1 2 3	MATTHEW KUMIN, CA State Bar No. 177561 KUMIN SOMMERS LLP 870 Market Street, Suite 428 San Francisco, CA 94102 Telephone: (415) 434-4500 Facsimile: (415) 434-8453	
4	e-mail: matt@kuminsommers.com	
5	DAVID M. MICHAEL, CA State Bar No. 74031 LAW OFFICE OF DAVID M. MICHAEL	
6	101 California Street, Suite 2450	
7	San Francisco, CA 94111 Telephone: (415) 946-8996	
8	Facsimile: (877) 538-6220 e-mail: dmmp5@aol.com	
9	ALAN SILBER, CA State Bar No. 52973	
10	(inactive status – reactivation pending) WALDER, HAYDEN, & BROGAN, P.A.	
11	5 Becker Farm Road Roseland, NJ 07068	
12	Telephone: (973) 436-4122 Facsimile: (973) 436-4232	
13	e-mail: ASilber@whbesqs.com	
$14 \mid$	Additional Counsel Listed on Signature Page	
15	Attorneys for Plaintiffs/Petitioners	
16		DICTRICT COURT
$17 \mid$	UNITED STATES DISTRICT COURT	
18	EASTERN DISTRICT OF CALIFORNIA	
19		
20	SACRAMENTO NONPROFIT COLLECTIVE,) dba EL CAMINO WELLNESS CENTER, a)	Case No.
21	mutual benefit non-profit collective; RYAN) LANDERS, an individual,)	COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF
22	Plaintiffs/Petitioners,	
23	vs.	
24	ERIC HOLDER, Attorney General of the United)	
25	States; MICHELLE LEONHART, Administrator) of the Drug Enforcement Administration;	
26	BENJAMIN B. WAGNER, U.S. Attorney for the) Eastern District of California,	
27	Defendants/Respondents.	
28	Defendants/Respondents.	
		1
		1

I. INTRODUCTION

1. After 15 years of medical marijuana laws in California protecting patients, doctors and caregivers from prosecution for using, recommending and obtaining marijuana, and two years after the federal government pledged in a court pleading to allow medical use of cannabis in California, the four US Attorneys for California have threatened to use all means necessary to shut down the supply chain of medical cannabis for patients. It has also decided to directly threaten landlords, medical cannabis cooperatives, patients, media outlets and elected officials as the means to do this. Meanwhile, other states have developed medical cannabis programs, Colorado in particular, without federal interference. For various constitutional and equitable reasons, Plaintiffs, who are a medical cannabis cooperative and a patient, seek this Court's intervention to protect the rights of medical cannabis patients and those who assist them in obtaining their medicine in California from federal prosecution and federal forfeiture.

II. JURISDICTION

- 2. Plaintiffs bring this action to redress the deprivation of rights secured to them by the 5th, 9th, 10th and 14th Amendments to the United States Constitution.
- 3. The claim for declaratory relief in this action arises under the 5th, 9th, 10th and 14th Amendments to the United States Constitution and 28 U.S.C. § 2201.
- 4. The claim for injunctive relief arises under the 5th, 9th, 10th, and 14th Amendments to the United States Constitution and 5 U.S.C. § 702.
- 5. This Court has subject matter jurisdiction over this action under 28 U.S.C. § 1346(a)(2) because the United States is a defendant, and under 28 U.S.C. § 1331 because the case involves a federal question.
- 6. Venue in this Court is proper under 28 U.S.C. § 1391(e) and Local Rule 3.2 because plaintiffs reside in this District and the harms for which they complain all occurred in this District.

III. THE PARTIES

7. SACRAMENTO NONPROFIT COLLECTIVE, doing business as EL CAMINO WELLNESS CENTER, is a medical cannabis facility made up of patients which operate pursuant to California Health and Safety Code section 11362.775 and according to the California Attorney

General's "Guidelines for Security and Non-Diversion of Marijuana Grown for Medical Use". This mutual benefit non-profit collective is located at 2511 Connie Dr., Suite 200, Sacramento, California and is a tenant of a landlord who received a letter from the US Attorney in the Eastern District indicating that the tenant's activities are unlawful under federal law. That letter is attached as Exhibit 1 to this Complaint.

