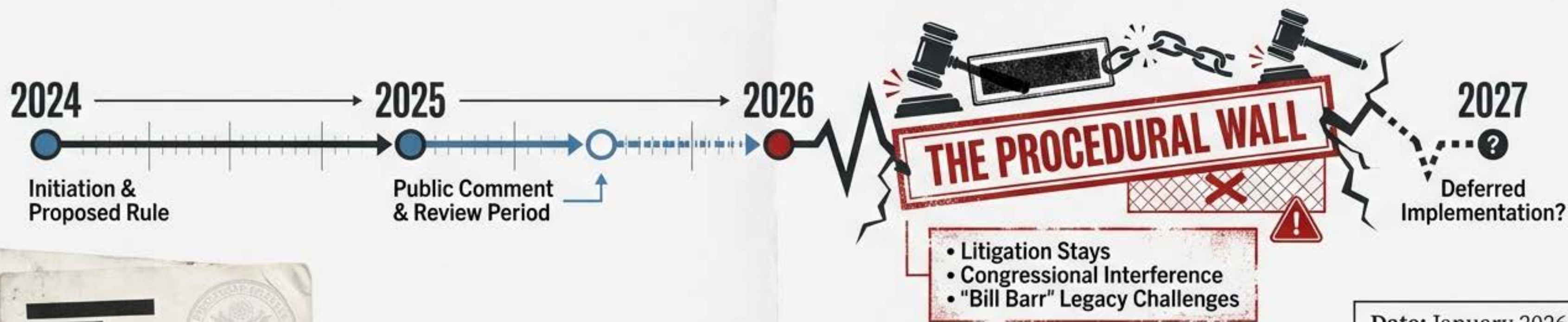


THE SHORT THESIS: WHY SMART MONEY IS BETTING ON 2027

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



Date: January 2026



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 \approx
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



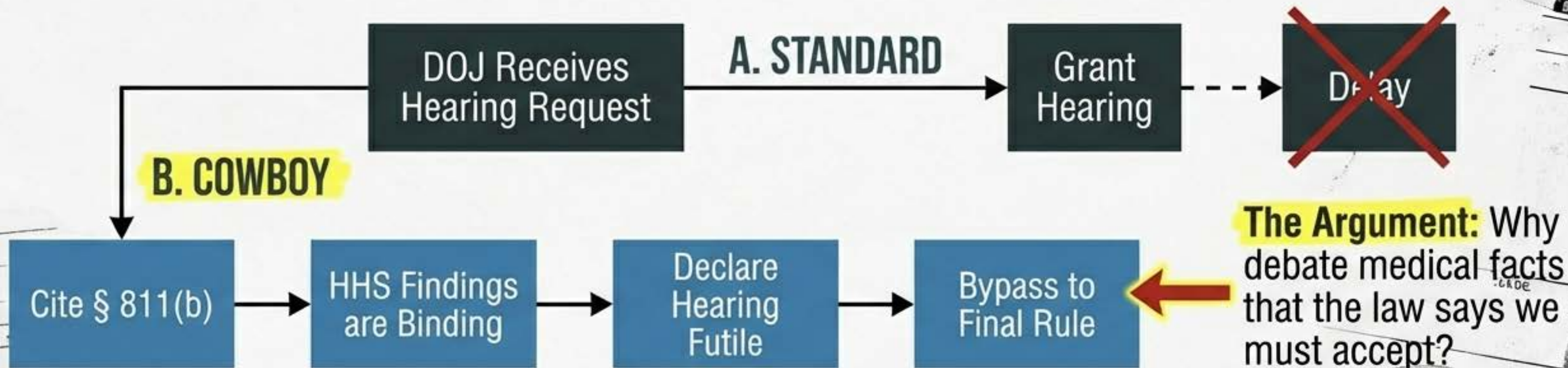
280E RELIEF APPLIES TO TAX YEAR 2027



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.

DOC. NO. 443-RED-2028



THE 'ADMINISTRATOR OVERRIDE'

DEA ADMINISTRATOR
(Presidential Appointee)



Administrative Law
Judge (ALJ)

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."

**EXECUTIVE
AUTHORITY**

CONFIDENTIAL

CASE NO. 444-EXEC-2028

**IMMEDIATE ACTION
REQUIRED**

DOC. NO. 444-EXEC-2028



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.



