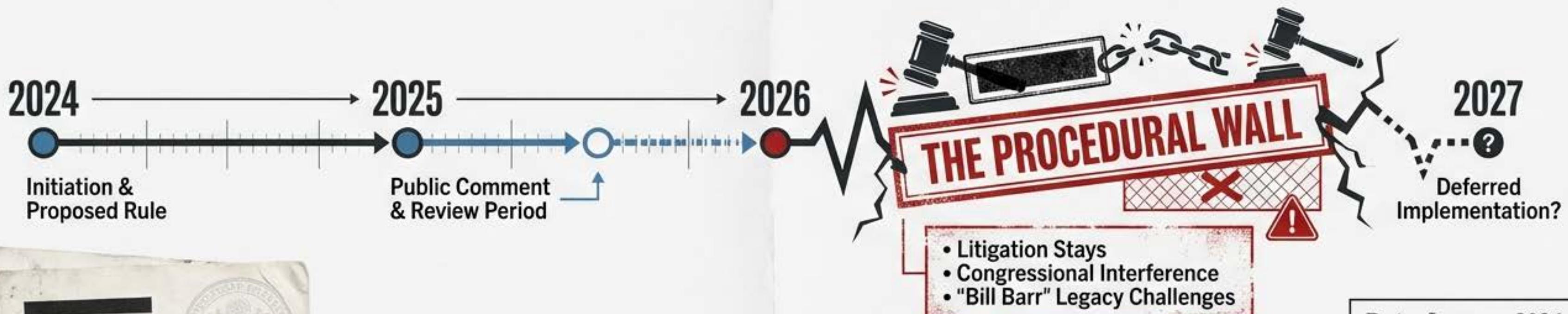


THE SHORT THESIS: WHY SMART MONEY IS BETTING ON 2027

A Legal Analysis of the Cannabis Rescheduling Timeline, Procedural Traps, and the 'Bill Barr' Factor.





THE CONFLICT: POLITICAL WILL VS. PROCEDURAL REALITY

THE PROMISE

“

“I have been told that the DEA is drafting this rule and moving it ASAP.”

Matt Gaetz, AG Nominee / Trump Advisor - Jan 28, 2026



THE REALITY

“

“Order Staying Proceedings.”

Chief ALJ John Mulrooney - Jan 13, 2026



THE INSIGHT: Politics cannot override the Administrative Procedure Act. Desired speed creates the **legal errors** opposition is waiting to exploit.



THE “PAUSE” BUTTON: THE HEARING IS DEAD (FOR NOW)

THE STREET MYTH:

“The rescheduling hearing begins January 30th.”

THE LEGAL REALITY:

Proceedings are indefinitely stayed pending Interlocutory Appeal.

DOCUMENT: Order by Chief ALJ John Mulrooney, Jan 13, 2026.



NO HEARING = NO RECORD = NO FINAL RULE



THE OPPOSITION HAS LAWYERED UP

THE ANTAGONIST:

SAM (Smart Approaches to Marijuana) + Torridon Law

THE LEAD:

Former Attorney General Bill Barr

THE STRATEGY:

Process, not Policy.

THE TRAP:

If the DEA skips a statutory step for speed, Barr files an immediate injunction.

CURRENT STATUS:

Government in "Check" via Interlocutory Appeal.



“The best way to delay a rule is to force the government to break a rule.”

THE 60-DAY 'MAJOR RULE' DELAY

THE STATUTE

Congressional Review
Act (CRA)

Classification: Major Rule
(>\$100M Impact)

THE MATH

Requirement:
60-Day Delay

Unit: SESSION Days
(Not Calendar Days)

THE REALITY

60 Session Days ≈
3-4 Calendar Months

60 Calendar Days

2 Months

60 Session Days

2 Months

3 Months

4 Months+

Legislative recesses
extend the timeline.