- 8. RYAN LANDERS is a medical cannabis patient with a California doctor's recommendation to use medical cannabis. Doctors in California are protected in providing recommendations pursuant to *Conant v. Walters.* (309 F.3d. 629 (2002))
 - 9. ERIC HOLDER is the United States Attorney General.
- 10. BENJAMIN B. WAGNER is the United States Attorney for the Eastern District of California.
 - 11. MICHELLE LEONHART is the Administrator for the Drug Enforcement Administration.

IV. FACTS COMMON TO ALL CAUSES OF ACTION

- 12. After 15 years of medical marijuana laws in California protecting patients, doctors and caregivers from prosecution for using, recommending and obtaining marijuana, and two years after the federal government pledged in a California federal district court to allow medical use of cannabis in California, the four United States Attorneys (USAs) in California have decided to shut down the supply chain of medical cannabis for patients. For various constitutional and equitable reasons, plaintiffs, who are a medical cannabis cooperative and a patient, seek this Court's intervention to protect the rights of medical cannabis patients in California from federal prosecution and the businesses of those who serve those patients from destruction by federal forfeiture.
- 13. Since 1996, after passage of the Compassionate Use Act by California voters, patients in California who desire to use medical cannabis to alleviate the effects of a variety of illnesses have been free to do so under California law. Since January 1, 2004, patients under California law

¹ §11362.5. Use of marijuana for medical purposes.

⁽a) This section shall be known and may be cited as the Compassionate Use Act of 1996.

⁽b)(l) The people of the State of California hereby find and declare that the purposes of the Compassionate Use Act of 1996 are as follows:

(pursuant to subsequent legislation passed by California's Assembly in 2003) have been able to associate together to cultivate and distribute medical cannabis to each other. In that legislation (the Medical Marijuana Program Act or MMPA), the Legislature made specific findings relating to safe and affordable access to cannabis. The California Attorney General, under a charge by the Legislature, also promulgated Guidelines for patients who seek to collectively distribute cannabis to each other.²

14. Despite federal laws which continue to prohibit the possession, sale and distribution of cannabis and which do not officially recognize medical uses of cannabis, California now has an entrenched cultivation and distribution network of medical cannabis supplying approximately 1,000,000 patients throughout the state.³ California media outlets are filled with numerous revenue producing advertisements for medical cannabis; doctors routinely recommend medical cannabis to their patients; landlords house tenants which dispense medical cannabis, attorneys counsel clients involved in this field; architects design facilities for medical cannabis; sheriffs and other law

- (A) To ensure that seriously ill Californians have the right to obtain and use marijuana for medical purposes where that medical use is deemed appropriate and has been recommended by a physician who has determined that the person's health would benefit from the use of marijuana in the treatment of cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which marijuana provides relief.
- (B) To ensure that patients and their primary care-givers who obtain and use marijuana for medical purposes upon the recommendation of a physician are not subject to criminal prosecution or sanction.
- (C), To encourage the federal and state governments to implement a plan to provide for the safe and affordable distribution of marijuana to all patients in medical need of marijuana.
- (2) Nothing in this section shall be construed to supersede legislation prohibiting persons from engaging in conduct that endangers others, nor to condone the diversion of marijuana for nonmedical purposes.
- (c) Notwithstanding any other provision of law: no physician in this state shall be punished, or denied any right or privilege, for having recommended marijuana to a patient for medical purposes.
- (d) Section 11357, relating to the possession of marijuana, and Section 11358, relating to the cultivation of marijuana, shall not apply to a patient, or to a patient's primary caregiver, who possesses or cultivates marijuana for the personal medical purposes of the patient upon the written or oral recommendation or approval of a physician.
- (e) For the purposes of this section, "primary care-giver" means the individual designated by the person exempted under this section who has consistently assumed responsibility for the housing, health, or safety of that person. (Added by 1996 initiative Measure Prop 215 §1, eff.: 11/6/96.)
- ² CA AG Guidelines (attached as Exhibit 2 to this complaint.)
- ³ California NORML (National Organization to Reform Marijuana Laws) estimates California's patient population at 750,000 to 1,125,000. See, http://www.canorml.org/news/cbcsurvey2011.html)

enforcement have instituted programs to tax and regulate these activities⁴, and business consultants provide a variety of services to patients who obtain cannabis at their "dispensaries," as do health care related professionals. The current estimated revenue generated by medical cannabis in California runs into the billions (\$1.5-4.5 billion according to NORML).