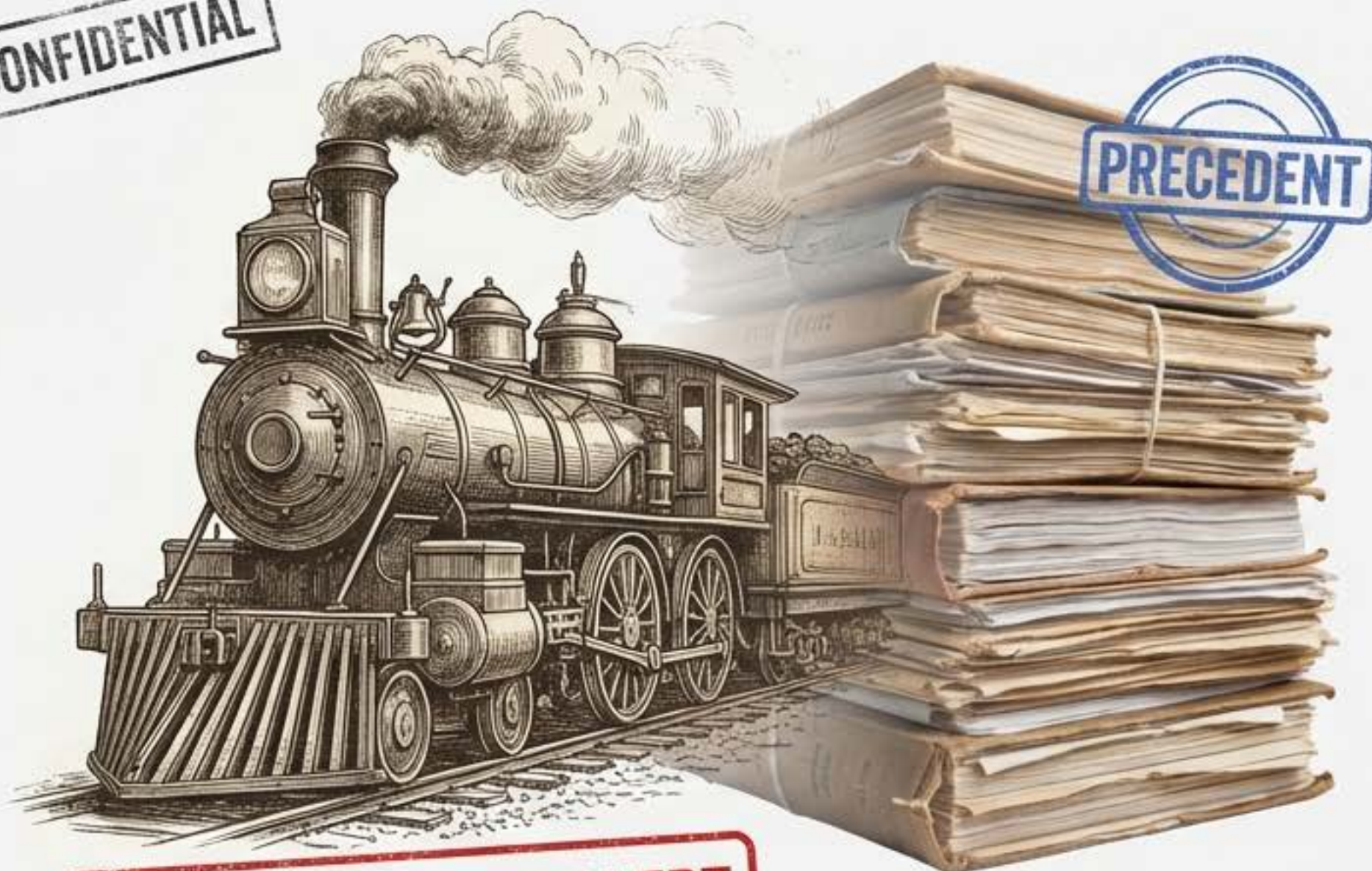
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THE 'RAILWAY' ARGUMENT

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

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PRECEDENT



REGULATORY ALERT

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."

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...”



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.



