

## **Planet 13 Recovers \$2.1M from Former Bank Alternative**

### **Las Vegas-Based Cannabis MSO Secures More Funds from Former Banking Partner**

Planet 13, a leading Las Vegas-based marijuana multistate operator (MSO), has announced the recovery of an additional \$2.1 million in cash and real estate assets following a dispute with its former banking partner. The company alleges that El Capitan Advisors, a financial service provider it retained in 2021, embezzled money from its accounts.

#### **Ongoing Efforts to Reclaim Funds Lost in Financial Mismanagement**

Planet 13 has been engaged in efforts to reclaim lost funds since 2023 when it first discovered discrepancies in its financial accounts. The company identified missing funds and fraudulent bank statements, prompting a lawsuit against El Capitan Advisors. This investment consultant had been enlisted to manage cash flow due to the cannabis industry's limited access to traditional banking services.

#### **Banking Challenges in the Cannabis Industry Continue to Create Risks**

The ongoing legal battles highlight the financial vulnerabilities faced by cannabis businesses, which often turn to alternative financial institutions due to the federal illegality of marijuana. Despite widespread support, Congress has yet to pass banking protections like the SAFER Banking Act, leaving cannabis operators at risk of financial mismanagement and fraud.

#### **Lawsuits and Judgments Against El Capitan Advisors Further Complicate the Case**

In a separate legal dispute, El Capitan Advisors faced a \$35 million judgment in favor of Casa Verde Capital, a Los Angeles-based investment firm. This legal action resulted in the freezing of \$5.5 million belonging to Planet 13, an amount the company has since successfully reclaimed. In addition to the cash recovery, Planet 13 is also securing real estate valued at \$5 million, which it intends to sell.

#### **Default Judgment and Continued Legal Actions Against El Capitan Advisors**

Planet 13 is not yet finished with its legal proceedings. The company is actively pursuing a lawsuit against El Capitan Advisors and its founder and CEO, Andrew Nash, seeking an additional \$10.3 million in damages. Due to the lack of response from El Capitan and Nash, a default judgment has been entered in favor of Planet 13, reinforcing the company's claims.

#### **Future Outlook for Planet 13 Following Fund Recovery**

With significant financial restitution already secured, Planet 13 is in a stronger position to move forward despite the legal setbacks. The company remains committed to its expansion and operational goals while continuing to seek justice against those responsible for financial misconduct. The case serves as a stark reminder of the financial hurdles facing the cannabis industry and the urgent need for federal banking reforms to protect legitimate operators from similar challenges.

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