THE TAX TRAP: WHY MISSING JANUARY 1ST MATTERS

2026

1. Interlocutory
Appeal

2. Hearing

3. ALJ
Report

4. Final
Rule

5. CRA
Delay
(4 Months)

JAN 1, 2027

TAX YEAR CUTOFF

2027

THE KILL SWITCH:
Mathematical
Improbability of
2026 Effective Date

 **280E RELIEF APPLIES TO TAX YEAR 2027**

DOC. NO. 442-TAX-2027

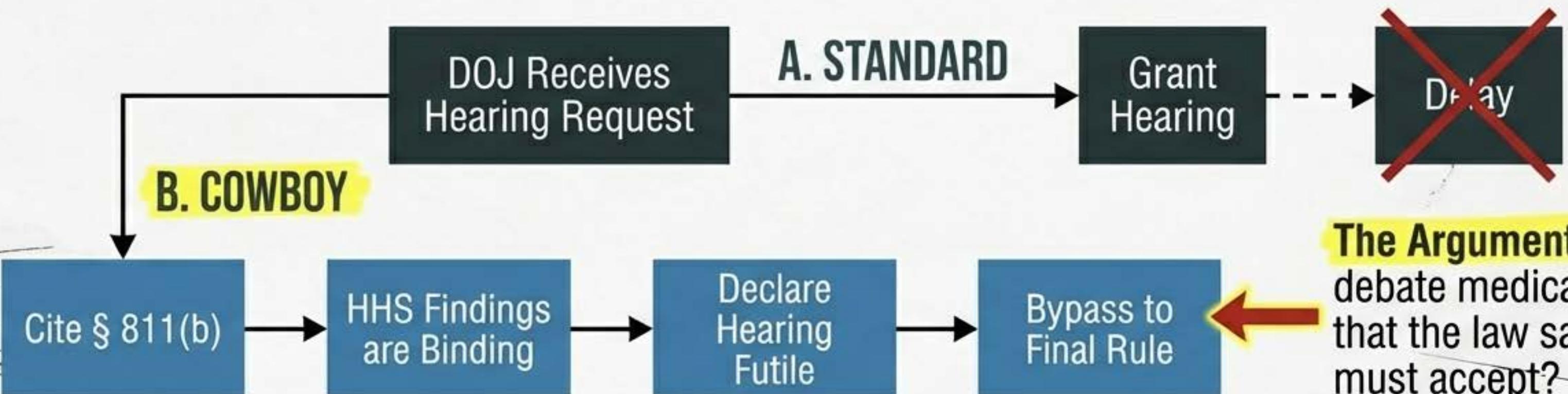
NotebookLM



PART 2: RED TEAM ANALYSIS (DEVIL'S ADVOCATE)

THE 'COWBOY' SCENARIO: THE HHS SHIELD MANEUVER

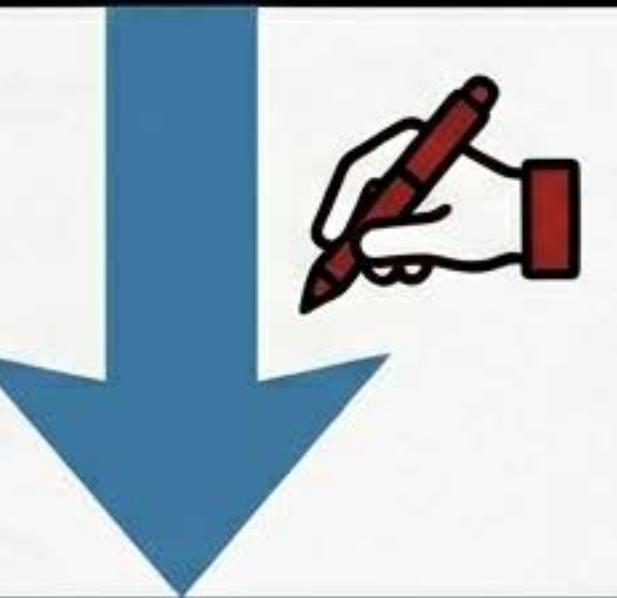
21 U.S.C. § 811(b)



Risk Level: HIGH. Invites immediate litigation.