DOC. NO. 447-REB-2028

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THE LOPER BRIGHT FACTOR

The End of Deference (2024)



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- **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.

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.

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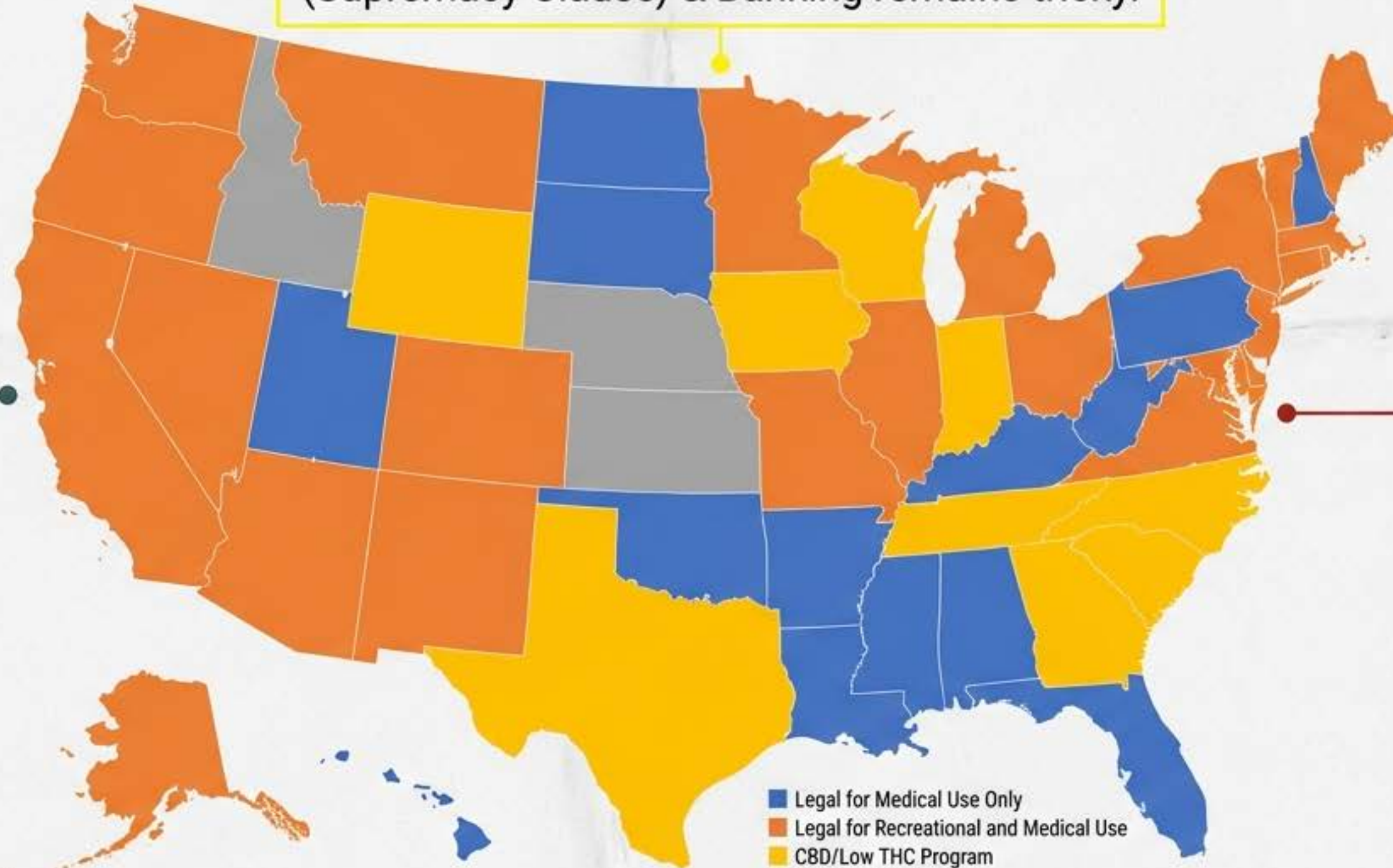
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THE LANDSCAPE AFTER THE DUST SETTLES

THE BAD: No Recreational Legalization
(Supremacy Clause) & Banking remains tricky.

