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2 Attorney General  
3 Firm Bar No. 14000

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8 1275 West Washington Street  
9 Phoenix, Arizona 85007-2926  
10 Telephone: (602) 542-8328  
11 Facsimile: (602) 364-0700  
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13 *Attorneys for Plaintiffs*

14 **IN THE UNITED STATES DISTRICT COURT**

15 **FOR THE DISTRICT OF ARIZONA**

16 STATE OF ARIZONA, et al.,  
17 Plaintiffs,

18 vs.

19 UNITED STATES OF AMERICA, et al.,  
20 Defendants.

Case No. 11-CV-01072-PHX-SRB

**PLAINTIFFS' MOTION TO  
SUPPLEMENT THE RECORD**

(Honorable Susan R. Bolton)

21 COME NOW the Plaintiffs State of Arizona; Janice K. Brewer, Governor of the State  
22 of Arizona, in her Official Capacity; Will Humble, Director of Arizona Department of Health  
23 Services, in his Official Capacity; and Robert C. Halliday, Director of Arizona Department of  
24 Public Safety, in his Official Capacity (collectively "Plaintiffs"), through undersigned counsel,  
25 and hereby move to supplement the record to bring to this Court's attention recent activity  
26 with regard to medical marijuana. As these activities may impact the Court's determination of  
27

1 the case at bar, including the pending motions to dismiss, the Plaintiffs move for permission to  
2 supplement the record with the following documents, attached hereto as exhibits:

- 3 A. Open Letter from the Department of Justice's Bureau of Alcohol,  
4 Tobacco, Firearms and Explosives to All Federal Firearms Licensees  
5 (September 21, 2011)
- 6 B. Redacted Letter from United States Attorney for the Northern District  
7 of California Melinda Haag to Medical Marijuana Dispensary  
8 Trustee/Executor (September 28, 2011)
- 9 C. Statement of Rhode Island Governor Lincoln D. Chafee (September  
10 29, 2011)
- 11 D. Cease and Desist Notices from United States Attorney for the  
12 Southern District of California Laura E. Duffy to 23 Medical  
13 Marijuana Dispensaries (October 4, 2011)
- 14 E. Drug Enforcement Agency Press Release, "California's Top Federal  
15 Law Enforcement Officials Announce Enforcement Actions Against  
16 State's Widespread and Illegal Marijuana Industry" (October 7, 2011)
- 17 F. "US attorney eyes going after media running pot ads," *The San Diego  
18 Union-Tribune*, <http://signonsandiego.com> (October 13, 2011)

19 The federal defendants oppose this motion to supplement the record. At the time of  
20 filing, Plaintiffs have not heard whether the non-federal defendants oppose this motion to  
21 supplement the record.

22 DATED this 18th day of October, 2011.

23 THOMAS C. HORNE  
24 Attorney General

25 /s/ Lori S. Davis

26 Kevin D. Ray  
27 Lori S. Davis  
Assistant Attorneys General

*Attorneys for Plaintiffs*

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**CERTIFICATE OF SERVICE**

I certify that I electronically transmitted the attached document to the Clerk's Office using the CM/ECF System for filing and transmittal of a Notice of Electronic Filing to the following, if CM/ECF registrants, and mailed a copy of same to any non-registrants, this 18th day of October, 2011 to:

Scott Risner, Esq.  
U.S. Department of Justice  
Civil Division, Federal Programs Branch  
20 Massachusetts Ave., N.W.  
Washington, D.C. 20001

Brian Bergin, Esq.  
Rose Law Group  
6613 N. Scottsdale Road, Suite 200  
Scottsdale, AZ 85250

Lisa T. Hauser, Esq.  
Gammage & Burnham  
Two North Central, 15th Floor  
Phoenix, AZ 85004

Thomas W. Dean, Esq.  
Thomas W. Dean Esq. PLC  
323 N Leroux Street, Suite 101  
Flagstaff, AZ 86001

Ezekiel R. Edwards, Esq.  
American Civil Liberties Union  
1101 Pacific Avenue, Suite 333  
Santa Cruz, CA 95060

Thomas P. Liddy, Esq.  
Maricopa County Attorney's Office  
222 North Central Avenue, Suite 1100  
Phoenix, AZ 85004

By: /s/ Phil Londen  
#2341097v2

## INDEX OF EXHIBITS

- A. Open Letter from the Department of Justice's Bureau of Alcohol, Tobacco, Firearms and Explosives to All Federal Firearms Licensees (September 21, 2011)
- B. Redacted Letter from United States Attorney for the Northern District of California Melinda Haag to Medical Marijuana Dispensary Trustee/Executor (September 28, 2011)
- C. Statement of Rhode Island Governor Lincoln D. Chafee (September 29, 2011)
- D. Cease and Desist Notices from United States Attorney for the Southern District of California Laura E. Duffy to 23 Medical Marijuana Dispensaries (October 4, 2011)
- E. Drug Enforcement Agency Press Release, "California's Top Federal Law Enforcement Officials Announce Enforcement Actions Against State's Widespread and Illegal Marijuana Industry" (October 7, 2011)
- F. "US attorney eyes going after media running pot ads," *The San Diego Union-Tribune*, <http://signonsandiego.com> (October 13, 2011)

# **EXHIBIT A**



U.S. Department of Justice

Bureau of Alcohol, Tobacco,  
Firearms and Explosives

Washington DC 20226

September 21, 2011

[www.atf.gov](http://www.atf.gov)

**OPEN LETTER TO ALL FEDERAL FIREARMS LICENSEES**

The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) has received a number of inquiries regarding the use of marijuana for medicinal purposes<sup>1</sup> and its applicability to Federal firearms laws. The purpose of this open letter is to provide guidance on the issue and to assist you, a Federal firearms licensee, in complying with Federal firearms laws and regulations.

A number of States have passed legislation allowing under State law the use or possession of marijuana for medicinal purposes, and some of these States issue a card authorizing the holder to use or possess marijuana under State law. During a firearms transaction, a potential transferee may advise you that he or she is a user of medical marijuana, or present a medical marijuana card as identification or proof of residency.

As you know, Federal law, 18 U.S.C. § 922(g)(3), prohibits any person who is an "unlawful user of or addicted to any controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802))" from shipping, transporting, receiving or possessing firearms or ammunition. Marijuana is listed in the Controlled Substances Act as a Schedule I controlled substance, and there are no exceptions in Federal law for marijuana purportedly used for medicinal purposes, even if such use is sanctioned by State law. Further, Federal law, 18 U.S.C. § 922(d)(3), makes it unlawful for any person to sell or otherwise dispose of any firearm or ammunition to any person knowing or **having reasonable cause to believe** that such person is an unlawful user of or addicted to a controlled substance. As provided by 27 C.F.R. § 478.11, "an inference of current use may be drawn from evidence of a recent use or possession of a controlled substance or a pattern of use or possession that reasonably covers the present time."

Therefore, any person who uses or is addicted to marijuana, regardless of whether his or her State has passed legislation authorizing marijuana use for medicinal purposes, is an unlawful user of or addicted to a controlled substance, and is prohibited by Federal law from possessing firearms or ammunition. Such persons should answer "yes" to question 11.e. on ATF Form 4473 (August 2008), Firearms Transaction Record, and you may not transfer firearms or ammunition to them. Further, if you are aware that the potential transferee is in possession of a card authorizing the possession and use of marijuana under State law, then you have "reasonable cause to believe" that the person is an unlawful user of a controlled substance. As such, you may not transfer firearms or ammunition to the person, even if the person answered "no" to question 11.e. on ATF Form 4473.

ATF is committed to assisting you in complying with Federal firearms laws. If you have any questions, please contact ATF's Firearms Industry Programs Branch at (202) 648-7190.

Arthur Herbert  
Assistant Director  
Enforcement Programs and Services

<sup>1</sup> The Federal government does not recognize marijuana as a medicine. The FDA has determined that marijuana has a high potential for abuse, has no currently accepted medical use in treatment in the United States, and lacks an accepted level of safety for use under medical supervision. See 66 Fed. Reg. 20052 (2001). This Open Letter will use the terms "medical use" or "for medical purposes" with the understanding that such use is not sanctioned by the federal agency charged with determining what substances are safe and effective as medicines.

# **EXHIBIT B**



U.S. Department of Justice

United States Attorney  
Northern District of California

11th Floor, Federal Building  
450 Golden Gate Avenue, Box 36055  
San Francisco, California 94102-3495

(415) 436-7200  
FAX: (415) 436-7234

VIA CERTIFIED MAIL (RETURN RECEIPT REQUESTED)  
AND FIRST CLASS MAIL

September 28, 2011

[REDACTED]  
[REDACTED]  
[REDACTED]

Attn: Trustee and/or Executor

Re: Marijuana Dispensary at [REDACTED] San Francisco  
City and County of San Francisco APN: [REDACTED]

Dear Trustee and /or Executor:

This office has been advised that there is a marijuana dispensary operating under the business name [REDACTED] San Francisco, California, which property you own or have under your management or control. The dispensary is operating in violation of federal law, and persons and entities who operate or facilitate the operation of such dispensaries are subject to criminal prosecution and civil enforcement actions. Since the dispensary is operating within a prohibited distance of a school, [REDACTED], the unlawful operation of the dispensary is subject to enhanced penalties. Additionally, property involved in such operations, including real property, is subject to seizure by and forfeiture to the United States. These penalties and remedies apply regardless of the purported purpose of the dispensary or the uses for which marijuana is purportedly sold. Specifically, Title 21, United States Code, Section 856(a) provides:

It shall be unlawful to knowingly and intentionally rent, lease, or make available for use, with or without compensation, [a] building, room, or enclosure for the purpose of unlawfully manufacturing, storing, distributing or using a controlled substance.

Section 881(a)(7) of Title 21 provides:

The following shall be subject to forfeiture to the United States and no property right shall exist in them: All real property, including any right, title, and interest (including any leasehold interest) in the whole of any lot or tract of land which is used in any manner or part, to commit, or to facilitate the commission of, a

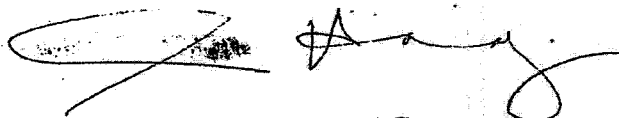


violation of this sub-chapter.

Violation of the federal law referenced above is a felony crime, and carries with it a penalty of up to 40 years in prison when operating within a prohibited distance of a school. An owner of real property with knowledge or reason to know of illegal drug sales on real property that he owns or controls may have his interest in the property forfeited to the government without compensation.

This letter is formal notification to you that there is a marijuana dispensary operating on the above described property within a prohibited distance of a playground. You are further advised that the violations of federal law relating to the marijuana dispensary operating on your property may result in criminal prosecution, imprisonment, fines, and forfeiture of assets, including the real property on which the dispensary is operating. Any money you receive (or have received) from the dispensary operator may also be subject to seizure and forfeiture. Your prompt attention to this matter is strongly advised. Please take the necessary steps to discontinue the sale and/or distribution of marijuana at the above-referenced location within 45 days of this letter. You may wish to seek independent legal advice concerning this matter.

