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FOR IMMEDIATE RELEASE

June 12, 2019

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FEDERAL GOVERNMENT RETURNS \$257,733 SEIZED FROM CALIFORNIA LICENSED CANNABIS TRANSPORTER

Attorneys working on behalf of Wild Rivers Transport, LLC, a licensed California medical cannabis transporter, forced the federal government to return \$257,733 seized from their clients in early September, 2018. The California Highway Patrol (CHP), which initially seized the funds as part of its ongoing War on Drugs, handed the money over to agents of the US Customs and Border Patrol (CBP). CHP believed, mistakenly, that by turning the legally-derived funds over to federal authorities, they could put the money out of legal reach and hobble California's emerging cannabis industry. The case underscores that CHP's efforts to shore up a failed and widely reviled drug policy is coming to an end. In this case, federal prosecutors, followed the law under US. v. McIntosh, refused to file a case to permanently forfeit the funds. The seizing agency, the CBP, was then forced to return the funds to Wild Rivers.

The case highlights what every licensed medical cannabis operator operating in any state that allows medical cannabis, must know: that they can now successfully challenge any federal forfeiture involving cash or medical cannabis seized by or turned over to federal authorities.

The attorney team – Matt Kumin, David Michael, Craig Wasserman, Marc Wasserman, Ed Burch, Ken Seligson and Aren Ash – were ready for a bigger fight when they filed for return of the funds in December, 2018. Instead, new laws (the Joyce Amendment and the 9th Circuit Court of Appeals decision in <u>US v. Mcintosh</u>) gave them the tools to decimate the once powerful threat of federal forfeiture. The Team's message: Attorneys can now successfully challenge federal seizures and licensed cannabis entities can now ship and transport cash from medical cannabis sales with more confidence.

The federal government's surrender in this forfeiture case gives hope to an otherwise beleaguered California cannabis industry, beset by over-taxation, over-regulation, and continuing stigma. The case also puts the CHP on notice that its core tactic – turning seized cannabis and cannabis cash over to federal authorities – will no longer work.