THE GOOD:
280E Tax Relief
& Research
Expansion.

THE UGLY:
FDA Oversight
clashes with
current
dispensary
models.



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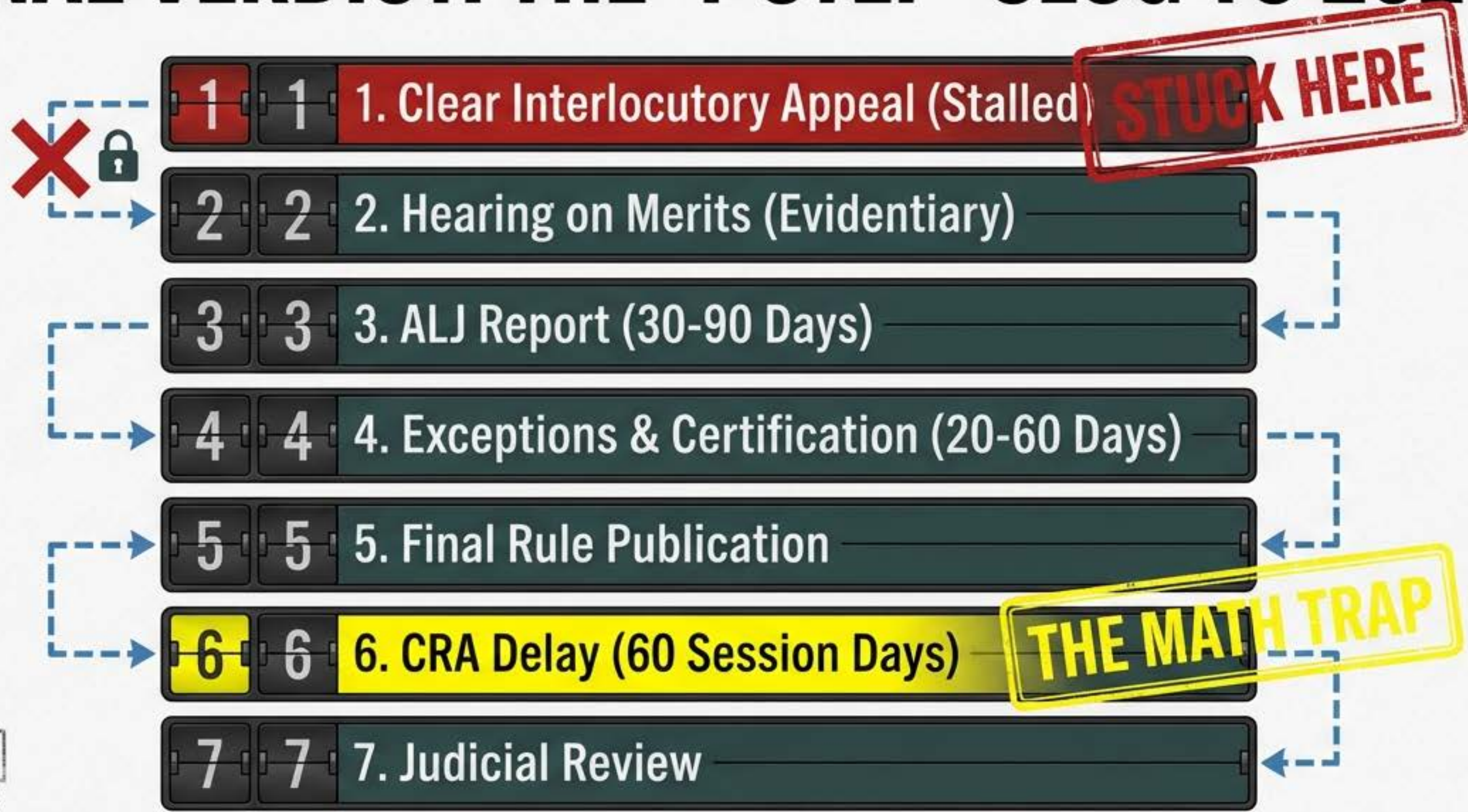
DOC. NO. 447-REB-2029



DOC. NO. 447-REB-2029

NotebookLM

FINAL VERDICT: THE '7 STEP' SLOG TO 2027



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DOC. NO. 447-REB-2030

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