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**MEMORANDUM**

July 5, 2017

To Our Clients and Friends

Re: Court Decision on Federal Reserve Account for Credit Union  
Chartered to Serve the Marijuana Industry

The U.S. Court of Appeals for the Tenth Circuit has vacated a U.S. district court decision that had dismissed with prejudice an action filed by a Colorado state chartered credit union against the Federal Reserve Bank of Kansas City when it denied the credit union access to an account at the Reserve Bank because the credit union intended to provide banking services to the marijuana industry. The Reserve Bank stated that it could not open an account for the credit union because it intended to engage in activities that violated the Controlled Substances Act.

The appellate court ordered the district court to dismiss the complaint without prejudice. This will enable the credit union to reapply for an account at the Reserve Bank since it had stated subsequently it will not serve the marijuana industry until such service becomes permissible under federal law.

A copy of the court's decision can be found on our website at  
[www.schwartzandballen.com/news.html](http://www.schwartzandballen.com/news.html)

If you have any questions, please call Gilbert Schwartz, Robert Ballen, Tom Fox, Heidi Wicker, or Magda Gathani at (202) 776-0700.