Very truly yours,



MELINDA HAAG  
United States Attorney

# **EXHIBIT C**

## Londen, Phillip

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**From:** Vareika, Christian (GOVERNOR) [Christian.Vareika@governor.ri.gov]  
**Sent:** Friday, October 14, 2011 7:08 AM  
**To:** Londen, Phillip  
**Cc:** Kinsella, William (GOVERNOR)  
**Subject:** FW: Statement from Governor Lincoln D. Chafee  
**Attachments:** U.S. Attorney Letter 4-29-11.pdf

Phil,

Here's the Governor's statement, which was issued September 29. Please let me know if you have any further questions.

Best,

Christian

Christian Vareika  
Deputy Press Secretary  
Communications Office of Governor Lincoln D. Chafee  
State House Room 109

401-222-8134 (office)  
401-345-8287 (cell)  
[christian.vareika@governor.ri.gov](mailto:christian.vareika@governor.ri.gov)

---

**From:** Vareika, Christian (GOVERNOR)  
**Sent:** Thursday, September 29, 2011 5:40 PM  
**Subject:** Statement from Governor Lincoln D. Chafee



### Statement of Governor Lincoln D. Chafee

After much internal and external discussion and research, I have decided that the State of Rhode Island cannot proceed with the licensing and regulation of medical marijuana compassion centers under current law.

This has been a difficult decision. I believe that patients with debilitating medical conditions such as cancer, glaucoma and AIDS should have safe, reliable and well-regulated access to marijuana for therapeutic purposes. Rhode Island has a card and caregiver law currently in place for distributing medical marijuana to patients in need. I have met with and heard from advocate groups and patients that this existing system has serious flaws. In 2009, in an effort to address these flaws, the General Assembly passed a new law authorizing the cultivation and distribution of medical marijuana through three state-registered and regulated compassion centers. The Governor's constitutional duty is to implement laws passed by the General Assembly and I take that obligation very seriously.

Unfortunately, Rhode Island's compassion center law is illegal under paramount federal law. And, while the United States Attorney in each district is given some discretion in the local enforcement of federal laws, I have received communications from both the United States Department of Justice and from the United States Attorney for the District of Rhode Island that large scale commercial operations such as Rhode Island's compassion centers will be potential targets of "vigorous" criminal and civil enforcement efforts by the federal government. I cannot implement a state marijuana cultivation and distribution system which is illegal under federal law and which will become a target of federal law enforcement efforts. Federal injunctions, seizures, forfeitures, arrests and prosecutions will only hurt the patients and caregivers that our law was designed to protect.

I remain committed to improving the existing medical marijuana cultivation and distribution system in Rhode Island. I am hopeful that the General Assembly will introduce new legislation in the upcoming session that will address the flaws in, and indeed make improvement to, the existing medical marijuana card and caregiver system while not triggering federal enforcement actions. I pledge to work with advocates, patients and members of the General Assembly towards that end.

---

Christian Vareika  
Deputy Press Secretary  
Communications Office of Governor Lincoln D. Chafee  
State House Room 109

401-222-8134 (office)  
401-345-8287 (cell)  
[christian.vareika@governor.ri.gov](mailto:christian.vareika@governor.ri.gov)

# **EXHIBIT D**



U.S. Department of Justice

*Laura E. Duffy*  
*United States Attorney*  
*Southern District of California*

(619) 557-5690  
Fax (619) 557-5782

*San Diego County Office*  
*Federal Office Building*  
*880 Front Street, Room 6293*  
*San Diego, California 92101-8893*

*Imperial County Office*  
*516 Industry Way, Suite C*  
*Imperial, California 92251-7501*

October 4, 2011

West Coast Pharmacy Cooperative Inc.  
Agent for Service  
James M. Eisenman  
15760 Ventura Blvd. Suite 1919  
Encino, CA 91437

*Re: Marijuana Dispensary Operating at*  
*6954 El Cajon Blvd., San Diego, California*

Dear Mr. Eisenman:

This office has been advised by the Drug Enforcement Administration (DEA) that there is a marijuana dispensary operating under the name "West Coast Pharmacy Cooperative Inc." at the real property located at 6954 El Cajon, Blvd., San Diego, CA 92131. This letter serves as formal notice to you that the marijuana dispensary's operations violate United States law and that the violations of federal law relating to the marijuana dispensary's operations may result in criminal prosecution, imprisonment, fines, and the forfeiture of the proceeds of the operations, as well as the real and personal property used to facilitate the operations.

Federal drug trafficking laws operate independently of California state controlled substances laws. Under United States law, a dispensary's operations involving sales and distribution of marijuana are illegal and subject to criminal prosecution and civil enforcement actions. Real and personal property involved in such operations are subject to seizure by and forfeiture to the United States. These penalties and remedies apply regardless of the purported purpose of the dispensary or the uses for which marijuana is purportedly sold and distributed.

Title 21, United States Code, Section 881(a)(1)-(11), lists the categories of property subject to seizure and forfeiture in connection with the manufacture and distribution of marijuana, to include:

All conveyances, including aircraft, vehicles or vessels, which are used, or are intended for use, to transport, or in any manner to facilitate the transportation, sale, receipt, possession, or concealment of marijuana manufactured, transported, or sold in violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(4).

Cease and Desist Notice

October 4, 2011

Page 2

All moneys, negotiable instruments, securities or other things of value furnished or intended to be furnished by any person in exchange for marijuana in violation of subchapter I of Title 21, all proceeds traceable to such an exchange, and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of sub-chapter of I of Title 21. 21 U.S.C. §881(a)(4).

All real property, including any right, title and interest (including leasehold interest) in the whole of any lot or tract of land which is used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, a violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(7).

United States law takes precedence over State law and applies regardless of the particular uses for which a dispensary is selling and distributing marijuana. **Accordingly, it is not a defense to either the referenced crime or to the forfeiture of property that the dispensary is providing "medical marijuana."** Even under these circumstances, if an individual knows or has reason to know that he is selling or distributing marijuana, the federal government may forfeit proceeds and facilitating real and personal property without compensation.

Your prompt attention to this matter is strongly advised. Please take the necessary steps to discontinue the sale and/or distribution of marijuana at the above-referenced location within 45 days of this letter.

You may wish to seek independent legal advice concerning this matter. Please direct any inquiries to our Asset Forfeiture hotline at (619) 557-7413.

Very truly yours,



LAURA E. DUFFY  
United States Attorney



**U.S. Department of Justice**

**Laura E. Duffy**  
*United States Attorney*  
*Southern District of California*

(619) 557-5690  
Fax (619) 557-5782

*San Diego County Office*  
*Federal Office Building*  
*880 Front Street, Room 6293*  
*San Diego, California 92101-8893*

*Imperial County Office*  
*516 Industry Way, Suite C*  
*Imperial, California 92251-7501*

October 4, 2011

Garett A. Michaels  
5208 Bridgetown Pl.  
Westlake Village, CA 91362

*Re: Marijuana Dispensary Operating at*  
*6954 El Cajon Blvd., San Diego, California*

Dear Mr. Michaels:

This office has been advised by the Drug Enforcement Administration (DEA) that there is a marijuana dispensary operating under the name "West Coast Pharmacy Cooperative Inc." at the real property located at 6954 El Cajon, Blvd., San Diego, CA 92131. This letter serves as formal notice to you that the marijuana dispensary's operations violate United States law and that the violations of federal law relating to the marijuana dispensary's operations may result in criminal prosecution, imprisonment, fines, and the forfeiture of the proceeds of the operations, as well as the real and personal property used to facilitate the operations.

Federal drug trafficking laws operate independently of California state controlled substances laws. Under United States law, a dispensary's operations involving sales and distribution of marijuana are illegal and subject to criminal prosecution and civil enforcement actions. Real and personal property involved in such operations are subject to seizure by and forfeiture to the United States. These penalties and remedies apply regardless of the purported purpose of the dispensary or the uses for which marijuana is purportedly sold and distributed.

Title 21, United States Code, Section 881(a)(1)-(11), lists the categories of property subject to seizure and forfeiture in connection with the manufacture and distribution of marijuana, to include:

All conveyances, including aircraft, vehicles or vessels, which are used, or are intended for use, to transport, or in any manner to facilitate the transportation, sale, receipt, possession, or concealment of marijuana manufactured, transported, or sold in violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(4).



Cease and Desist Notice

October 4, 2011

Page 2

All moneys, negotiable instruments, securities or other things of value furnished or intended to be furnished by any person in exchange for marijuana in violation of subchapter I of Title 21, all proceeds traceable to such an exchange, and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of sub-chapter of I of Title 21. 21 U.S.C. §881(a)(4).

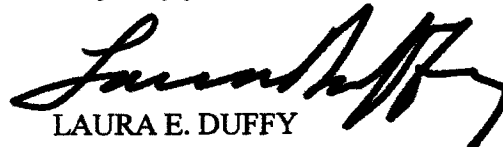
All real property, including any right, title and interest (including leasehold interest) in the whole of any lot or tract of land which is used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, a violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(7).

United States law takes precedence over State law and applies regardless of the particular uses for which a dispensary is selling and distributing marijuana. **Accordingly, it is not a defense to either the referenced crime or to the forfeiture of property that the dispensary is providing "medical marijuana."** Even under these circumstances, if an individual knows or has reason to know that he is selling or distributing marijuana, the federal government may forfeit proceeds and facilitating real and personal property without compensation.

Your prompt attention to this matter is strongly advised. Please take the necessary steps to discontinue the sale and/or distribution of marijuana at the above-referenced location within 45 days of this letter.

You may wish to seek independent legal advice concerning this matter. Please direct any inquiries to our Asset Forfeiture hotline at (619) 557-7413.

Very truly yours,



LAURA E. DUFFY  
United States Attorney



**U.S. Department of Justice**

**Laura E. Duffy**  
*United States Attorney  
Southern District of California*

(619) 557-5690  
Fax (619) 557-5782

*San Diego County Office  
Federal Office Building  
880 Front Street, Room 6293  
San Diego, California 92101-8893*

*Imperial County Office  
516 Industry Way, Suite C  
Imperial, California 92251-7501*

October 4, 2011

Allgreen Health Cooperative  
Agent for Service  
James J. Warner  
3233 3<sup>rd</sup> Avenue  
San Diego, CA 92103

*Re: Marijuana Dispensary Operating at  
3740 5<sup>th</sup> Avenue, San Diego, California*

Dear Mr. Warner:

This office has been advised by the Drug Enforcement Administration (DEA) that there is a marijuana dispensary operating under the name "Allgreen Health Cooperative" at the real property located at 3740 5<sup>th</sup> Avenue, San Diego, CA 92103. This letter serves as formal notice to you that the marijuana dispensary's operations violate United States law and that the violations of federal law relating to the marijuana dispensary's operations may result in criminal prosecution, imprisonment, fines, and the forfeiture of the proceeds of the operations, as well as the real and personal property used to facilitate the operations.

Federal drug trafficking laws operate independently of California state controlled substances laws. Under United States law, a dispensary's operations involving sales and distribution of marijuana are illegal and subject to criminal prosecution and civil enforcement actions. Real and personal property involved in such operations are subject to seizure by and forfeiture to the United States. These penalties and remedies apply regardless of the purported purpose of the dispensary or the uses for which marijuana is purportedly sold and distributed.

Title 21, United States Code, Section 881(a)(1)-(11), lists the categories of property subject to seizure and forfeiture in connection with the manufacture and distribution of marijuana, to include:

All conveyances, including aircraft, vehicles or vessels, which are used, or are intended for use, to transport, or in any manner to facilitate the transportation, sale, receipt, possession, or concealment of marijuana manufactured, transported, or sold in violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(4).