THE 'ADMINISTRATOR OVERRIDE'

DEA ADMINISTRATOR
(Presidential Appointee)



Administrative Law
Judge (ALJ)

CONFIDENTIAL

CASE NO. 444-EXEC-2028

IMMEDIATE ACTION
REQUIRED

THE POWER PLAY

Administrator Milgram (or successor) issues order vacating the ALJ Stay.

Rationale: The ALJ works for the Agency, not the Article III Courts.

Direct Action: "I am taking the file and issuing the Final Rule myself."

DOC. NO. 444-EXEC-2028

NotebookLM

THE ‘SUMMARY DISPOSITION’ LOOPHOLE

The “Summary Judgment” of Administrative Law (29 CFR 18.72)



Live Hearing



Written Submission

THE THEORY: Agency skips hearing if there are no “genuine disputes of material fact.”

THE TACTIC: Reclassify all opposition arguments as “Policy Disagreements” (Opinion) rather than “Factual Disputes” (Evidence).

THE VULNERABILITY: Opposition needs only ONE disputed material fact to overturn this in court.



THE 'RAILWAY' ARGUMENT

United States v. Florida East Coast Railway Co. (1973)

CONFIDENTIAL



THE PRECEDENT: Supreme Court ruled that the word “Hearing” in a statute does NOT automatically require a trial.

THE IMPLICATION: Agencies can use written briefs (“Paper Hearing”) to satisfy the requirement if the statute is vague.

DOJ ARGUMENT: “We accepted 43,000 comments. That counts as a hearing.”

