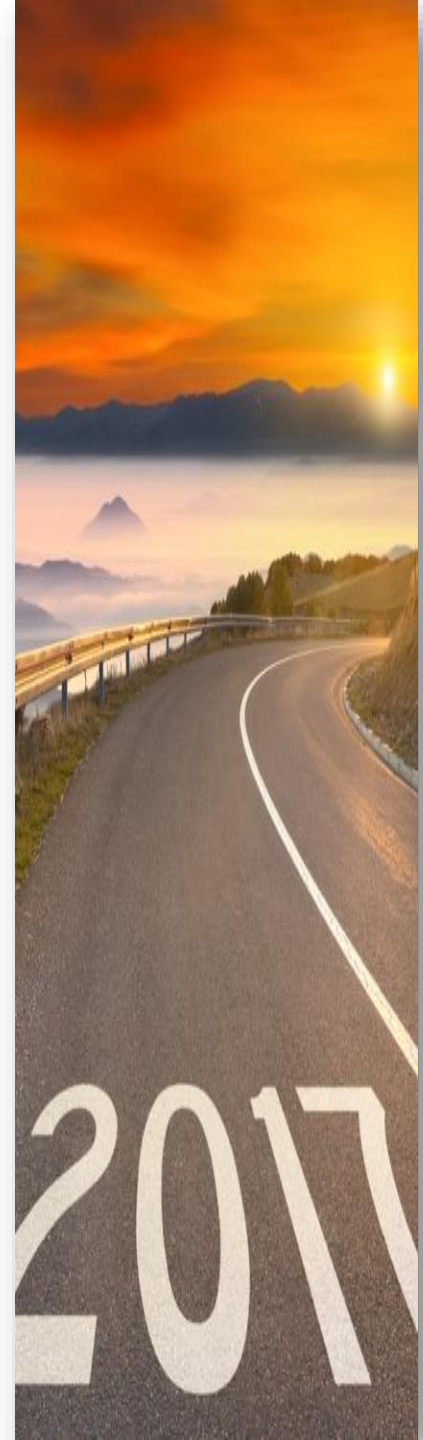


Attorney General Nominee Jeff Sessions Post Election



Predictions for 2017

- Unlikely that marijuana industry shut down
- Recreational marijuana industry may have cause for concern
- Additional states will attempt to legalize
- Marijuana banking legislation
- Bottom line = More industry uncertainty



MRB Banking Priorities for 2017

- To provide services to MRBs or not?
- Keep in mind the distinction between medical and recreational
- Develop and implement policies and procedures
 - Follow DOJ and FinCEN guidance
 - Where to draw the line?
 - Train employees
- Consider engaging vendors to help manage MRB relationships



Proceed With Caution





Questions?



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