15. It is readily apparent, and there is no doubt, that the lawful Medical Marijuana program is a stimulus in an otherwise bleak economic picture. Many sectors of the California economy have experienced an upswing economically due to secondary effects of the medical cannabis market. Moreover, according to the California Board of Equalization, it collected \$50-100 million in sales taxes from medical cannabis operations within the past year. The State of California can ill-afford the loss of revenue should the Medical Marijuana program be eradicated by federal intervention.

16. The California Medical Association recently announced its support for reform and an end to prohibition so that vital research on the medical uses of cannabis (currently sharply curtailed by the federal government) could proceed.⁵ Likewise, the Center for Medicinal Cannabis Research in San Diego published a study last year supporting medical use of cannabis in contrast to the Federal government's position.⁶ Combined with scientific studies from Israel, Great Britain and elsewhere, the bottom line for the medical and scientific community is clear: there are important and significant benefits for the health of the human race to be derived from the cannabis plant. In short, there is significant evidence that medical cannabis has had a profound impact on the medical and scientific

⁶In 2010, the results of a series of randomized, placebo-controlled FDA-approved clinical trials performed by regional

government to work with plant cannabis in FDA-approved clinical trials. That means, that even when/if a protocol is approved by NIDA, one of these 14 licensed facilities must also approve or else the study could not go forward.

⁴ For example, Mendocino county's Sheriff has instituted a program by which his office monitors cultivation, a maximum of 99 per patient, and requires the purchase of a twist-tie for each plant. Numerous cities such as Oakland, Stockton, Los Angeles, San Francisco, to name a few of the larger entities, have zoning and other regulatory ordinances in place for medical cannabis facilities.

⁵ http://www.cmanet.org/news/detail/?article=cma-urges-legalization-and-regulation-of

branches of the University of California established that inhaled cannabis possessed therapeutic utility that is comparable to or better than conventional medications, particularly in the treatment of multiple sclerosis and neuropathic pain. These findings were publicly presented to the California legislature, and also appear online here: http://www.cmcr.ucsd.edu/images/pdfs/CMCR_REPORT_FEB17.pdf. In sharp contrast, the U.S. National Institute on Drug Abuse (NIDA), the agency that oversees 85 percent of the world's research on controlled substances, reaffirmed its longstanding "no medi-pot" policy to The New York Times. "As the National Institute on Drug Abuse, our focus is primarily on the negative consequences of marijuana use," a spokesperson told the paper in 2010. http://www.nytimes.com/2010/01/19/health/policy/19marijuana.html? "We generally do not fund research focused on the potential beneficial medical effects of marijuana." Presently, there are only 14 clinicians licensed by the federal

community, with regard to patient health care in the State of California (and elsewhere.⁷).

17. Despite all of the above, in late September and early October of 2011, the United States Attorneys (USA's) for each of the four federal districts in California wrote to numerous individuals and entities involved in California's Medical Marijuana program, alleging that the dispensaries, landlords who rent to the dispensaries, patients and other supporting commercial entities, even though they are fully in compliance with state law, are nonetheless in violation of federal law. Swift sanctions were threatened if those involved did not cease their lawful-under-California-state-law activities. The sanctions threatened are criminal prosecution, imprisonment, fines, the forfeiture of assets, including and money received as a result of the activity and real property where activity occurred. (A copy of one of those letters is attached as Exhibit 1 to this Complaint).

18. The USAs emphasized that federal drug trafficking laws operate independently of California laws, and that a dispensary's operation involving sales and distribution of marijuana is illegal, subjecting even those in compliance with California state law to federal criminal prosecution as well as seizure by and forfeiture to the United States of property – both real and personal – involved in such activities. Notice of potential 40-year prison sentences for operation within a prohibited distance of a school and citation to 21 U.S.C. § 856 (a) and 21 U.S.C. § 881 (a) (7) bolstered the federal threat to those lawfully participating in California's 15 year old medical marijuana program.

