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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
June 2007 Grand Jury

UNITED STATES OF AMERICA,) CR 07-689-GW
)
Plaintiff,)
)
v.) I N D I C T M E N T
)
CHARLES C. LYNCH,) [21 U.S.C. §§ 846, 841(a)(1),
) 841(b)(1)(B): Conspiracy to
) Manufacture and to Possess
) with Intent to Distribute and
) to Distribute Marijuana and
) THC; 21 U.S.C. § 859:
) Distribution of Marijuana to
) Person Under 21; 21 U.S.C.
) §§ 841(a)(1), 841(b)(1)(B):
) Possession with Intent to
) Distribute Marijuana; 21
) U.S.C. § 856: Maintaining
) Drug-Involved Premises; 18
) U.S.C. § 2: Aiding and
) Abetting and Causing an Act
) to be Done]

The Grand Jury charges:

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1 B. MEANS BY WHICH THE OBJECTS OF THE CONSPIRACY WERE TO BE
2 ACCOMPLISHED

3 The objects of the conspiracy were to be accomplished in
4 substance as follows:

5 1. LYNCH, who at all relevant times was older than
6 eighteen years of age, owned and operated a marijuana store at
7 780 Monterey Avenue, Suite B, Morro Bay, California, which he
8 named "Central Coast Compassionate Caregivers" (the "marijuana
9 store"). LYNCH typically employed approximately ten employees at
10 the marijuana store. The marijuana store grew marijuana plants
11 and sold marijuana, live marijuana plants and clones, and
12 products containing THC to individuals.

13 2. LYNCH supplied marijuana to be sold at the marijuana
14 store. In addition, LYNCH and his employees purchased marijuana
15 from other suppliers for sale at the store.

16 3. LYNCH's employees grew marijuana plants at the
17 marijuana store.

18 4. LYNCH and his employees maintained at the marijuana
19 store records and information regarding each customer which
20 included the customer's birth date, as reflected on the
21 customer's driver's license and other documents. The marijuana
22 store's customers included minors under the age of twenty-one.

23 C. OVERT ACTS

24 In furtherance of the conspiracy, and to accomplish the
25 objects of the conspiracy, on or about the dates listed below,
26 LYNCH, and other co-conspirators known and unknown to the Grand
27 Jury, committed various overt acts within the Central District of
28 California and elsewhere, including but not limited to the

1 following:

2 1. On February 22, 2006, LYNCH signed a lease to rent the
3 premises occupied by the marijuana store.

4 2. On April 1, 2006, LYNCH and marijuana store employees
5 opened the marijuana store.

6 3. Between April 2006 and March 29, 2007, LYNCH and
7 marijuana store employees sold over \$2.1 million in marijuana and
8 THC products.

9 4. Between April 2006 and March 29, 2007, LYNCH and
10 marijuana store employees sold marijuana and THC products to
11 approximately 281 different individuals under the age of twenty-
12 one.

13 5. On June 10, 2006, marijuana store employees sold
14 approximately 17.5 grams of marijuana and approximately 0.5 grams
15 of hashish to J.S., a person nineteen years of age.

16 6. Between June 22, 2006 and August 9, 2006, on at least
17 five different occasions, marijuana store employees distributed
18 marijuana and hashish to J.S., a person under the age of twenty-
19 one, including approximately 3 grams of marijuana provided to
20 J.S. for no charge on J.S.'s twentieth birthday.

21 7. On July 12, 2006, the chief security officer of the
22 marijuana store sold a confidential source working undercover for
23 law enforcement ("CS-1") and an undercover police officer ("UC-
24 1") approximately 300 grams of marijuana for \$3,200.

25 8. On July 14, 2006, marijuana store employees sold a
26 confidential source working undercover for law enforcement ("CS-
27 2") approximately 3 grams of marijuana and approximately one gram
28 of hashish.

1 9. On August 27, 2006, a marijuana store employee sold J.S.
2 approximately 14 grams of marijuana.

3 10. On October 5, 2006, marijuana store employees sold CS-2
4 approximately 3.5 grams of marijuana, one marijuana plant, and
5 one gram of hashish.

6 11. On December 5, 2006, a security guard at the marijuana
7 store transported three marijuana plants from the marijuana store
8 to a residence in San Luis Obispo, California.

9 12. On December 21, 2006, marijuana store employees sold
10 CS-2 approximately 3.5 grams of marijuana and one marijuana
11 plant.

12 13. On January 2, 2007, marijuana store employees sold UC-2
13 one marijuana plant and approximately one gram of marijuana.

14 14. On January 19, 2007, LYNCH supplied approximately
15 \$15,900 worth of marijuana to the marijuana store.

16 15. On January 19, 2007, marijuana store employees
17 permitted at least five customers under the age of twenty-one to
18 visit the marijuana store.

19 16. On January 23, 2007, marijuana store employees sold
20 UC-2 a marijuana plant and approximately one gram of hashish.

21 17. On March 29, 2007, LYNCH possessed at his residence in
22 Arroyo Grande, California \$27,328 in U.S. currency, and
23 approximately 66 grams of marijuana.

24 18. On March 29, 2007, LYNCH and marijuana store employees
25 possessed at the marijuana store approximately 14 kilograms of a
26 mixture or substance containing a detectable amount of marijuana,
27 over 200 grams of a mixture or substance containing THC, and
28 approximately 104 marijuana plants.

COUNTS TWO AND THREE

[21 U.S.C. §§ 841(a)(1), 859(a), 18 U.S.C. § 2]

On or about the dates listed below, in San Luis Obispo County, within the Central District of California, defendant CHARLES C. LYNCH, a person at least eighteen years of age, knowingly and intentionally aided, abetted, counseled, commanded, induced, and procured the distribution of more than five grams, that is, the following approximate amounts, of a mixture and substance containing a detectable amount of marijuana, a schedule I controlled substance, to J.S., a person under twenty-one years of age:

<u>COUNT</u>	<u>DATE</u>	<u>AMOUNT</u>
TWO	June 10, 2006	17.5 grams
THREE	August 27, 2006	14 grams

COUNT FOUR

[21 U.S.C. §§ 841(a)(1), (b)(1)(B)]

On or about March 29, 2007, in San Luis Obispo County, within the Central District of California, defendant CHARLES C. LYNCH, knowingly and intentionally possessed with intent to distribute approximately 14 kilograms of a mixture or substance containing a detectable amount of marijuana, a schedule I controlled substance, and approximately 104 marijuana plants, a schedule I controlled substance.

COUNT FIVE

[21 U.S.C. § 856(a)(1)]

Beginning in or about February 22, 2006 and continuing to in or about March 29, 2007, in San Luis Obispo County, within the Central District of California, defendant CHARLES C. LYNCH knowingly opened, leased, rented, used, and maintained the premises located at 780 Monterey Avenue, Suite B, Morro Bay, California, which operated under the name "Central Coast Compassionate Caregivers," for the purpose of manufacturing, that is, growing and cultivating, and distributing controlled substances, namely, marijuana, a schedule I controlled substance, and tetrahydrocannabinol ("THC"), a schedule I controlled substance.