Carly

PART 3: THE REBUTTAL

WHY 'RAILWAY' DOESN'T APPLY TO CANNABIS

21 U.S.C. § 811(a)

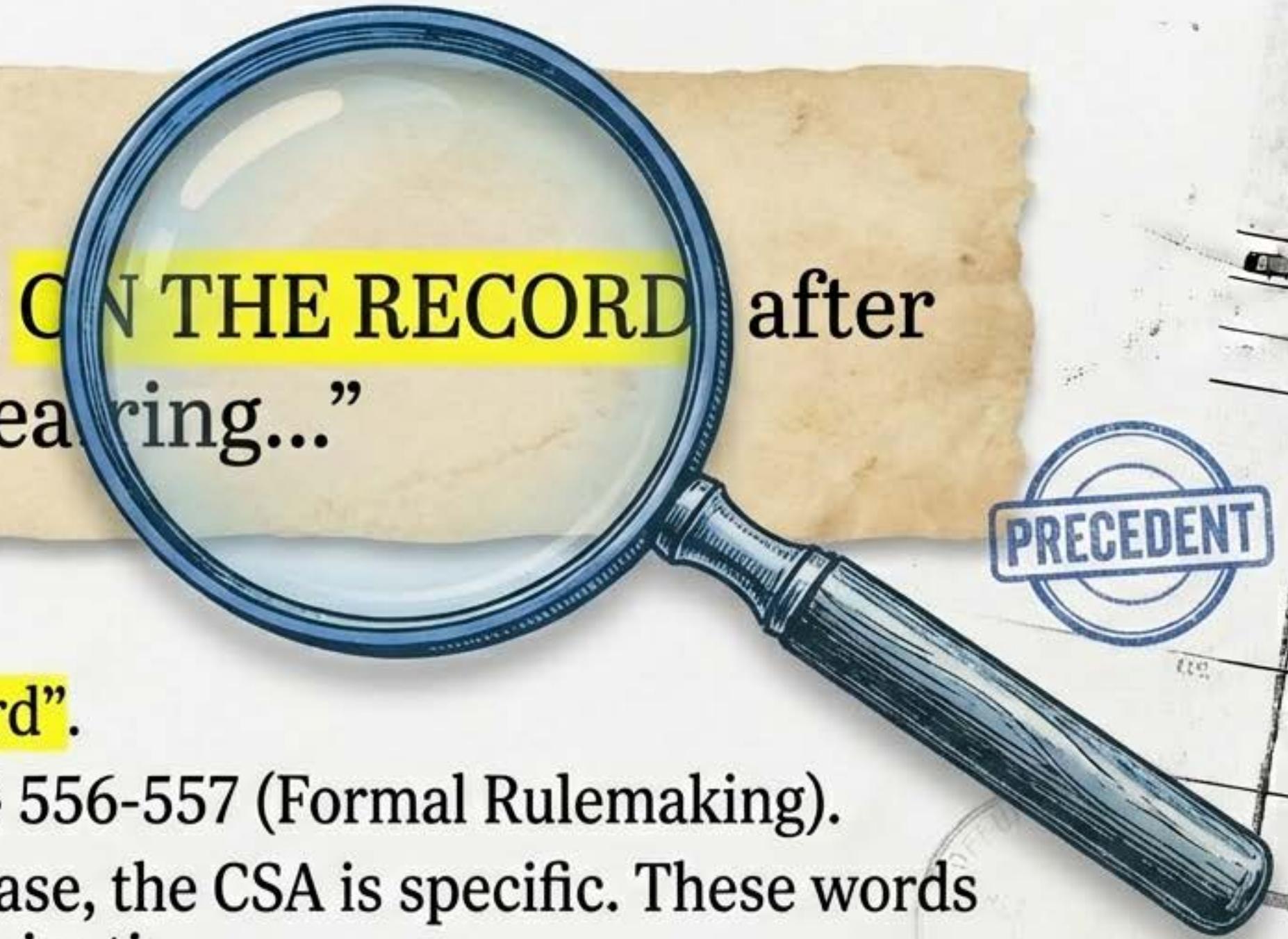
“...shall be made on **ON THE RECORD** after
opportunity for a hearing...”

REGULATORY ALERT

THE MAGIC WORDS: “On The Record”.

LEGAL EFFECT: Triggers 5 U.S.C. §§ 556-557 (Formal Rulemaking).

CONCLUSION: Unlike the Railway case, the CSA is specific. These words
mandate witnesses and cross-examination.



CONFIDENTIAL

DOC. NO. 447-REB-2028

THE LOPER BRIGHT FACTOR

The End of Deference (2024)



CONFIDENTIAL

- **THE CASE:** *Loper Bright Enterprises v. Raimondo.*
- **THE SHIFT:** The death of Chevron deference. Courts no longer trust agencies to “interpret” vague rules.
- **THE IMPACT:** Judges will read “on the record” literally. No wiggle room for the DOJ to fast-track via “policy” arguments.
- **VERDICT:** Fast-tracking increases the probability of Vacatur.



MYTH-BUSTING: MYTH-BUSTING: ANYTH REALITY: “WHY CAN’T THE AG JUST SIGN IT?”

THE MYTH:

The AG is the boss; he can ignore the DEA.



CONFIDENTIAL

THE REALITY:

The Delegation Doctrine (28 C.F.R. § 0.100).

