



COLORADO

Department of Revenue

Enforcement Division - Marijuana
455 Sherman Street, Suite 390
Denver, CO 80203

October 5, 2016

Sent via e-mail to: [REDACTED]

Kevin Cheney
Attorney at Law
3900 East Mexico Avenue, Ste. 300
Denver, CO 80210

Dear Mr. Cheney:

This letter is in response to your request for a Statement of Position pursuant to Rules M 104(A), 1 CCR 212-1, and R 104(A), 1 CCR 212-2, dated May 27, 2016. You have asked for a statement of position from the Marijuana Enforcement Division (“Division”) as to the following question:

“Are retail marijuana stores permitted to purchase and sell seeds from anyone other than licensed retail marijuana cultivation facilities?”

Retail Marijuana Defined

“Retail Marijuana” means all parts of the plant of the genus cannabis whether growing or not, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or its resin, including marijuana concentrate, that is cultivated, manufactured, distributed, or sold by a licensed Retail Marijuana Establishment. See Rule R 103, 1 CCR 212-2 (emphasis added).

Authorized Sources

A licensed Retail Marijuana Store (“Retail Store”) may not purchase Retail Marijuana from outside the regulated distribution system. A Retail Store is permitted to purchase and sell Retail Marijuana only from licensed Retail Marijuana Establishments pursuant to the article XVIII of the Colorado State Constitution, the Colorado Retail Marijuana Code (“Retail Code”), and the rules promulgated pursuant to the Retail Code.

Potential License Violation and Criminal Conduct

Your request for a Statement of Position acknowledges that “...seeds are available from a wide array of companies across the country and the world.” Note that under Rule R 1307(A)(1), 1 CCR 212-2, possessing Retail Marijuana obtained from outside the regulated distribution system or from an unauthorized source is identified as a license violation affecting public safety, with ranges of penalties including license suspension, a fine per individual violation, a fine in lieu of

suspension of up to \$100,000, and/or license revocation. Further, it is unlawful for a person to buy, sell, transfer, or acquire retail marijuana in a manner not permitted by the Retail Code; such acts constitute a class 2 misdemeanor. See Sections 12-43.4-901(2)(a) and (6), C.R.S.

Thank you for your inquiry.

Sincerely,

A handwritten signature in black ink, appearing to read "James Burack". The signature is fluid and cursive, with a large initial "J" and "B".

James Burack, Director

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May 27, 2016

VIA ELECTRONIC MAIL

james.burack@state.co.us

James Burack, Director
Colorado Department of Revenue
Marijuana Enforcement Division
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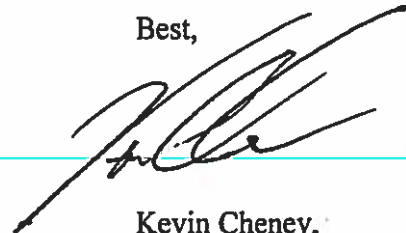
Dear Mr. Burack:

This letter is a formal request for a position statement pursuant to Rule M 104(A), 1-CCR 212-1, (2014) and Rule R 104(A), 1-CCR212-2, (2014). Please additionally let us know of any rules and regulations that provide answers to our question.

Under Rule 401, retail marijuana stores can only sell product from licensed retail marijuana cultivation facilities. "Retail marijuana" is defined to include seeds. However, unlike consumable marijuana, seeds are available from a wide array of companies across the country and the world. Are retail marijuana stores permitted to purchase and sell seeds from anyone other than licensed retail marijuana cultivation facilities?

We look forward to hearing from you soon.

Best,



Kevin Cheney,
Attorney at Law