Cease and Desist Notice

October 4, 2011

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All moneys, negotiable instruments, securities or other things of value furnished or intended to be furnished by any person in exchange for marijuana in violation of subchapter I of Title 21, all proceeds traceable to such an exchange, and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of sub-chapter of I of Title 21. 21 U.S.C. §881(a)(4).

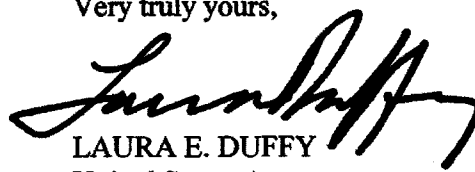
All real property, including any right, title and interest (including leasehold interest) in the whole of any lot or tract of land which is used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, a violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(7).

United States law takes precedence over State law and applies regardless of the particular uses for which a dispensary is selling and distributing marijuana. **Accordingly, it is not a defense to either the referenced crime or to the forfeiture of property that the dispensary is providing "medical marijuana."** Even under these circumstances, if an individual knows or has reason to know that he is selling or distributing marijuana, the federal government may forfeit proceeds and facilitating real and personal property without compensation.

Your prompt attention to this matter is strongly advised. Please take the necessary steps to discontinue the sale and/or distribution of marijuana at the above-referenced location within 45 days of this letter.

You may wish to seek independent legal advice concerning this matter. Please direct any inquiries to our Asset Forfeiture hotline at (619) 557-7413.

Very truly yours,



LAURA E. DUFFY  
United States Attorney



**U.S. Department of Justice**

**Laura E. Duffy**  
*United States Attorney  
Southern District of California*

(619) 557-5690  
Fax (619) 557-5782

*San Diego County Office  
Federal Office Building  
880 Front Street, Room 6293  
San Diego, California 92101-8893*

*Imperial County Office  
516 Industry Way, Suite C  
Imperial, California 92251-7501*

October 4, 2011

Allgreen Health Cooperative  
Dale Bellavance  
13304 Lakeshore Drive  
Lakeside, CA 92040

*Re: Marijuana Dispensary Operating at  
3740 5<sup>th</sup> Avenue, San Diego, California*

Dear Mr. Bellavance:

This office has been advised by the Drug Enforcement Administration (DEA) that there is a marijuana dispensary operating under the name "Allgreen Health Cooperative" at the real property located at 3740 5<sup>th</sup> Avenue, San Diego, CA 92103. This letter serves as formal notice to you that the marijuana dispensary's operations violate United States law and that the violations of federal law relating to the marijuana dispensary's operations may result in criminal prosecution, imprisonment, fines, and the forfeiture of the proceeds of the operations, as well as the real and personal property used to facilitate the operations.

Federal drug trafficking laws operate independently of California state controlled substances laws. Under United States law, a dispensary's operations involving sales and distribution of marijuana are illegal and subject to criminal prosecution and civil enforcement actions. Real and personal property involved in such operations are subject to seizure by and forfeiture to the United States. These penalties and remedies apply regardless of the purported purpose of the dispensary or the uses for which marijuana is purportedly sold and distributed.

Title 21, United States Code, Section 881(a)(1)-(11), lists the categories of property subject to seizure and forfeiture in connection with the manufacture and distribution of marijuana, to include:

All conveyances, including aircraft, vehicles or vessels, which are used, or are intended for use, to transport, or in any manner to facilitate the transportation, sale, receipt, possession, or concealment of marijuana manufactured, transported, or sold in violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(4).

Cease and Desist Notice  
October 4, 2011  
Page 2

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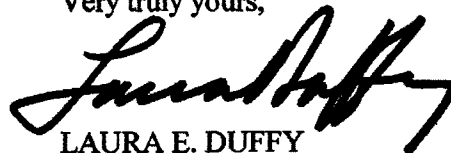
All real property, including any right, title and interest (including leasehold interest) in the whole of any lot or tract of land which is used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, a violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(7).

United States law takes precedence over State law and applies regardless of the particular uses for which a dispensary is selling and distributing marijuana. **Accordingly, it is not a defense to either the referenced crime or to the forfeiture of property that the dispensary is providing "medical marijuana."** Even under these circumstances, if an individual knows or has reason to know that he is selling or distributing marijuana, the federal government may forfeit proceeds and facilitating real and personal property without compensation.

Your prompt attention to this matter is strongly advised. Please take the necessary steps to discontinue the sale and/or distribution of marijuana at the above-referenced location within 45 days of this letter.

You may wish to seek independent legal advice concerning this matter. Please direct any inquiries to our Asset Forfeiture hotline at (619) 557-7413.

Very truly yours,



LAURA E. DUFFY  
United States Attorney



**U.S. Department of Justice**

**Laura E. Duffy**  
*United States Attorney  
Southern District of California*

(619) 557-5690  
Fax (619) 557-5782

*San Diego County Office  
Federal Office Building  
880 Front Street, Room 6293  
San Diego, California 92101-8893*

*Imperial County Office  
516 Industry Way, Suite C  
Imperial, California 92251-7501*

October 4, 2011

Impact Patient Care Inc.  
Agent for Service  
Jessica C. McElfresh  
835 5<sup>th</sup> Avenue, Suite 200A  
San Diego, CA 92101

*Re: Marijuana Dispensary Operating at  
5971 El Cajon Blvd., San Diego, California*

Dear Mr. McElfresh:

This office has been advised by the Drug Enforcement Administration (DEA) that there is a marijuana dispensary operating under the name "Impact Patient Care Inc." at the real property located at 5971 El Cajon Blvd., San Diego, CA 92101. This letter serves as formal notice to you that the marijuana dispensary's operations violate United States law and that the violations of federal law relating to the marijuana dispensary's operations may result in criminal prosecution, imprisonment, fines, and the forfeiture of the proceeds of the operations, as well as the real and personal property used to facilitate the operations.

Federal drug trafficking laws operate independently of California state controlled substances laws. Under United States law, a dispensary's operations involving sales and distribution of marijuana are illegal and subject to criminal prosecution and civil enforcement actions. Real and personal property involved in such operations are subject to seizure by and forfeiture to the United States. These penalties and remedies apply regardless of the purported purpose of the dispensary or the uses for which marijuana is purportedly sold and distributed.

Title 21, United States Code, Section 881(a)(1)-(11), lists the categories of property subject to seizure and forfeiture in connection with the manufacture and distribution of marijuana, to include:

All conveyances, including aircraft, vehicles or vessels, which are used, or are intended for use, to transport, or in any manner to facilitate the transportation, sale, receipt, possession, or concealment of marijuana manufactured, transported, or sold in violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(4).

Cease and Desist Notice  
October 4, 2011  
Page 2

All moneys, negotiable instruments, securities or other things of value furnished or intended to be furnished by any person in exchange for marijuana in violation of subchapter I of Title 21, all proceeds traceable to such an exchange, and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of sub-chapter of I of Title 21. 21 U.S.C. §881(a)(4).

All real property, including any right, title and interest (including leasehold interest) in the whole of any lot or tract of land which is used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, a violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(7).

United States law takes precedence over State law and applies regardless of the particular uses for which a dispensary is selling and distributing marijuana. **Accordingly, it is not a defense to either the referenced crime or to the forfeiture of property that the dispensary is providing "medical marijuana."** Even under these circumstances, if an individual knows or has reason to know that he is selling or distributing marijuana, the federal government may forfeit proceeds and facilitating real and personal property without compensation.

Your prompt attention to this matter is strongly advised. Please take the necessary steps to discontinue the sale and/or distribution of marijuana at the above-referenced location within 45 days of this letter.

You may wish to seek independent legal advice concerning this matter. Please direct any inquiries to our Asset Forfeiture hotline at (619) 557-7413.

Very truly yours,



LAURA E. DUFFY  
United States Attorney



**U.S. Department of Justice**

**Laura E. Duffy**  
*United States Attorney*  
*Southern District of California*

(619) 557-5690  
Fax (619) 557-5782

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*Federal Office Building*  
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*San Diego, California 92101-8893*

*Imperial County Office*  
*516 Industry Way, Suite C*  
*Imperial, California 92251-7501*

October 4, 2011

Courtney A. Bernard  
1460 Canvas Drive #4  
Chula Vista, CA 91913

*Re: Marijuana Dispensary Operating at*  
*5971 El Cajon Blvd., San Diego, California*

Dear Ms. Bernard:

This office has been advised by the Drug Enforcement Administration (DEA) that there is a marijuana dispensary operating under the name "Impact Patient Care Inc." at the real property located at 5971 El Cajon Blvd., San Diego, CA 92101. This letter serves as formal notice to you that the marijuana dispensary's operations violate United States law and that the violations of federal law relating to the marijuana dispensary's operations may result in criminal prosecution, imprisonment, fines, and the forfeiture of the proceeds of the operations, as well as the real and personal property used to facilitate the operations.

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Cease and Desist Notice

October 4, 2011

Page 2

All moneys, negotiable instruments, securities or other things of value furnished or intended to be furnished by any person in exchange for marijuana in violation of subchapter I of Title 21, all proceeds traceable to such an exchange, and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of sub-chapter of I of Title 21. 21 U.S.C. §881(a)(4).

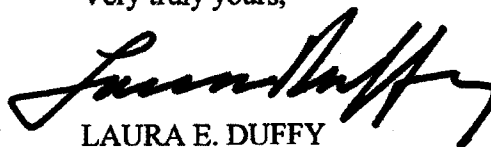
All real property, including any right, title and interest (including leasehold interest) in the whole of any lot or tract of land which is used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, a violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(7).

United States law takes precedence over State law and applies regardless of the particular uses for which a dispensary is selling and distributing marijuana. **Accordingly, it is not a defense to either the referenced crime or to the forfeiture of property that the dispensary is providing "medical marijuana."** Even under these circumstances, if an individual knows or has reason to know that he is selling or distributing marijuana, the federal government may forfeit proceeds and facilitating real and personal property without compensation.

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Very truly yours,



LAURA E. DUFFY  
United States Attorney



**U.S. Department of Justice**

**Laura E. Duffy**  
*United States Attorney  
Southern District of California*

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San Diego, California 92101-8893*

*Imperial County Office  
516 Industry Way, Suite C  
Imperial, California 92251-7501*

October 4, 2011

Trichomes R Us Inc.  
Shane R. Keenom  
Agent for Service  
3119 Howard Avenue #B  
San Diego, CA 92104

*Re: Marijuana Dispensary Operating at  
4009-15 Park Blvd., San Diego, California*

Dear Mr. Keenom:

This office has been advised by the Drug Enforcement Administration (DEA) that there is a marijuana dispensary operating under the name "Trichomes R Us Inc., Healing Arts, Omni Care" at the real property located at 4009-15 Park Blvd., San Diego, CA 92103. This letter serves as formal notice to you that the marijuana dispensary's operations violate United States law and that the violations of federal law relating to the marijuana dispensary's operations may result in criminal prosecution, imprisonment, fines, and the forfeiture of the proceeds of the operations, as well as the real and personal property used to facilitate the operations.

Federal drug trafficking laws operate independently of California state controlled substances laws. Under United States law, a dispensary's operations involving sales and distribution of marijuana are illegal and subject to criminal prosecution and civil enforcement actions. Real and personal property involved in such operations are subject to seizure by and forfeiture to the United States. These penalties and remedies apply regardless of the purported purpose of the dispensary or the uses for which marijuana is purportedly sold and distributed.