19. It is the threatening actions of these 4 USA's in mounting a comprehensive attack – mainly on all the support systems that any legitimate business needs – that will eviscerate and likely eradicate California's Medical Marijuana program. The threats are to the banks (no business can function without bank accounts)⁸, landlords, and even media outlets. For all practical purposes, the letters sent by the USA's are an attempt to eliminate the lawful program of medical marijuana production and distribution by intimidation. The practical effect of this effort has already been effective as numerous medical cannabis facilities have shut down and landlords have started to evict the tenants. The threats

⁷ California however, is not alone in experimenting with the use of cannabis as a medicine or palliative. 16 other states, with a combined population of 140 million people (including California's population), also have laws allowing for medical use.

⁸ http://abcnews.go.com/Business/justice-department-targets-banks-medical-marijuana-crackdown/story?id=14811540

will continue to drive the medical marijuana program underground, harming the landlords, businesses and professionals that support California's lawful (under State law) program and costing the state and local governments their fair share of what legitimate businesses pay to foster an orderly society. All of this is being done in derogation of the Department of Justice (DOJ)'s promise to the United States District Court for the Northern District of California in 2009 that those in compliance with California State law would be neither prosecuted nor subject to civil forfeiture. Injunctive relief is the only remedy to avert the impact that the illegal and unconstitutional threatening letters from the USA's is having and will inevitably have.

V. FIRST CAUSE OF ACTION: JUDICIAL ESTOPPEL

- 20. Plaintiffs reallege and incorporate by reference Paragraphs 1 through 19 as if stated herein.
- 21. The Department of Justice signed a stipulation for dismissal in County of Santa Cruz, WAMM et al. v. Eric Holder et al. No. 03-1802 JF (hereinafter, "WAMM"). The DOJ had attached to that request for dismissal what the DOJ referred to as the Marijuana Guidance, a document that pledged not to use federal resources against patients that were in compliance with state law. A copy of that stipulation for dismissal with its exhibits attached is attached here as Exhibit 3. In short, the DOJ promised a federal judge that it had changed its policy toward the enforcement of its federal drug laws relative to California medical cannabis patients.
- 22. The recent crackdown by the federal government against medical cannabis patients flouts the representations made on the record by the Department of Justice that was the fundamental underpinning for the judicial order signed by federal district court judge Jeremy Fogel dismissing the action by medical cannabis patients in the WAMM case through that stipulation for dismissal. Effectively, the federal government is playing "fast and loose" with the federal courts and under the judicial estoppel doctrine, it may not do so.
 - 23. Therefore, plaintiffs request relief as prayed for herein.

VI. SECOND CAUSE OF ACTION: EQUITABLE ESTOPPEL

- 24. Plaintiffs reallege and incorporate by reference Paragraphs 1 through 23 as if stated herein.
- 25. Under established principles of estoppel and particularly in the context of the defense of estoppel by entrapment, defendants to a criminal action are protected and should not be prosecuted if they have reasonably relied on statements from the government indicating that their conduct is not

unlawful. That principle should be applied to potential defendants as well, the plaintiffs in this action. Such parties, courts have noted, are "person[s] sincerely desirous of obeying the law". They "accepted the information as true and [were]...not on notice to make further inquiries." *U.S. v. Weitzenhoff*, 1 F. 3d 1523, 1534 (9th Cir. 1993).

- 26. Pursuant to the DOJ's policy statement filed in the WAMM case referenced herein, the plaintiffs, patients and their cooperatives and the landlords of these cooperatives, reasonably relied on that DOJ statement to operate or to continue to operate medical cannabis facilities or, in the case of landlords, to lease their properties or to continue to lease their properties to patient cooperatives which were in compliance with California state law.
- 27. "[E]ntrapment by estoppel rests on a due process theory which focuses on the conduct of the government officials rather than on a defendant's state of mind." *U.S. v. Batterjee*, 361 F.3d 1210, 1218 (9th Cir. 2004). Here, the conduct of the government officials and their statement led the nation to believe that the government had changed its policy in 2009, ensuring that those who comply with state medical cannabis laws would not be subject to federal prosecution.
 - 28. Wherefore, this Court should grant the relief as requested.

