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# U.S. seeks seizure of property that once housed marijuana dispensary

By ART MARROQUIN
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ANAHEIM – Tony Jalali has never faced federal charges, yet the federal government wants to seize his office building because he rented space to a medical marijuana dispensary.

Even though medical marijuana shops are allowed in California, the businesses are outlawed by the federal government. As a result, federal prosecutors are using a law that allows them to confiscate property linked to criminal activity.

“The government’s role is to stop these types of stores from proliferating in cities that don’t want them” said Steve Welk, an assistant U.S. Attorney. “The government’s role is to stop these types of stores from proliferating in cities that don’t want them.”

Jalali had no connection to the dispensary, Releaf Health and Wellness, and evicted the tenants just days after the property forfeiture case was filed last year, said his attorney, Larry Salzman of the Institute for Justice. The defense team is asking a federal court to dismiss the case and allow Jalali to keep the building at 2601 W. Ball Road, valued at $1.5 million.

“The Jalalis didn’t do anything wrong,” Salzman said. “They don’t want to be treated like criminals.”

Jalali, a computer engineer, declined to comment, saying that his employer asked that he does not speak to news outlets.

U.S. District Judge Andrew Guilford on Monday urged both sides to hammer out a settlement.

Federal prosecutors previously offered a deal that would allow Jalali to keep the property, as long as he agrees not to lease any space to medical marijuana dispensaries for the next four years. His attorneys rejected the offer due to “unacceptable provisions,” including random inspections of the building.

Salzman said Anaheim asked the federal government to target the building because Jalali ignored a city ordinance that bans medical marijuana dispensaries. That was before the California Supreme Court ruled in May that municipalities are allowed to regulate the collectives, which are permitted under the Compassionate Use Act approved by California voters in 1996.

Under the so-called “equitable sharing” program, Anaheim would collect 80 percent of the proceeds after the building is sold, while the U.S. Drug Enforcement Administration would take 20 percent, Salzman said. Jalali would receive nothing.

Anaheim City Attorney Michael Houston declined to comment because the case is not resolved.

“Some of these cities, like Anaheim, don’t like the state’s policy,” Salzman said. “We believe the city is trying to cash in by subverting the law.”

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