

# BEN SCALES, ESQ.

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CannaBank Inc.  
2665 Ariane Drive Suite 207  
San Diego, CA 92117

*Sent via email to: michael@mycannabank.com*

**Re: Ability to Internationally and Domestically Import, Market and Sell Hemp Oil**

Ladies and Gentlemen:

Please be advised that I have been requested to render an opinion in connection with the importing, marketing and selling of hemp oil both internationally and domestically in compliance with Article 28 of the United Nations Single Convention on Narcotic Drugs of 1961 and the federal Controlled Substance Act (CSA), 21 U.S.C. § 802(16).

The United States Court of Appeals for the Ninth Circuit in *Hemp Industries Assn., v. Drug Enforcement Admin.*, 357 F.3d 1012 (9<sup>th</sup> Cir. 2004), recognized its previous holding that “any THC [Tetrahydrocannabinol] occurring naturally within Cannabis is banned only if it falls within the Schedule I definition of ‘marijuana.’” *Hemp Industries Assn.*, 357 F.3d at 1013. The court went on to clarify that “hemp stalks, fiber, oil and cake made from hemp seed, and sterilized hemp seed itself – i.e., those substances excluded from the definition of marijuana under 21 U.S.C. 802(16)” are deemed “non-psychoactive hemp.” *Id.* at 1014 n.2. Thus, the court held, “non-psychoactive hemp [that] is derived from the ‘mature stalks’ or is ‘oil and cake made from the seeds’ of the Cannabis plant, . . . fits within the plainly stated exception to the CSA definition of marijuana.” *Id.* at 1017. As such, the court determined that the government has no authority under current law to completely ban “THC that is found within the parts of Cannabis plants that are excluded from the CSA’s definition of ‘marijuana’ or that is not synthetic.” *Id.* at 1018.

For the reasons set forth herein, it is my opinion that hemp oil which contains no more than 0.3% THC may be legally imported, marketed and sold both internationally and domestically based on compliance with the above as well as with FDA Registered Facility #13285063926, Tariff No: 1515.90.80(10) governing Hemp Oil.

This opinion is based on my substantial research of the above and over twelve years in handling similar matters including providing legal consulting services to companies engaged in the importation of hemp products, such as building materials, clothing, soap, and seed, as well as for legislators and lobbyists considering reform of the current state and federal laws governing hemp.

In rendering this opinion, I have personally performed my own research covering the issue(s) contained herein. If there is additional information that you may require, please do not hesitate to contact me at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Ben C. Scales, Jr." The signature is written in a cursive style with a large, sweeping initial 'B'.

Ben C. Scales, Jr.