VII. THIRD CAUSE OF ACTION: VIOLATION OF THE 9TH AMENDMENT TO THE UNITED STATES CONSTITUTION

- 29. Plaintiffs reallege and incorporate by reference Paragraphs 1 through 28 as if stated herein.
- 30 The Ninth Amendment to the U.S. Constitution provides that "The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people."
- 31. Defendants' actions to threaten seizure of property and civil and criminal penalties or to seek civil or administrative sanctions against any Plaintiffs herein for activities involving medical cannabis of Plaintiffs SACRAMENTO NONPROFIT COLLECTIVE or RYAN LANDERS would violate the Ninth Amendment as applied to Plaintiffs.
- 32. The plaintiff patients, individually and through their cooperatives, retain fundamental rights to bodily integrity that may not be interfered with by the federal government. Longstanding traditions by US citizens relating to their use of cannabis for medical purposes go back much further than 1937 when the Federal Government first passed laws limiting cannabis distribution.

- 33. Plaintiff patients' rights under the 9th Amendment also include their right to consult with their doctors about their bodies and health. The federal government's actions threaten that relationship and the fundamental bodily integrity associated with that relationship.
 - 34. Wherefore, Plaintiffs pray for relief as requested herein.

VIII. FOURTH CAUSE OF ACTION: TENTH AMENDMENT TO THE UNITED STATES CONSTITUTION

- 35. Plaintiffs reallege and incorporate by reference Paragraphs 1 through 34 as if stated herein.
- 36. The Tenth Amendment to the U.S. Constitution provides that "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."
- 37. Defendants' threatened actions to raid, arrest, prosecute, punish, seize medical cannabis of, forfeit property of, or seek civil or administrative sanctions against any Plaintiff herein for activities within the State of California involving the personal medical cannabis of Plaintiffs SACRAMENTO NONPROFIT COLLECTIVE or RYAN LANDERS would violate the Tenth Amendment as applied to Plaintiffs.
- 38. The states retain the primary plenary power to protect the health of its citizens. Under California's medical cannabis laws, these powers should not be overturned, particularly in light of the federal government's own acknowledgement of cannabis use for medical purposes and its approval of Colorado's use of those same public health powers to protect and assist its own citizens.
 - 39. Wherefore, plaintiff's pray for relief as requested herein.

IX. FIFTH CAUSE OF ACTION: VIOLATION OF THE 14TH AMENDMENT TO THE UNITED STATES CONSTITUTION

- 40. Plaintiffs reallege and incorporate by reference Paragraphs 1 through 39 as if stated herein.
- 41. The Federal Government unlawfully discriminates against medical cannabis patients in California without a rational basis when it:
 - 1. Actively provides cannabis for medical purposes to individuals through its own IND program.
 - 2. Actively allows patients in Colorado to access medical cannabis through a state-licensing system that allows individuals to make profit from the sales of

medical cannabis.

- 3. Actively restricts scientific research into the medical value and use of cannabis to alleviate human suffering and pain.
- 42. Equal protection of the law means in this case that the government must have a rational basis for treating its citizens in Colorado differently from its citizens in California, that it must have a rational basis for insisting on enforcing federal laws prohibiting cannabis possession and distribution on one hand, while giving cannabis to patients on the other hand, that is must have a rational basis for restricting research into cannabis, while prohibiting it altogether in California. In no instance has the federal government shown a rational basis for its recent effort to end the supply of medical cannabis to qualified patients in California.
 - 43. Wherefore, Plaintiffs pray for relief as requested herein.

X. SIXTH CAUSE OF ACTION: VIOLATION OF THE COMMERCE CLAUSE

- 44. Plaintiffs reallege and incorporate by reference Paragraphs 1 through 43 as if stated herein.
- 45. The Commerce Clause of the United States Constitution provides that Congress shall have the power "[t]o regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes".
- 46. This clause has been widely interpreted by courts to mean that, as to commerce within the United States, the Congress may only pass laws impacting <u>interstate</u> commerce, not intrastate commerce.
- 47. While Plaintiffs acknowledge the binding precedent of <u>Raich v Gonzales</u>, 545 US 1 (2005), it is still difficult to imagine that marijuana grown only in California, pursuant to California State law, and distributed only within California, only to California residents holding state-issued cards, and only for medical purposes, can be subject to federal regulation pursuant to the Commerce Clause. For that reason, Plaintiffs preserve the issue for further Supreme Court review, if necessary and deemed appropriate.
 - 48. Wherefore, Plaintiffs pray for relief as requested herein.