Title 21, United States Code, Section 881(a)(1)-(11), lists the categories of property subject to seizure and forfeiture in connection with the manufacture and distribution of marijuana, to include:

All conveyances, including aircraft, vehicles or vessels, which are used, or are intended for use, to transport, or in any manner to facilitate the transportation, sale, receipt, possession, or concealment of marijuana manufactured, transported, or sold in violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(4).

Cease and Desist Notice  
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Page 2

All moneys, negotiable instruments, securities or other things of value furnished or intended to be furnished by any person in exchange for marijuana in violation of subchapter I of Title 21, all proceeds traceable to such an exchange, and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of sub-chapter of I of Title 21. 21 U.S.C. §881(a)(4).

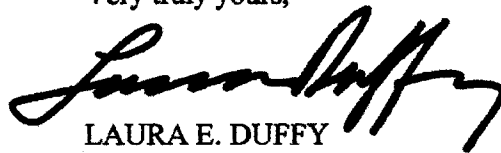
All real property, including any right, title and interest (including leasehold interest) in the whole of any lot or tract of land which is used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, a violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(7).

United States law takes precedence over State law and applies regardless of the particular uses for which a dispensary is selling and distributing marijuana. **Accordingly, it is not a defense to either the referenced crime or to the forfeiture of property that the dispensary is providing "medical marijuana."** Even under these circumstances, if an individual knows or has reason to know that he is selling or distributing marijuana, the federal government may forfeit proceeds and facilitating real and personal property without compensation.

Your prompt attention to this matter is strongly advised. Please take the necessary steps to discontinue the sale and/or distribution of marijuana at the above-referenced location within 45 days of this letter.

You may wish to seek independent legal advice concerning this matter. Please direct any inquiries to our Asset Forfeiture hotline at (619) 557-7413.

Very truly yours,



LAURA E. DUFFY  
United States Attorney



**U.S. Department of Justice**

**Laura E. Duffy**  
*United States Attorney  
Southern District of California*

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Fax (619) 557-5782

*San Diego County Office  
Federal Office Building  
880 Front Street, Room 6293  
San Diego, California 92101-8893*

*Imperial County Office  
516 Industry Way, Suite C  
Imperial, California 92251-7501*

October 4, 2011

Healing Arts Cooperative  
Agent for Service  
Daniel Guerrero  
4009 Park Blvd. #23  
San Diego, CA 92103

*Re: Marijuana Dispensary Operating at  
4009-15 Park Blvd., San Diego, California*

Dear Mr. Guerrero:

This office has been advised by the Drug Enforcement Administration (DEA) that there is a marijuana dispensary operating under the name "Healing Arts" at the real property located at 4009-15 Park Blvd., San Diego, CA 92103. This letter serves as formal notice to you that the marijuana dispensary's operations violate United States law and that the violations of federal law relating to the marijuana dispensary's operations may result in criminal prosecution, imprisonment, fines, and the forfeiture of the proceeds of the operations, as well as the real and personal property used to facilitate the operations.

Federal drug trafficking laws operate independently of California state controlled substances laws. Under United States law, a dispensary's operations involving sales and distribution of marijuana are illegal and subject to criminal prosecution and civil enforcement actions. Real and personal property involved in such operations are subject to seizure by and forfeiture to the United States. These penalties and remedies apply regardless of the purported purpose of the dispensary or the uses for which marijuana is purportedly sold and distributed.

Title 21, United States Code, Section 881(a)(1)-(11), lists the categories of property subject to seizure and forfeiture in connection with the manufacture and distribution of marijuana, to include:

All conveyances, including aircraft, vehicles or vessels, which are used, or are intended for use, to transport, or in any manner to facilitate the transportation, sale, receipt, possession, or concealment of marijuana manufactured, transported, or sold in violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(4).

Cease and Desist Notice

October 4, 2011

Page 2

All moneys, negotiable instruments, securities or other things of value furnished or intended to be furnished by any person in exchange for marijuana in violation of subchapter I of Title 21, all proceeds traceable to such an exchange, and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of sub-chapter of I of Title 21. 21 U.S.C. §881(a)(4).

All real property, including any right, title and interest (including leasehold interest) in the whole of any lot or tract of land which is used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, a violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(7).

United States law takes precedence over State law and applies regardless of the particular uses for which a dispensary is selling and distributing marijuana. **Accordingly, it is not a defense to either the referenced crime or to the forfeiture of property that the dispensary is providing "medical marijuana."** Even under these circumstances, if an individual knows or has reason to know that he is selling or distributing marijuana, the federal government may forfeit proceeds and facilitating real and personal property without compensation.

Your prompt attention to this matter is strongly advised. Please take the necessary steps to discontinue the sale and/or distribution of marijuana at the above-referenced location within 45 days of this letter.

You may wish to seek independent legal advice concerning this matter. Please direct any inquiries to our Asset Forfeiture hotline at (619) 557-7413.

Very truly yours,



LAURA E. DUFFY  
United States Attorney



**U.S. Department of Justice**

**Laura E. Duffy**  
*United States Attorney  
Southern District of California*

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880 Front Street, Room 6293  
San Diego, California 92101-8893*

*Imperial County Office  
516 Industry Way, Suite C  
Imperial, California 92251-7501*

October 4, 2011

Omni Care Solutions Inc.  
Agent for Service  
Courtney A. Bernard  
5807 University Avenue Ste. 5  
San Diego, CA 92115

*Re: Marijuana Dispensary Operating at  
4009-15 Park Blvd., San Diego, California*

Dear Ms. Bernard:

This office has been advised by the Drug Enforcement Administration (DEA) that there is a marijuana dispensary operating under the name "Omni Care Solutions" at the real property located at 4009-15 Park Blvd., San Diego, CA 92103. This letter serves as formal notice to you that the marijuana dispensary's operations violate United States law and that the violations of federal law relating to the marijuana dispensary's operations may result in criminal prosecution, imprisonment, fines, and the forfeiture of the proceeds of the operations, as well as the real and personal property used to facilitate the operations.

Federal drug trafficking laws operate independently of California state controlled substances laws. Under United States law, a dispensary's operations involving sales and distribution of marijuana are illegal and subject to criminal prosecution and civil enforcement actions. Real and personal property involved in such operations are subject to seizure by and forfeiture to the United States. These penalties and remedies apply regardless of the purported purpose of the dispensary or the uses for which marijuana is purportedly sold and distributed.

Title 21, United States Code, Section 881(a)(1)-(11), lists the categories of property subject to seizure and forfeiture in connection with the manufacture and distribution of marijuana, to include:

All conveyances, including aircraft, vehicles or vessels, which are used, or are intended for use, to transport, or in any manner to facilitate the transportation, sale, receipt, possession, or concealment of marijuana manufactured, transported, or sold in violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(4).

Cease and Desist Notice

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Page 2

All moneys, negotiable instruments, securities or other things of value furnished or intended to be furnished by any person in exchange for marijuana in violation of subchapter I of Title 21, all proceeds traceable to such an exchange, and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of sub-chapter of I of Title 21. 21 U.S.C. §881(a)(4).

All real property, including any right, title and interest (including leasehold interest) in the whole of any lot or tract of land which is used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, a violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(7).

United States law takes precedence over State law and applies regardless of the particular uses for which a dispensary is selling and distributing marijuana. **Accordingly, it is not a defense to either the referenced crime or to the forfeiture of property that the dispensary is providing "medical marijuana."** Even under these circumstances, if an individual knows or has reason to know that he is selling or distributing marijuana, the federal government may forfeit proceeds and facilitating real and personal property without compensation.

Your prompt attention to this matter is strongly advised. Please take the necessary steps to discontinue the sale and/or distribution of marijuana at the above-referenced location within 45 days of this letter.

You may wish to seek independent legal advice concerning this matter. Please direct any inquiries to our Asset Forfeiture hotline at (619) 557-7413.

Very truly yours,



LAURA E. DUFFY  
United States Attorney



U.S. Department of Justice

*Laura E. Duffy*  
United States Attorney  
Southern District of California

(619) 557-5690  
Fax (619) 557-5782

San Diego County Office  
Federal Office Building  
880 Front Street, Room 6293  
San Diego, California 92101-8893

Imperial County Office  
516 Industry Way, Suite C  
Imperial, California 92251-7501

October 4, 2011

Luong Q. Thang  
2821 Butler Street, Suite 23  
Oceanside, CA 92054

Re: *Marijuana Dispensary Operating at  
4009-15 Park Blvd., San Diego, California*

Dear Mr. Thang:

This office has been advised by the Drug Enforcement Administration (DEA) that there is a marijuana dispensary operating under the name "Trichomes R Us Inc., Healing Arts, and or Omni Care Solutions" at the real property located at 4009-15 Park Blvd., San Diego, CA 92103. This letter serves as formal notice to you that the marijuana dispensary's operations violate United States law and that the violations of federal law relating to the marijuana dispensary's operations may result in criminal prosecution, imprisonment, fines, and the forfeiture of the proceeds of the operations, as well as the real and personal property used to facilitate the operations.

Federal drug trafficking laws operate independently of California state controlled substances laws. Under United States law, a dispensary's operations involving sales and distribution of marijuana are illegal and subject to criminal prosecution and civil enforcement actions. Real and personal property involved in such operations are subject to seizure by and forfeiture to the United States. These penalties and remedies apply regardless of the purported purpose of the dispensary or the uses for which marijuana is purportedly sold and distributed.

Title 21, United States Code, Section 881(a)(1)-(11), lists the categories of property subject to seizure and forfeiture in connection with the manufacture and distribution of marijuana, to include:

All conveyances, including aircraft, vehicles or vessels, which are used, or are intended for use, to transport, or in any manner to facilitate the transportation, sale, receipt, possession, or concealment of marijuana manufactured, transported, or sold in violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(4).



Cease and Desist Notice

October 4, 2011

Page 2

All moneys, negotiable instruments, securities or other things of value furnished or intended to be furnished by any person in exchange for marijuana in violation of subchapter I of Title 21, all proceeds traceable to such an exchange, and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of sub-chapter of I of Title 21. 21 U.S.C. §881(a)(4).

All real property, including any right, title and interest (including leasehold interest) in the whole of any lot or tract of land which is used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, a violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(7).

United States law takes precedence over State law and applies regardless of the particular uses for which a dispensary is selling and distributing marijuana. **Accordingly, it is not a defense to either the referenced crime or to the forfeiture of property that the dispensary is providing "medical marijuana."** Even under these circumstances, if an individual knows or has reason to know that he is selling or distributing marijuana, the federal government may forfeit proceeds and facilitating real and personal property without compensation.

Your prompt attention to this matter is strongly advised. Please take the necessary steps to discontinue the sale and/or distribution of marijuana at the above-referenced location within 45 days of this letter.

You may wish to seek independent legal advice concerning this matter. Please direct any inquiries to our Asset Forfeiture hotline at (619) 557-7413.

