

Medical Marijuana

Legal Answers to Your
Tough Questions

Update on Michigan's Medical Marijuana Law

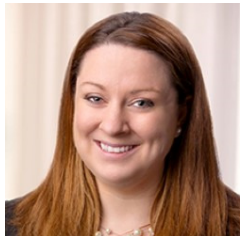
- **Cannabis 1.0:**
 - Michigan Medical Marijuana Act (MMMA)
- **Cannabis 2.0:**
 - Medical Marijuana Facilities Licensing Act (MMFLA)
- **Cannabis 3.0:**
 - Michigan Regulation and Taxation of Marijuana Act (MRTMA)



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Is Marihuana 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 Marihuana
 - 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!