X. IRREPARABLE HARM

49. Plaintiffs in this action who are patients or individuals who are members of a plaintiff cooperative to this action have suffered and will continue to suffer irreparable harm due to

Defendants' challenged actions and practices described in this Complaint.

- 50. Plaintiff patients face, or treat, serious or life-threatening medical conditions requiring therapy with cannabis to alleviate increased suffering, illness, or death. Defendants' interference with Plaintiff patients' treatment through threats to landlords and to the cooperatives which supply them, and the resulting increased risk of suffering, illness, and death, constitute irreparable harm.
- 51. Plaintiff patients have constitutional rights to obtain treatment to alleviate their suffering. Defendants' actions are creating well-founded fear by Plaintiffs that Defendants will attack Plaintiffs' persons, medicine, health, or property or the property of those who assist them, thus exacerbating Plaintiff patients' already serious medical conditions and constituting irreparable harm.

XI. DECLARATORY RELIEF

52. An actual controversy exists between plaintiffs and defendants in that plaintiffs contend that the policies, practices and conduct of defendants alleged herein are unlawful and unconstitutional, whereas plaintiffs are informed and believe that defendants contend that said policies, practices and conduct are lawful and constitutional. Plaintiffs seek a declaration of rights with respect to this controversy.

XII. PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray that this Court enter judgment as follows:

A. Issue a Preliminary Injunction during the pendency of this action and a Permanent Injunction enjoining Defendants from arresting or prosecuting Plaintiffs or those similarly situated, seizing their medical cannabis, forfeiting their property or the property of their landlords or threatening to seize property, or seeking civil or administrative sanctions against them or parties whose property is used to assist them. Defendants should also be ordered not to interfere with any California medical cannabis patients, whether acting alone or with other patients, who are in compliance with California State law as outlined in the California Attorney General's Guidelines for the Non-Diversion of Marijuana. This court should further order that any determination of such compliance shall be made through California state officials to avoid publication of any self-incriminating statements that would subject any potential patient or landlord to federal prosecution including forfeiture.

B. Declare that enforcement of the Controlled Substances Act is unconstitutional to the extent

it purports to prevent Plaintiffs or those similarly situated from possessing, obtaining, manufacturing, or providing cannabis or a place where cannabis can be obtained for the personal medical use of any patient in California with a valid doctor's recommendation. To the extent that the actions of the USA's in enforcing the CSA interferes with the activities of parties who assist Plaintiffs or those similarly situated, this Court should enjoin those actions.

C. Declare that the doctrine of Judicial Estoppel precludes enforcement of the Controlled Substances Act to the extent it purports to prevent plaintiffs or others similarly situated from leasing property to medical cannabis facilities or, in the case of any California Medical Cannabis patients, from following California State law to possess, obtain, or manufacture cannabis for their personal medical use.

D. Declare that the 9th, 10th and 14th amendments to the US Constitution preclude the federal government from interfering with the rights of California medical cannabis patients, acting alone or with others, either through administrative, civil or criminal prosecutions or through threats, intimidation or indirect means.

E. Declare that the doctrine of Equitable Estoppel precludes enforcement of the Controlled Substances Act to the extent it purports to prevent plaintiffs or those similarly situated from leasing property to medical cannabis facilities, or in the case of any California Medical Cannabis patients, from following California State law to possess, obtain, or manufacture cannabis for their personal medical use.

F. Declare that since the Commerce Clause can only regulate interstate activity and that since Plaintiffs activities all involve strictly intrastate activity, that the Controlled Substances Act cannot be used against Plaintiffs or those similarly situated.

G. Grant Plaintiffs such other and further relief as the Court deems just and proper.

Date: November 3, 2011

Matthew Kumin-

KUMIN SOMMERS LLP

Attorneys for Plaintiffs/Petitioners