

Cannabis Business Blog

Hal Snow Discusses with Puget Sound Business Journal on the Surprises and Growth of the Marijuana Industry

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Hal Snow shares his views with Puget Sound Business Journal's Emily Parkhurst on the surprises, growth of the burgeoning marijuana industry, and issues faced by the industry such as putting together financing structures, non-Washington residents not being allowed to invest in companies, and the struggle in dealing with banking issues. Hal also discusses how GSB's Cannabis practice group came to fruition with their team of experienced and dedicated attorneys with backgrounds ranging from business law, M&A, land use, real estate and regulatory, and also their experience in helping companies navigate the complexities of highly regulated industries.

Read the article here (*subscription required*): <http://www.bizjournals.com/seattle/print-edition/2016/02/12/su>

Warning Regarding Federal Law: The possession, distribution, and manufacturing of marijuana is illegal under federal law, regardless of state law which may, in some jurisdictions, decriminalize such activity under certain circumstances. Penalties for violating federal drug laws are very serious. For example, a conviction on a charge of conspiracy to sell drugs carries a mandatory minimum prison term of five years for a first offense and, depending on the quantity of marijuana involved, the fine for such a conviction could be as high as \$10 million. In addition, the federal government may seize, and seek the civil forfeiture of, the real or personal property used to facilitate the sale of marijuana as well as the money or other proceeds from the sale. Although the U.S. Department of Justice (DOJ) recently rescinded its guidance regarding prioritization of criminal prosecutions of individuals and entities operating in compliance with effective state regulatory systems, DOJ left in place long standing guidance to federal prosecutors regarding how to exercise this discretion. Individuals and companies are cautioned to consult with experienced attorneys regarding their exposure to potential criminal prosecution before establishing business operations in reliance upon the passage of state laws which may decriminalize such activity. Federal authority to prosecute violations of federal law as crimes or through seizures and forfeiture actions is not diminished by state law. Indeed, due to the federal government's jurisdiction over interstate commerce, when businesses provide services to marijuana producers, processors or distributors located in multiple states, they potentially face a higher level of scrutiny from federal authorities than do their customers with local operations.

Tags: banking issues, business law, financing structures, land use, M&A, marijuana industry, Puget Sound Business Journal, real estate, regulated industries, regulatory