



**Medical Marijuana**  
 Legal Answers to Your  
 Tough Questions

**Warner Norcross & Judd**  
 ATTORNEYS AT LAW

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**Update on Michigan's Medical Marijuana Law**

- **Cannabis 1.0:**
  - Michigan Medical Marijuana Act (MMMA)
- **Cannabis 2.0:**
  - Medical Marijuana Facilities Licensing Act (MMFLA)
- **Cannabis 3.0:**
  - Michigan Regulation and Taxation of Marijuana Act (MRTMA)

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**Is Marijuana Legal?**

- **Federal Government: Schedule One Drug**
  - Criminal exposure
  - Civil forfeiture
  - Firearm Restrictions

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## Banking Marijuana: What Do We Do with All this Cash?

- Why banks and credit unions shy away from cannabis money
- Alternatives to using a credit card or bank-issued debit card
- Best practices when trying to find a bank or credit union that will accept your funds



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## Real Estate: What Can I Do & Where?

- Land Use Regulations for Medical Marijuana
  - Implementation in Michigan
  - Seed to patient distribution process
  - Municipalities on board?



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## Federal Taxation of the Marijuana Industry

- The Internal Revenue Code (IRC) stance on Medical Marijuana
  - IRC Sec. 280E on deductions or credits
- IRS 2015 Chief Counsel Memorandum
- Deductible Cost of Goods Sold
- A grower's direct material costs (seeds or plants)
- Nondeductible general and administrative items



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### Is Insurance Coverage Available Under Standard Commercial Insurance Policies?

- Standard commercial insurance protections:
  - Property and liability
- Relevant exclusions
- Potential issues with insurance applications



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### Does the Corporate Veil Apply to Cannabis Operators?

- The use of a separate legal entity does not protect the equity owners of a cannabis-based business from Federal liability.
- Those that knowingly do business with an entity in the cannabis industry or an investor in a cannabis related entity are also potentially subject to Federal liability.
- The effectiveness of a separate legal entity to provide protection from other liabilities for an entity in the cannabis industry has not been determined.



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Questions?

Thank you!

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