Very truly yours,



LAURA E. DUFFY  
United States Attorney



**U.S. Department of Justice**

**Laura E. Duffy**  
*United States Attorney*  
*Southern District of California*

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*San Diego, California 92101-8893*

*Imperial County Office*  
*516 Industry Way, Suite C*  
*Imperial, California 92251-7501*

October 4, 2011

Duane Keith Bernard  
2801 4<sup>th</sup> Avenue  
San Diego, CA 92103

*Re: Marijuana Dispensary Operating at*  
*4009-15 Park Blvd., San Diego, California*

Dear Mr. Bernard:

This office has been advised by the Drug Enforcement Administration (DEA) that there is a marijuana dispensary operating under the name "Trichomes R Us Inc., Healing Arts, and or Omni Care Solutions" at the real property located at 4009-15 Park Blvd., San Diego, CA 92103. This letter serves as formal notice to you that the marijuana dispensary's operations violate United States law and that the violations of federal law relating to the marijuana dispensary's operations may result in criminal prosecution, imprisonment, fines, and the forfeiture of the proceeds of the operations, as well as the real and personal property used to facilitate the operations.

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Cease and Desist Notice

October 4, 2011

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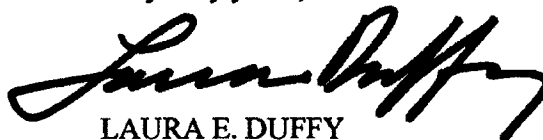
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United States law takes precedence over State law and applies regardless of the particular uses for which a dispensary is selling and distributing marijuana. **Accordingly, it is not a defense to either the referenced crime or to the forfeiture of property that the dispensary is providing "medical marijuana."** Even under these circumstances, if an individual knows or has reason to know that he is selling or distributing marijuana, the federal government may forfeit proceeds and facilitating real and personal property without compensation.

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Very truly yours,



LAURA E. DUFFY  
United States Attorney



**U.S. Department of Justice**

**Laura E. Duffy**  
*United States Attorney*  
*Southern District of California*

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*Imperial, California 92251-7501*

October 4, 2011

Gerren D. Hill  
2821 Butler Street  
Oceanside, CA 92054

*Re: Marijuana Dispensary Operating at*  
*4009-15 Park Blvd., San Diego, California*

Dear Mr. Hill:

This office has been advised by the Drug Enforcement Administration (DEA) that there is a marijuana dispensary operating under the name "Trichomes R Us Inc., Healing Arts, and or Omni Care Solutions" at the real property located at 4009-15 Park Blvd., San Diego, CA 92103. This letter serves as formal notice to you that the marijuana dispensary's operations violate United States law and that the violations of federal law relating to the marijuana dispensary's operations may result in criminal prosecution, imprisonment, fines, and the forfeiture of the proceeds of the operations, as well as the real and personal property used to facilitate the operations.

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Title 21, United States Code, Section 881(a)(1)-(11), lists the categories of property subject to seizure and forfeiture in connection with the manufacture and distribution of marijuana, to include:

All conveyances, including aircraft, vehicles or vessels, which are used, or are intended for use, to transport, or in any manner to facilitate the transportation, sale, receipt, possession, or concealment of marijuana manufactured, transported, or sold in violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(4).

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October 4, 2011  
Page 2

All moneys, negotiable instruments, securities or other things of value furnished or intended to be furnished by any person in exchange for marijuana in violation of subchapter I of Title 21, all proceeds traceable to such an exchange, and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of sub-chapter of I of Title 21. 21 U.S.C. §881(a)(4).

All real property, including any right, title and interest (including leasehold interest) in the whole of any lot or tract of land which is used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, a violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(7).

United States law takes precedence over State law and applies regardless of the particular uses for which a dispensary is selling and distributing marijuana. **Accordingly, it is not a defense to either the referenced crime or to the forfeiture of property that the dispensary is providing "medical marijuana."** Even under these circumstances, if an individual knows or has reason to know that he is selling or distributing marijuana, the federal government may forfeit proceeds and facilitating real and personal property without compensation.

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Very truly yours,

  
LAURA E. DUFFY  
United States Attorney



**U.S. Department of Justice**

**Laura E. Duffy**  
*United States Attorney  
Southern District of California*

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Federal Office Building  
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San Diego, California 92101-8893*

*Imperial County Office  
516 Industry Way, Suite C  
Imperial, California 92251-7501*

October 4, 2011

**Sibannac Alternative Inc.**  
Agent for Service  
Anthony H. Gausson  
4642 Massachusetts St.  
San Diego, CA 92116

*Re: Marijuana Dispensary Operating at  
1516 W. Redwood Street, San Diego, California*

Dear Mr. Gausson:

This office has been advised by the Drug Enforcement Administration (DEA) that there is a marijuana dispensary operating under the name "Sibannac Alternative Inc." at the real property located at 1516 W. Redwood Street, San Diego, CA 92116, which property you own or have under your management or control. This letter serves as formal notice to you that the marijuana dispensary's operations violate United States law and that the violations of federal law relating to the marijuana dispensary's operations on your property may result in criminal prosecution, imprisonment, fines, and forfeiture of assets, including the real property on which the dispensary is operating, and any money you receive (or have received) from the dispensary operator.

Federal drug trafficking laws operate independently of California state controlled substances laws. Under United States law, a dispensary's operations involving sales and distribution of marijuana are illegal and subject to criminal prosecution and civil enforcement actions. Property involved in such operations, including real property, is subject to seizure by and forfeiture to the United States. These penalties and remedies apply regardless of the purported purpose of the dispensary or the uses for which marijuana is purportedly sold and distributed. Specifically, Title 21, United States Code, Section 856(a) provides:

It shall be unlawful to knowingly and intentionally rent, lease, or make available for use, with or without compensation, [a] building, room, or enclosure for the purpose of unlawfully manufacturing, storing, distributing or using a controlled substance.

Section 881(a)(7) of Title 21 provides:

The following shall be subject to forfeiture to the United States and no property right shall exist in them: All real property, including any right, title, and interest (including

Cease and Desist Notice

October 4, 2011

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any leasehold interest) in the whole of any lot or tract of land which is used in any manner or part, to commit, or to facilitate the commission of, a violation of this sub-chapter.

United States law takes precedence over State law and applies regardless of the particular uses for which a dispensary is selling and distributing marijuana. Accordingly, **it is not a defense to either the referenced crime or to the forfeiture of property that the dispensary is providing "medical marijuana."** Even under these circumstances, an owner of real property who knows or has reason to know of marijuana sales occurring on real property that he owns or controls may have his interest in the property forfeited to the federal government without compensation.

Your prompt attention to this matter is strongly advised. Please take the necessary steps to discontinue the sale and/or distribution of marijuana at the above-referenced location within 45 days of this letter.

You may wish to seek independent legal advice concerning this matter. Please direct any inquiries to our Asset Forfeiture hotline at (619) 557-7413.

Very truly yours,

  
LAURA E. DUFFY  
United States Attorney



**U.S. Department of Justice**

**Laura E. Duffy**  
*United States Attorney  
Southern District of California*

(619) 557-5690  
Fax (619) 557-5782

*San Diego County Office  
Federal Office Building  
880 Front Street, Room 6293  
San Diego, California 92101-8893*

*Imperial County Office  
516 Industry Way, Suite C  
Imperial, California 92251-7501*

October 4, 2011

**Wild Fire Holistic Care**  
Agent for Service  
Jessica C. McElfresh  
835 5<sup>th</sup> Avenue, Suite 200A  
San Diego, CA 92101

*Re: Marijuana Dispensary Operating at  
6787 El Cajon Blvd., San Diego, California*

Dear Ms. McElfresh:

This office has been advised by the Drug Enforcement Administration (DEA) that there is a marijuana dispensary operating under the name "Wild Fire Holistic Care." at the real property located at 6787 El Cajon Blvd., San Diego, CA 92101. This letter serves as formal notice to you that the marijuana dispensary's operations violate United States law and that the violations of federal law relating to the marijuana dispensary's operations may result in criminal prosecution, imprisonment, fines, and the forfeiture of the proceeds of the operations, as well as the real and personal property used to facilitate the operations.

Federal drug trafficking laws operate independently of California state controlled substances laws. Under United States law, a dispensary's operations involving sales and distribution of marijuana are illegal and subject to criminal prosecution and civil enforcement actions. Real and personal property involved in such operations are subject to seizure by and forfeiture to the United States. These penalties and remedies apply regardless of the purported purpose of the dispensary or the uses for which marijuana is purportedly sold and distributed.

Title 21, United States Code, Section 881(a)(1)-(11), lists the categories of property subject to seizure and forfeiture in connection with the manufacture and distribution of marijuana, to include:

All conveyances, including aircraft, vehicles or vessels, which are used, or are intended for use, to transport, or in any manner to facilitate the transportation, sale, receipt, possession, or concealment of marijuana manufactured, transported, or sold in violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(4).



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All moneys, negotiable instruments, securities or other things of value furnished or intended to be furnished by any person in exchange for marijuana in violation of subchapter I of Title 21, all proceeds traceable to such an exchange, and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of sub-chapter of I of Title 21. 21 U.S.C. §881(a)(4).

All real property, including any right, title and interest (including leasehold interest) in the whole of any lot or tract of land which is used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, a violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(7).

United States law takes precedence over State law and applies regardless of the particular uses for which a dispensary is selling and distributing marijuana. **Accordingly, it is not a defense to either the referenced crime or to the forfeiture of property that the dispensary is providing "medical marijuana."** Even under these circumstances, if an individual knows or has reason to know that he is selling or distributing marijuana, the federal government may forfeit proceeds and facilitating real and personal property without compensation.

Your prompt attention to this matter is strongly advised. Please take the necessary steps to discontinue the sale and/or distribution of marijuana at the above-referenced location within 45 days of this letter.

You may wish to seek independent legal advice concerning this matter. Please direct any inquiries to our Asset Forfeiture hotline at (619) 557-7413.

Very truly yours,



LAURA E. DUFFY  
United States Attorney



**U.S. Department of Justice**

**Laura E. Duffy**  
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*San Diego, California 92101-8893*

*Imperial County Office*  
*516 Industry Way, Suite C*  
*Imperial, California 92251-7501*

October 4, 2011

Courtney A. Bernard  
1460 Canvas Drive #4  
Chula Vista, CA 91913

*Re: Marijuana Dispensary Operating at*  
*6787 El Cajon Blvd., San Diego, California*

Dear Ms. Bernard:

This office has been advised by the Drug Enforcement Administration (DEA) that there is a marijuana dispensary operating under the name "Wild Fire Holistic Care." at the real property located at 6787 El Cajon Blvd., San Diego, CA 92101. This letter serves as formal notice to you that the marijuana dispensary's operations violate United States law and that the violations of federal law relating to the marijuana dispensary's operations may result in criminal prosecution, imprisonment, fines, and the forfeiture of the proceeds of the operations, as well as the real and personal property used to facilitate the operations.

Federal drug trafficking laws operate independently of California state controlled substances laws. Under United States law, a dispensary's operations involving sales and distribution of marijuana are illegal and subject to criminal prosecution and civil enforcement actions. Real and personal property involved in such operations are subject to seizure by and forfeiture to the United States. These penalties and remedies apply regardless of the purported purpose of the dispensary or the uses for which marijuana is purportedly sold and distributed.

Title 21, United States Code, Section 881(a)(1)-(11), lists the categories of property subject to seizure and forfeiture in connection with the manufacture and distribution of marijuana, to include:

All conveyances, including aircraft, vehicles or vessels, which are used, or are intended for use, to transport, or in any manner to facilitate the transportation, sale, receipt, possession, or concealment of marijuana manufactured, transported, or sold in violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(4).