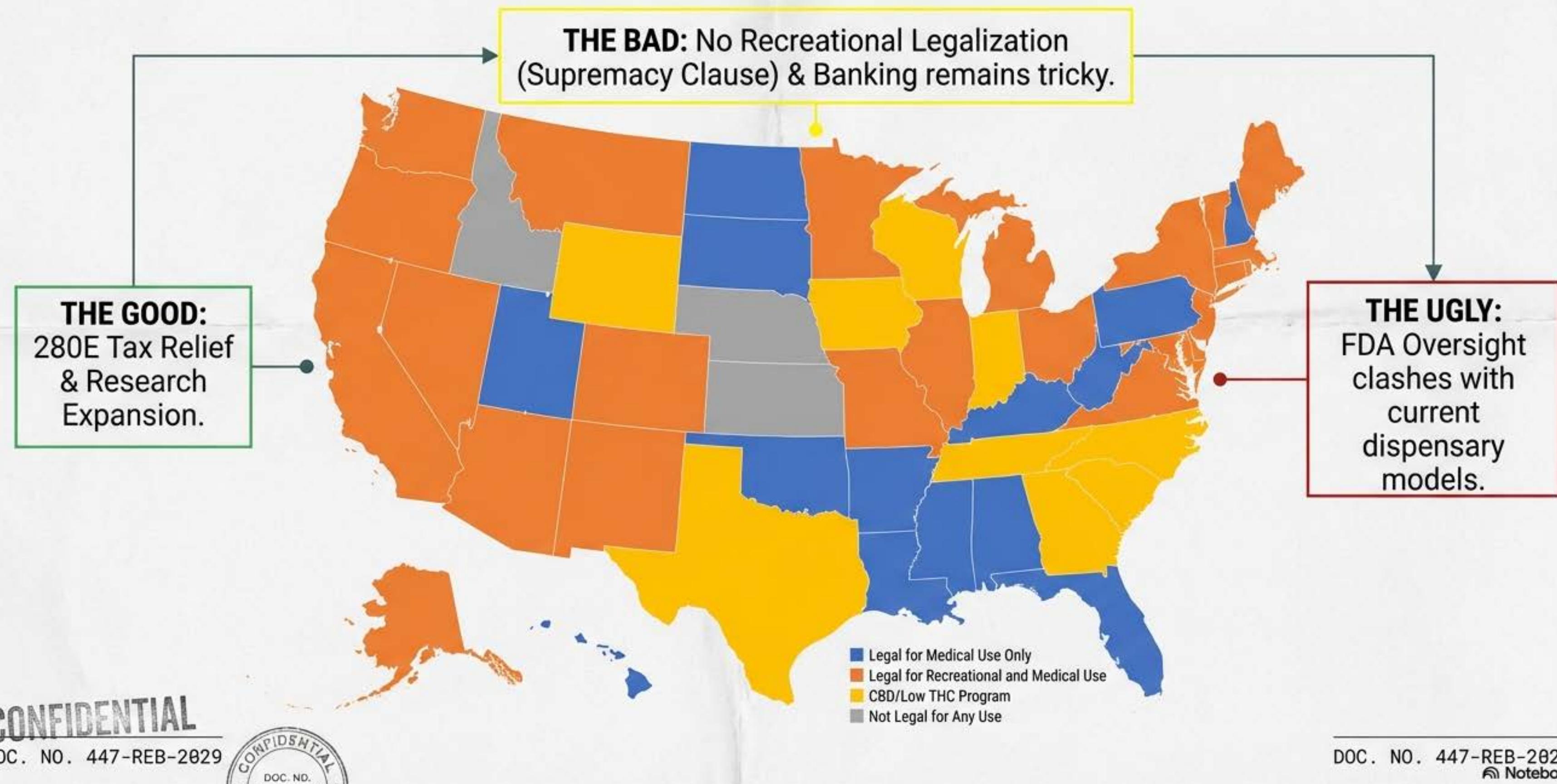
FACT: In 1973, the AG formally delegated all CSA powers to the DEA Administrator.

THE TRAP: Until that delegation is revoked (a months-long process), the DEA IS the AG. He cannot simply “grab the pen” without committing a fatal procedural error.