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All moneys, negotiable instruments, securities or other things of value furnished or intended to be furnished by any person in exchange for marijuana in violation of subchapter I of Title 21, all proceeds traceable to such an exchange, and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of sub-chapter of I of Title 21. 21 U.S.C. §881(a)(4).

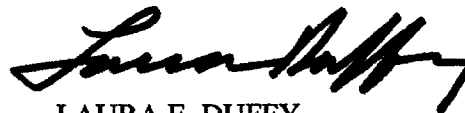
All real property, including any right, title and interest (including leasehold interest) in the whole of any lot or tract of land which is used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, a violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(7).

United States law takes precedence over State law and applies regardless of the particular uses for which a dispensary is selling and distributing marijuana. **Accordingly, it is not a defense to either the referenced crime or to the forfeiture of property that the dispensary is providing "medical marijuana."** Even under these circumstances, if an individual knows or has reason to know that he is selling or distributing marijuana, the federal government may forfeit proceeds and facilitating real and personal property without compensation.

Your prompt attention to this matter is strongly advised. Please take the necessary steps to discontinue the sale and/or distribution of marijuana at the above-referenced location within 45 days of this letter.

You may wish to seek independent legal advice concerning this matter. Please direct any inquiries to our Asset Forfeiture hotline at (619) 557-7413.

Very truly yours,



LAURA E. DUFFY  
United States Attorney



**U.S. Department of Justice**

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*San Diego, California 92101-8893*

*Imperial County Office*  
*516 Industry Way, Suite C*  
*Imperial, California 92251-7501*

October 4, 2011

Absolute Collective, Inc.  
Agent for Service  
Jessica C. McElfresh  
835 5<sup>th</sup> Ave., Ste. 200A  
San Diego, CA. 92101

*Re: Marijuana Dispensary Operating at*  
*2801 4<sup>th</sup> Ave., San Diego, California 92103*

Dear Ms. McElfresh

This office has been advised by the Drug Enforcement Administration (DEA) that there is a marijuana dispensary operating under the name "Absolute Collective, Inc." at the real property located at 2801 4<sup>th</sup> Ave., San Diego, CA. 92102. This letter serves as formal notice to you that the marijuana dispensary's operations violate United States law and that the violations of federal law relating to the marijuana dispensary's operations may result in criminal prosecution, imprisonment, fines, and the forfeiture of the proceeds of the operations, as well as the real and personal property used to facilitate the operations.

Federal drug trafficking laws operate independently of California state controlled substances laws. Under United States law, a dispensary's operations involving sales and distribution of marijuana are illegal and subject to criminal prosecution and civil enforcement actions. Real and personal property involved in such operations are subject to seizure by and forfeiture to the United States. These penalties and remedies apply regardless of the purported purpose of the dispensary or the uses for which marijuana is purportedly sold and distributed.

Title 21, United States Code, Section 881(a)(1)-(11), lists the categories of property subject to seizure and forfeiture in connection with the manufacture and distribution of marijuana, to include:

All conveyances, including aircraft, vehicles or vessels, which are used, or are intended for use, to transport, or in any manner to facilitate the transportation, sale, receipt, possession, or concealment of marijuana manufactured, transported, or sold in violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(4).

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All moneys, negotiable instruments, securities or other things of value furnished or intended to be furnished by any person in exchange for marijuana in violation of subchapter I of Title 21, all proceeds traceable to such an exchange, and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of sub-chapter of I of Title 21. 21 U.S.C. §881(a)(4).

All real property, including any right, title and interest (including leasehold interest) in the whole of any lot or tract of land which is used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, a violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(7).

United States law takes precedence over State law and applies regardless of the particular uses for which a dispensary is selling and distributing marijuana. **Accordingly, it is not a defense to either the referenced crime or to the forfeiture of property that the dispensary is providing "medical marijuana."** Even under these circumstances, if an individual knows or has reason to know that he is selling or distributing marijuana, the federal government may forfeit proceeds and facilitating real and personal property without compensation.

Your prompt attention to this matter is strongly advised. Please take the necessary steps to discontinue the sale and/or distribution of marijuana at the above-referenced location within 45 days of this letter.

You may wish to seek independent legal advice concerning this matter. Please direct any inquiries to our Asset Forfeiture hotline at (619) 557-7413.

Very truly yours,



LAURA E. DUFFY  
United States Attorney



U.S. Department of Justice

*Laura E. Duffy*  
*United States Attorney*  
*Southern District of California*

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*San Diego, California 92101-8893*

*Imperial County Office*  
*516 Industry Way, Suite C*  
*Imperial, California 92251-7501*

October 4, 2011

Absolute Collective, Inc.  
President  
Duane Keith Bernard  
2801 4<sup>th</sup> Avenue  
San Diego, CA. 92101

*Re: Marijuana Dispensary Operating at*  
*2801 4<sup>th</sup> Ave., San Diego, California 92103*

Dear Mr. Bernard:

This office has been advised by the Drug Enforcement Administration (DEA) that there is a marijuana dispensary operating under the name "Absolute Collective, Inc." at the real property located at 2801 4<sup>th</sup> Ave., San Diego, CA. 92102. This letter serves as formal notice to you that the marijuana dispensary's operations violate United States law and that the violations of federal law relating to the marijuana dispensary's operations may result in criminal prosecution, imprisonment, fines, and the forfeiture of the proceeds of the operations, as well as the real and personal property used to facilitate the operations.

Federal drug trafficking laws operate independently of California state controlled substances laws. Under United States law, a dispensary's operations involving sales and distribution of marijuana are illegal and subject to criminal prosecution and civil enforcement actions. Real and personal property involved in such operations are subject to seizure by and forfeiture to the United States. These penalties and remedies apply regardless of the purported purpose of the dispensary or the uses for which marijuana is purportedly sold and distributed.

Title 21, United States Code, Section 881(a)(1)-(11), lists the categories of property subject to seizure and forfeiture in connection with the manufacture and distribution of marijuana, to include:

All conveyances, including aircraft, vehicles or vessels, which are used, or are intended for use, to transport, or in any manner to facilitate the transportation, sale, receipt, possession, or concealment of marijuana manufactured, transported, or sold in violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(4).

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All moneys, negotiable instruments, securities or other things of value furnished or intended to be furnished by any person in exchange for marijuana in violation of subchapter I of Title 21, all proceeds traceable to such an exchange, and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of sub-chapter of I of Title 21. 21 U.S.C. §881(a)(4).

All real property, including any right, title and interest (including leasehold interest) in the whole of any lot or tract of land which is used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, a violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(7).

United States law takes precedence over State law and applies regardless of the particular uses for which a dispensary is selling and distributing marijuana. **Accordingly, it is not a defense to either the referenced crime or to the forfeiture of property that the dispensary is providing "medical marijuana."** Even under these circumstances, if an individual knows or has reason to know that he is selling or distributing marijuana, the federal government may forfeit proceeds and facilitating real and personal property without compensation.

Your prompt attention to this matter is strongly advised. Please take the necessary steps to discontinue the sale and/or distribution of marijuana at the above-referenced location within 45 days of this letter.

You may wish to seek independent legal advice concerning this matter. Please direct any inquiries to our Asset Forfeiture hotline at (619) 557-7413.

Very truly yours,

LAURA E. DUFFY  
United States Attorney



**U.S. Department of Justice**

**Laura E. Duffy**  
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*Imperial, California 92251-7501*

October 4, 2011

Tommy G. Dyke  
1891 Rancho Fanita Dr. # 10  
Santee, CA. 92071

*Re: Marijuana Dispensary Operating at*  
*2801 4<sup>th</sup> Ave., San Diego, California 92103*

Dear Mr. Dyke:

This office has been advised by the Drug Enforcement Administration (DEA) that there is a marijuana dispensary operating under the name "Absolute Collective, Inc." at the real property located at 2801 4<sup>th</sup> Ave., San Diego, CA. 92102. This letter serves as formal notice to you that the marijuana dispensary's operations violate United States law and that the violations of federal law relating to the marijuana dispensary's operations may result in criminal prosecution, imprisonment, fines, and the forfeiture of the proceeds of the operations, as well as the real and personal property used to facilitate the operations.

Federal drug trafficking laws operate independently of California state controlled substances laws. Under United States law, a dispensary's operations involving sales and distribution of marijuana are illegal and subject to criminal prosecution and civil enforcement actions. Real and personal property involved in such operations are subject to seizure by and forfeiture to the United States. These penalties and remedies apply regardless of the purported purpose of the dispensary or the uses for which marijuana is purportedly sold and distributed.

Title 21, United States Code, Section 881(a)(1)-(11), lists the categories of property subject to seizure and forfeiture in connection with the manufacture and distribution of marijuana, to include:

All conveyances, including aircraft, vehicles or vessels, which are used, or are intended for use, to transport, or in any manner to facilitate the transportation, sale, receipt, possession, or concealment of marijuana manufactured, transported, or sold in violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(4).



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All moneys, negotiable instruments, securities or other things of value furnished or intended to be furnished by any person in exchange for marijuana in violation of subchapter I of Title 21, all proceeds traceable to such an exchange, and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of sub-chapter of I of Title 21. 21 U.S.C. §881(a)(4).

All real property, including any right, title and interest (including leasehold interest) in the whole of any lot or tract of land which is used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, a violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(7).

United States law takes precedence over State law and applies regardless of the particular uses for which a dispensary is selling and distributing marijuana. **Accordingly, it is not a defense to either the referenced crime or to the forfeiture of property that the dispensary is providing "medical marijuana."** Even under these circumstances, if an individual knows or has reason to know that he is selling or distributing marijuana, the federal government may forfeit proceeds and facilitating real and personal property without compensation.

Your prompt attention to this matter is strongly advised. Please take the necessary steps to discontinue the sale and/or distribution of marijuana at the above-referenced location within 45 days of this letter.

You may wish to seek independent legal advice concerning this matter. Please direct any inquiries to our Asset Forfeiture hotline at (619) 557-7413.

Very truly yours,



LAURA E. DUFFY  
United States Attorney



**U.S. Department of Justice**

**Laura E. Duffy**  
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*Southern District of California*

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*Imperial County Office*  
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*Imperial, California 92251-7501*

October 4, 2011

Herbameds  
Agent/ Jordan Abeyta  
10601 Tierrasanta Blvd., Ste. 199  
San Diego, CA. 92124

*Re: Marijuana Dispensary Operating at*  
*4724-4760 Federal Blvd., San Diego, California*

Dear Mr. Abeyta:

This office has been advised by the Drug Enforcement Administration (DEA) that there is a marijuana dispensary operating under the name "Herbameds" at the real property located at 4724-4760 Federal Blvd., San Diego, CA. 92102. This letter serves as formal notice to you that the marijuana dispensary's operations violate United States law and that the violations of federal law relating to the marijuana dispensary's operations may result in criminal prosecution, imprisonment, fines, and the forfeiture of the proceeds of the operations, as well as the real and personal property used to facilitate the operations.

Federal drug trafficking laws operate independently of California state controlled substances laws. Under United States law, a dispensary's operations involving sales and distribution of marijuana are illegal and subject to criminal prosecution and civil enforcement actions. Real and personal property involved in such operations are subject to seizure by and forfeiture to the United States. These penalties and remedies apply regardless of the purported purpose of the dispensary or the uses for which marijuana is purportedly sold and distributed.

Title 21, United States Code, Section 881(a)(1)-(11), lists the categories of property subject to seizure and forfeiture in connection with the manufacture and distribution of marijuana, to include:

All conveyances, including aircraft, vehicles or vessels, which are used, or are intended for use, to transport, or in any manner to facilitate the transportation, sale, receipt, possession, or concealment of marijuana manufactured, transported, or sold in violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(4).

Cease and Desist Notice  
October 4, 2011  
Page 2

All moneys, negotiable instruments, securities or other things of value furnished or intended to be furnished by any person in exchange for marijuana in violation of subchapter I of Title 21, all proceeds traceable to such an exchange, and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of sub-chapter of I of Title 21. 21 U.S.C. §881(a)(4).

All real property, including any right, title and interest (including leasehold interest) in the whole of any lot or tract of land which is used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, a violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(7).

United States law takes precedence over State law and applies regardless of the particular uses for which a dispensary is selling and distributing marijuana. **Accordingly, it is not a defense to either the referenced crime or to the forfeiture of property that the dispensary is providing "medical marijuana."** Even under these circumstances, if an individual knows or has reason to know that he is selling or distributing marijuana, the federal government may forfeit proceeds and facilitating real and personal property without compensation.

Your prompt attention to this matter is strongly advised. Please take the necessary steps to discontinue the sale and/or distribution of marijuana at the above-referenced location within 45 days of this letter.

You may wish to seek independent legal advice concerning this matter. Please direct any inquiries to our Asset Forfeiture hotline at (619) 557-7413.

Very truly yours,



LAURA E. DUFFY  
United States Attorney



**U.S. Department of Justice**

**Laura E. Duffy**  
*United States Attorney  
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*Imperial County Office  
516 Industry Way, Suite C  
Imperial, California 92251-7501*

October 4, 2011

Herbameds  
Agent/ Jordan Abeyta  
10107 Holborn Street  
Santee, CA. 92071

*Re: Marijuana Dispensary Operating at  
4724-4760 Federal Blvd., San Diego, California*

Dear Mr. Abeyta:

This office has been advised by the Drug Enforcement Administration (DEA) that there is a marijuana dispensary operating under the name "Herbameds" at the real property located at 4724-4760 Federal Blvd., San Diego, CA. 92102. This letter serves as formal notice to you that the marijuana dispensary's operations violate United States law and that the violations of federal law relating to the marijuana dispensary's operations may result in criminal prosecution, imprisonment, fines, and the forfeiture of the proceeds of the operations, as well as the real and personal property used to facilitate the operations.

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All conveyances, including aircraft, vehicles or vessels, which are used, or are intended for use, to transport, or in any manner to facilitate the transportation, sale, receipt, possession, or concealment of marijuana manufactured, transported, or sold in violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(4).

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Page 2

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All real property, including any right, title and interest (including leasehold interest) in the whole of any lot or tract of land which is used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, a violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(7).

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Very truly yours,



LAURA E. DUFFY  
United States Attorney



**U.S. Department of Justice**

**Laura E. Duffy**  
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*Imperial County Office*  
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*Imperial, California 92251-7501*

October 4, 2011

Oasis Herbal Center, Inc.  
President  
Gukas Folyan  
8929 Woodman Avenue  
Arleta, CA. 91331

*Re: Marijuana Dispensary Operating at*  
*3441 University Ave., San Diego, California 92104*

Dear Mr. Folyan:

This office has been advised by the Drug Enforcement Administration (DEA) that there is a marijuana dispensary operating under the name "Oasis Herbal Center, Inc." at the real property located at 3441 University Ave., San Diego, CA. 92104. This letter serves as formal notice to you that the marijuana dispensary's operations violate United States law and that the violations of federal law relating to the marijuana dispensary's operations may result in criminal prosecution, imprisonment, fines, and the forfeiture of the proceeds of the operations, as well as the real and personal property used to facilitate the operations.

Federal drug trafficking laws operate independently of California state controlled substances laws. Under United States law, a dispensary's operations involving sales and distribution of marijuana are illegal and subject to criminal prosecution and civil enforcement actions. Real and personal property involved in such operations are subject to seizure by and forfeiture to the United States. These penalties and remedies apply regardless of the purported purpose of the dispensary or the uses for which marijuana is purportedly sold and distributed.

Title 21, United States Code, Section 881(a)(1)-(11), lists the categories of property subject to seizure and forfeiture in connection with the manufacture and distribution of marijuana, to include:

All conveyances, including aircraft, vehicles or vessels, which are used, or are intended for use, to transport, or in any manner to facilitate the transportation, sale, receipt, possession, or concealment of marijuana manufactured, transported, or sold in violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(4).

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All moneys, negotiable instruments, securities or other things of value furnished or intended to be furnished by any person in exchange for marijuana in violation of subchapter I of Title 21, all proceeds traceable to such an exchange, and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of sub-chapter of I of Title 21. 21 U.S.C. §881(a)(4).

All real property, including any right, title and interest (including leasehold interest) in the whole of any lot or tract of land which is used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, a violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(7).

United States law takes precedence over State law and applies regardless of the particular uses for which a dispensary is selling and distributing marijuana. **Accordingly, it is not a defense to either the referenced crime or to the forfeiture of property that the dispensary is providing "medical marijuana."** Even under these circumstances, if an individual knows or has reason to know that he is selling or distributing marijuana, the federal government may forfeit proceeds and facilitating real and personal property without compensation.

Your prompt attention to this matter is strongly advised. Please take the necessary steps to discontinue the sale and/or distribution of marijuana at the above-referenced location within 45 days of this letter.

You may wish to seek independent legal advice concerning this matter. Please direct any inquiries to our Asset Forfeiture hotline at (619) 557-7413.

Very truly yours,



LAURA E. DUFFY  
United States Attorney



**U.S. Department of Justice**

**Laura E. Duffy**  
*United States Attorney  
Southern District of California*

(619) 557-5690  
Fax (619) 557-5782

*San Diego County Office  
Federal Office Building  
880 Front Street, Room 6293  
San Diego, California 92101-8893*

*Imperial County Office  
516 Industry Way, Suite C  
Imperial, California 92251-7501*

October 4, 2011

Ocean Beach Wellness Center Cooperatives, Inc.  
Agent for Service  
David Roth  
9595 Wilshire Blvd., Ste. 900  
Beverly Hills, CA. 90212

*Re: Marijuana Dispensary Operating at  
4851 Newport Avenue, San Diego, California 92107*

Dear Mr. Roth:

This office has been advised by the Drug Enforcement Administration (DEA) that there is a marijuana dispensary operating under the name "Ocean Beach Wellness Center Cooperative, Inc." at the real property located at 4851 Newport Ave., San Diego, CA. 92107. This letter serves as formal notice to you that the marijuana dispensary's operations violate United States law and that the violations of federal law relating to the marijuana dispensary's operations may result in criminal prosecution, imprisonment, fines, and the forfeiture of the proceeds of the operations, as well as the real and personal property used to facilitate the operations.

Federal drug trafficking laws operate independently of California state controlled substances laws. Under United States law, a dispensary's operations involving sales and distribution of marijuana are illegal and subject to criminal prosecution and civil enforcement actions. Real and personal property involved in such operations are subject to seizure by and forfeiture to the United States. These penalties and remedies apply regardless of the purported purpose of the dispensary or the uses for which marijuana is purportedly sold and distributed.

Title 21, United States Code, Section 881(a)(1)-(11), lists the categories of property subject to seizure and forfeiture in connection with the manufacture and distribution of marijuana, to include:

All conveyances, including aircraft, vehicles or vessels, which are used, or are intended for use, to transport, or in any manner to facilitate the transportation, sale, receipt, possession, or concealment of marijuana manufactured, transported, or sold in violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(4).



Cease and Desist Notice  
October 4, 2011  
Page 2

All moneys, negotiable instruments, securities or other things of value furnished or intended to be furnished by any person in exchange for marijuana in violation of subchapter I of Title 21, all proceeds traceable to such an exchange, and all moneys, negotiable instruments, and

All real property, including any right, title and interest (including leasehold interest) in the whole of any lot or tract of land which is used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, a violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(7).

United States law takes precedence over State law and applies regardless of the particular uses for which a dispensary is selling and distributing marijuana. **Accordingly, it is not a defense to either the referenced crime or to the forfeiture of property that the dispensary is providing "medical marijuana."** Even under these circumstances, if an individual knows or has reason to know that he is selling or distributing marijuana, the federal government may forfeit proceeds and facilitating real and personal property without compensation.

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Very truly yours,

  
LAURA E. DUFFY  
United States Attorney



**U.S. Department of Justice**

**Laura E. Duffy**  
*United States Attorney*  
*Southern District of California*

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*San Diego, California 92101-8893*

*Imperial County Office*  
*516 Industry Way, Suite C*  
*Imperial, California 92251-7501*

October 4, 2011

Ocean Beach Wellness Center Cooperatives, Inc.  
President  
Lynn Ballantyne  
1528 San Marcos Pass Road  
Santa Barbara, CA. 93105

*Re: Marijuana Dispensary Operating at*  
*4851 Newport Avenue, San Diego, California 92107*

Dear Ms. Ballantyne:

This office has been advised by the Drug Enforcement Administration (DEA) that there is a marijuana dispensary operating under the name "Ocean Beach Wellness Center Cooperative, Inc." at the real property located at 4851 Newport Ave., San Diego, CA. 92107. This letter serves as formal notice to you that the marijuana dispensary's operations violate United States law and that the violations of federal law relating to the marijuana dispensary's operations may result in criminal prosecution, imprisonment, fines, and the forfeiture of the proceeds of the operations, as well as the real and personal property used to facilitate the operations.

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Cease and Desist Notice

October 4, 2011

Page 2

All moneys, negotiable instruments, securities or other things of value furnished or intended to be furnished by any person in exchange for marijuana in violation of subchapter I of Title 21, all proceeds traceable to such an exchange, and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of sub-chapter of I of Title 21. 21 U.S.C. §881(a)(4).

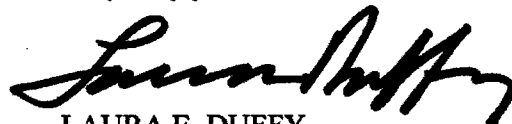
All real property, including any right, title and interest (including leasehold interest) in the whole of any lot or tract of land which is used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, a violation of sub-chapter I of Title 21. 21 U.S.C. §881(a)(7).

United States law takes precedence over State law and applies regardless of the particular uses for which a dispensary is selling and distributing marijuana. **Accordingly, it is not a defense to either the referenced crime or to the forfeiture of property that the dispensary is providing "medical marijuana."** Even under these circumstances, if an individual knows or has reason to know that he is selling or distributing marijuana, the federal government may forfeit proceeds and facilitating real and personal property without compensation.

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You may wish to seek independent legal advice concerning this matter. Please direct any inquiries to our Asset Forfeiture hotline at (619) 557-7413.