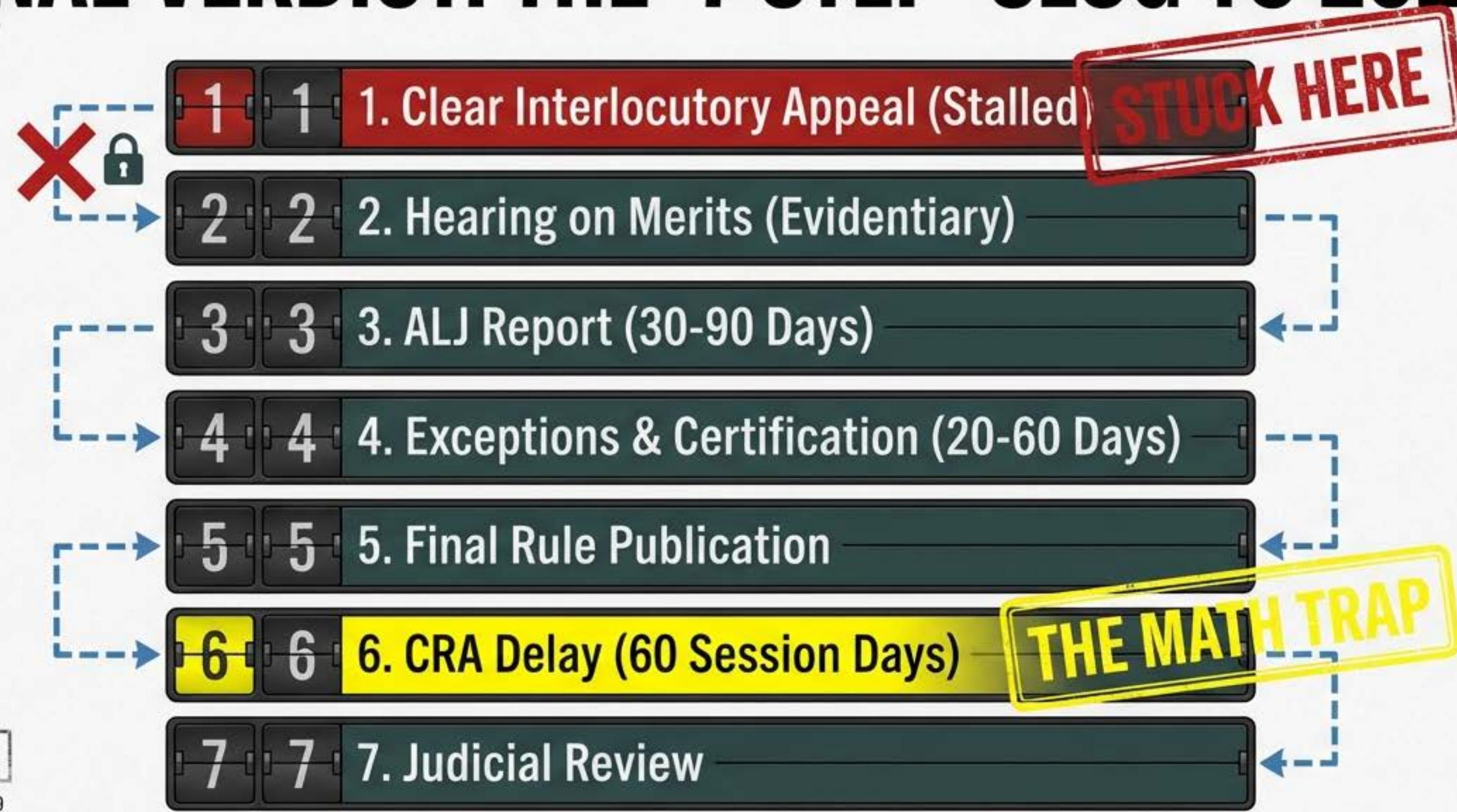


DOC. NO. 447-REB-2028

THE LANDSCAPE AFTER THE DUST SETTLES



FINAL VERDICT: THE '7 STEP' SLOG TO 2027



CONFIDENTIAL

DOC. NO. 447-REB-2030

CONCLUSION: The Smart Money is Shorting 2026. Long 2027.