Very truly yours,



LAURA E. DUFFY  
United States Attorney

# **EXHIBIT E**



UNITED STATES  
DRUG ENFORCEMENT ADMINISTRATION

RED RIBBON WEEK  
OCTOBER 23-31, 2011


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**News Release** [print-friendly page]

FOR IMMEDIATE RELEASE

October 7, 2011

## California's Top Federal Law Enforcement Officials Announce Enforcement Actions Against State's Widespread and Illegal Marijuana Industry

### Press Room

News Releases  
E-mail updates   
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Multi-Media Library

### About Us

Mission  
Leadership  
History  
Organizational Chart  
Programs & Operations  
Wall of Honor  
DEA Museum  
Office Locations

### Careers at DEA

### DEA Drug Information

Drug Information Resources

### Law Enforcement

Most Wanted  
Major Operations  
Threat Assessment  
Training Programs  
Stats & Facts  
Additional Resources

### Drug Prevention

For Young Adults  
For Parents  
Additional Drug Resources

### Diversion Control & Prescription Drugs

Registration  
Cases Against Doctors

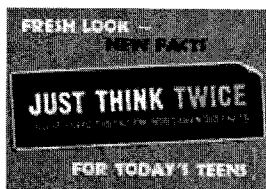
### Drug Policy

Controlled Substances Act  
Federal Trafficking Penalties  
Drug Scheduling

### Legislative Resources

### Publications

### Acquisitions & Contracts



SACRAMENTO, Calif. – The four California-based United States Attorneys today announced coordinated enforcement actions targeting the illegal operations of the commercial marijuana industry in California.

The statewide enforcement effort is aimed at curtailing the large, for-profit marijuana industry that has developed since the passage of California's Proposition 215 in 1996. That industry has swelled to include numerous drug-trafficking enterprises that operate commercial grow operations, intricate distribution systems and hundreds of marijuana stores across the state — even though the federal Controlled Substances Act makes illegal the sale and distribution of marijuana.

While the four United States Attorneys have tailored enforcement actions to the specific problems in their own districts, the statewide enforcement efforts fall into three main categories:

- Civil forfeiture lawsuits against properties involved in drug trafficking activity, which includes, in some cases, marijuana sales in violation of local ordinances;
- Letters of warning to the owners and lienholders of properties where illegal marijuana sales are taking place; and
- Criminal cases targeting commercial marijuana activities, including arrests over the past two weeks in cases filed in federal courts in Los Angeles, San Diego, Sacramento and Fresno.

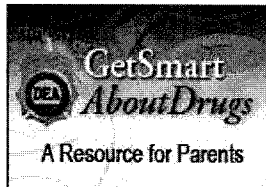
The enforcement actions being announced today are the result of the four United States Attorneys working with federal law enforcement partners and local officials across California to combat commercial marijuana activities that are having the most significant impacts in communities.

"The DEA and our partners are committed to attacking large-scale drug trafficking organizations, including those that attempt to use state or local law to shield their illicit activities from federal law enforcement and prosecution," said DEA Administrator Michele M. Leonhart. "Congress has determined that marijuana is a dangerous drug and that its distribution and sale is a serious crime. It also provides a significant source of revenue for violent gangs and drug organizations. The DEA will not look the other way while these criminal organizations conduct their illicit schemes under the false pretense of legitimate business."

"The actions taken today in California by our U.S. Attorneys and their law enforcement partners are consistent with the Department's commitment to enforcing existing federal laws, including the Controlled Substances Act (CSA), in all states," said Deputy Attorney General James Cole. "The department has maintained that we will not focus our investigative and prosecutorial resources on individual patients with serious illnesses like cancer or their immediate caregivers. However, U.S. Attorneys continue to have the authority to prosecute significant violations of the CSA, and related federal laws."

Benjamin B. Wagner, the United States Attorney for the Eastern District of California stated: "Large commercial operations cloak their moneymaking activities in the guise of helping sick people when in fact they are helping themselves. Our interest is in enforcing federal criminal law, not prosecuting seriously sick people and those who are caring for them. We are making these announcements together today so that the message is absolutely clear that commercial marijuana operations are illegal under federal law, and that we will enforce federal law."

André Birotte Jr., the United States Attorney for the Central District of California, stated: "The federal enforcement actions are aimed at commercial marijuana operations, including marijuana grows, marijuana stores and mobile delivery services - all illegal activities that generate huge profits. The marijuana industry is controlled by profiteers who distribute marijuana to generate massive and



illegal profits."

Laura E. Duffy, the United States Attorney for the Southern District of California, commented: "The California marijuana industry is not about providing medicine to the sick. It's a pervasive for-profit industry that violates federal law. In addition to damaging our environment, this industry is creating significant negative consequences, in California and throughout the nation. As the number one marijuana producing state in the country, California is exporting not just marijuana but all the serious repercussions that come with it, including significant public safety issues and perhaps irreparable harm to our youth."

Melinda Haag, the United States Attorney for the Northern District of California, said: "Marijuana stores operating in proximity to schools, parks, and other areas where children are present send the wrong message to those in our society who are the most impressionable. In addition, the huge profits generated by these stores, and the value of their inventory, present a danger that the stores will become a magnet for crime, which jeopardizes the safety of nearby children. Although our initial efforts in the Northern District focus on only certain marijuana stores, we will almost certainly be taking action against others. None are immune from action by the federal government."

Dozens of letters have been sent over the past few days to the owners and lienholders of properties where commercial marijuana stores and grows are located. In the Southern and Eastern Districts, the owners of buildings where marijuana stores operate have received letters warning that they risk losing their property and money derived from renting the space used for marijuana sales. In the Central District, where more than 1,000 stores are currently operating, prosecutors have sent letters to property owners in selected cities where officials have requested federal assistance, and they plan to continue their enforcement actions in other cities as well. In the Northern District, owners and lienholders of marijuana stores operating near schools and other locations where children congregate have been warned that their operations are subject to enhanced penalties and that real property involved in the operations is subject to seizure and forfeiture to the United States.

In the Central District and Eastern District, prosecutors this week filed a total of seven civil forfeiture complaints against properties where landlords are knowingly allowing marijuana stores to operate. One complaint filed against a south Orange County strip mall, for example, alleges that eight of the 11 second-floor suites in the buildings are occupied by marijuana stores and that one small city has spent nearly \$600,000 in legal fees in its attempt to eradicate the illegal operations.

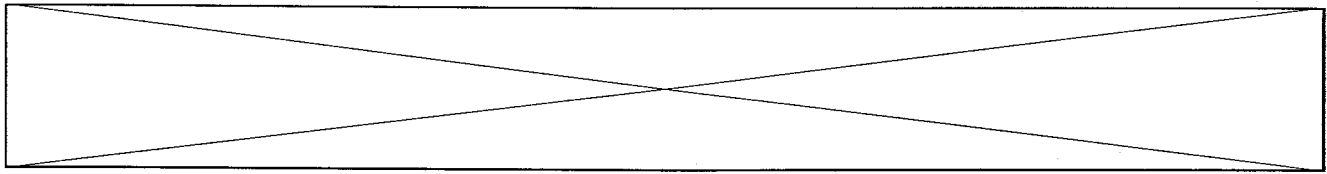
Criminal cases recently unsealed across the state reveal marijuana operations that produce huge profits, send their money and illegal narcotics to other states, and market products to young people. In a case involving a now-closed marijuana store in the San Fernando Valley, two conspirators allegedly used encrypted smartphones to coordinate marijuana sales to places as far away as New York and estimated that they would each receive \$194,000 in profits per month. In a San Diego dispensary case unsealed last week, six defendants were charged in a 77-count indictment that alleges a wide-ranging conspiracy that included numerous marijuana sales to under-aged persons.

Victor S.O. Song, Chief, IRS Criminal Investigation, stated: "IRS Criminal Investigation is proud to work with our law enforcement partners and lend its financial expertise to this effort. We will continue to use the federal asset forfeiture laws to take the profits from criminal enterprises."

Across California, the federal government will continue to investigate and prosecute those whose actions not only violate federal laws, but also the state laws regarding the use of marijuana. The problems associated with the marijuana business have dramatically increased over the past two years, even in areas where local governments and citizens actively oppose these businesses.

The statewide coordinated enforcement actions were announced this morning at a press conference in Sacramento.

# **EXHIBIT F**



**SIGNON**  
SAN DIEGO

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## US attorney eyes going after media running pot ads

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**FILE** - In this Feb. 1, 2011 file photo, medical marijuana clone plants are shown at a medical marijuana dispensary in Oakland, Calif. The chief federal prosecutor in San Diego is contemplating expanding a federal crackdown on the medical marijuana industry by going after newspapers, radio stations and other outlets that run advertisements for California's pot dispensaries, her office told The Associated Press on Thursday, Oct. 13, 2011. (AP Photo/Jeff Chiu, File) — AP

By **JULIE WATSON**,  
Associated Press

3:57 p.m., Oct. 13, 2011

### Also of interest

Feds set to target ads for marijuana dispensaries

Feds to target newspapers, radio for pot ads

APNewsBreak: Feds target CA pot

**SAN DIEGO** — The chief federal prosecutor in San Diego is contemplating expanding a federal crackdown on the medical marijuana industry by going after newspapers, radio stations and other outlets that run advertisements for California's pot dispensaries, her office told The Associated Press on Thursday.

U.S. Attorney Laura Duffy made the comments initially to California Watch, a project of the nonprofit Center for Investigative Journalism. They come a week after she and three other U.S. attorneys in California vowed to close medical marijuana businesses they deem questionable and single out people who rent buildings or land to the industry.

"I'm not just seeing print advertising," Duffy told California Watch. "I'm actually hearing radio and seeing TV advertising. It's gone mainstream.



dispensaries

APNewsBreak: Feds  
target Calif. pot  
dispensaries

Feds seek closure of  
medical marijuana  
dispensaries

Not only is it inappropriate - one has to wonder what kind of message we're sending to our children - it's against the law."

Duffy wasn't available Thursday to speak to the AP but her office confirmed the comments published by California Watch.

The federal government will determine whether the media crackdown is necessary as the results of last week's actions unfold, Duffy's spokeswoman Debra Hartman said. She cited a federal law that prohibits people from placing ads that have the purpose of buying or selling a controlled substance.

"If I own a newspaper ... or I own a TV station, and I'm going to take in your money to place these ads, I'm the person who is placing these ads," Duffy said, according to California Watch. "I am willing to read (the law) expansively and if a court wants to more narrowly define it, that would be up to the court."

Duffy declined to give further details on the plan under consideration or say whether a media crackdown would involve the state's other U.S. attorneys. But a spokesman for the Sacramento U.S. attorney told the Bakersfield Californian that there were no plans to go after advertising.

Duffy's comments are creating a buzz in the media industry, California Newspaper Publishers Association executive director Tom Newton said. As it stands now, advertisers are responsible for the contents of their ads in newspapers, he said.

"If they are false, misleading or fall below the line in other legal ways, advertisers are responsible," he said. "Newspapers don't have the staff or time to vet every claim in every ad that they run."

Duffy, whose district encompasses San Diego and Imperial counties, and the U.S. attorneys in three other California districts sent written warnings last week to landlords leasing property to dozens of warehouses and agricultural parcels where marijuana is being grown and for retail spaces where it is sold, telling them to evict their tenants or face criminal charges or seizure of their assets.

The attorneys say the state's law legalizing medical marijuana was intended to allow it to be supplied to seriously ill people on a nonprofit basis. But the law has been abused by people who are just looking to get rich, they say.

The action comes only months after the Obama administration tightened its stance on the issue.

Media owners were waiting to see what happens before reacting publicly, Newton said.

"I think everybody needs to take a breath here and really think about the implications of this issue and whether or not this is a reasonable effort and use of the limited resources of the U.S. attorney's office," Newton said.

*The Associated Press*

**Find this article at:**

<http://www.signonsandiego.com/news/2011/oct/13/us-attorney-eyes-going-after-media-running-pot-ads>

Check the box to include the list of links referenced in the article.

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