

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 14-1088.01 Thomas Morris x4218

HOUSE BILL 14-1398

HOUSE SPONSORSHIP

Singer,

SENATE SPONSORSHIP

Steadman and Balmer,

House Committees

Business, Labor, Economic, & Workforce Development

Finance

Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE PROVISION OF FINANCIAL SERVICES TO LICENSED**
102 **MARIJUANA BUSINESSES, AND, IN CONNECTION THEREWITH,**
103 **MAKING AN APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Because marijuana is illegal under federal law, financial institutions are reluctant to serve state-licensed marijuana businesses. These businesses therefore currently operate almost entirely on a cash-only basis, which raises their costs, increases the risk of crime, and

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
Amended 2nd Reading
May 2, 2014

impedes the state's ability to account for these businesses' revenues.

Section 1 of the bill enacts the "Marijuana Financial Services Cooperatives Act". Marijuana financial services cooperatives (referred to as "cannabis credit co-ops") are a type of financial services entity, membership in which is restricted to entities that are licensed to own or operate a marijuana business. Cannabis credit co-ops are subject to regulation by the state commissioner of financial services in a manner similar to that of credit unions, with the following differences:

- ! The commissioner has 60 days after the filing of an application for a charter to determine whether the application meets the applicable requirements;
- ! The incorporators of the co-op must provide the commissioner with written evidence of approval by the federal reserve bank for access by the co-op to the federal reserve system;
- ! The commissioner cannot allow more than 10 charters for cannabis credit co-ops to be outstanding at any one time;
- ! The commissioner must examine cannabis credit co-ops at least once every 6 months; and
- ! Once a member no longer owns or operates a licensed marijuana business, the member is no longer qualified to be a member of a co-op.

A cannabis credit co-op:

- ! Cannot refer to itself as a "credit union" or "bank";
- ! Does not need to acquire and maintain deposit insurance;
- ! Is subject to taxation; and
- ! Is specifically required to comply with federal requirements relating to marijuana businesses and their proceeds and to file reports with the commissioner regarding its federal law compliance and compliance with federal guidance.

Section 3 gives the court of appeals jurisdiction to review certain of the commissioner's actions. **Section 4** sunsets the regulation of cannabis credit co-ops on September 1, 2020.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** article 33 to title
3 11 as follows:

4 **ARTICLE 33**

5 **Marijuana Financial Services Cooperatives**

6 **11-33-101. Short title.** THIS ARTICLE SHALL BE KNOWN AND MAY

1 BE CITED AS THE "MARIJUANA FINANCIAL SERVICES COOPERATIVES ACT".

2 **11-33-102. Legislative declaration.** (1) THE GENERAL ASSEMBLY
3 HEREBY:

4 (a) FINDS THAT:

5 (I) BECAUSE MARIJUANA IS CURRENTLY ILLEGAL TO GROW,
6 POSSESS, OR SELL UNDER FEDERAL LAW, FINANCIAL INSTITUTIONS ARE
7 RELUCTANT TO PROVIDE FINANCIAL SERVICES TO MARIJUANA BUSINESSES
8 EVEN WHEN THOSE BUSINESSES ARE PROPERLY LICENSED AND FULLY
9 LEGAL UNDER COLORADO LAW; AND

10 (II) CONSEQUENTLY, MOST COLORADO-LICENSED MARIJUANA
11 BUSINESSES MUST OPERATE ALMOST ENTIRELY ON A CASH-ONLY BASIS;

12 (b) DECLARES THAT THIS LACK OF ACCESS TO FINANCIAL SERVICES
13 HARMS THE PUBLIC INTEREST BY:

14 (I) STIMULATING THE MARIJUANA BLACK MARKET'S COMPETITIVE
15 ADVANTAGE BY INCREASING LICENSED MARIJUANA BUSINESSES' COSTS OF
16 DOING BUSINESS;

17 (II) INCREASING THE CRIME RATE ASSOCIATED WITH LICENSED
18 MARIJUANA BUSINESSES DUE TO THE LARGE AMOUNTS OF CASH THAT MUST
19 BE KEPT ON PREMISES; AND

20 (III) IMPEDING COLORADO'S ABILITY TO TRACK AND
21 INDEPENDENTLY VERIFY THE ACCOUNTING OF LICENSED MARIJUANA
22 BUSINESSES' REVENUES; AND

23 (c) DECLARES THAT THE ENACTMENT OF THIS ARTICLE, BY
24 AUTHORIZING THE FORMATION OF MARIJUANA FINANCIAL SERVICES
25 COOPERATIVES, IS NECESSARY FOR THE PROMOTION AND PRESERVATION
26 OF THE PUBLIC WELFARE.

27 **11-33-103. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE

1 CONTEXT OTHERWISE REQUIRES:

2 (1) "CANNABIS CREDIT CO-OP" OR "CO-OP" MEANS A MARIJUANA
3 FINANCIAL SERVICES COOPERATIVE.

4 (2) "COMMISSIONER" MEANS THE STATE COMMISSIONER OF
5 FINANCIAL SERVICES APPOINTED PURSUANT TO SECTION 11-44-102.

6 (3) "DIVISION" MEANS THE DIVISION OF FINANCIAL SERVICES
7 CREATED IN SECTION 11-44-101.

8 (4) "LICENSED MARIJUANA BUSINESS" MEANS AN ENTITY LICENSED
9 PURSUANT TO SECTION 12-43.3-402, 12-43.3-403, 12-43.3-404,
10 12-43.4-402, 12-43.4-403, 12-43.4-404, OR 12-43.4-405, C.R.S.

11 (5) "MEMBER" MEANS A LICENSED MARIJUANA BUSINESS ACTING
12 THROUGH ONE OR MORE OF ITS CURRENT PARTNERS, EXECUTIVE OFFICERS,
13 OR DIRECTORS.

14 **11-33-104. Organization - charter - investigation - repeal.**

15 (1) A MARIJUANA FINANCIAL SERVICES COOPERATIVE, REFERRED TO IN
16 THIS ARTICLE AS A CANNABIS CREDIT CO-OP, IS A COOPERATIVE
17 ASSOCIATION INCORPORATED PURSUANT TO THIS ARTICLE FOR THE
18 TWOFOLD PURPOSE OF PROVIDING SPECIFIED FINANCIAL SERVICES TO ITS
19 MEMBERS AND CREATING A SOURCE OF CREDIT FOR THEM.

20 (2) A CO-OP MAY BE ORGANIZED IN THE FOLLOWING MANNER:

21 (a) (I) ANY EIGHT OR MORE COLORADO RESIDENTS MAY EXECUTE,
22 IN A NUMBER OF COPIES TO BE SPECIFIED BY THE COMMISSIONER, ARTICLES
23 OF INCORPORATION THAT SET FORTH THE TERMS BY WHICH THEY AGREE
24 TO BE BOUND. THE ARTICLES MUST STATE THE NAME AND ADDRESS OF THE
25 PROPOSED CO-OP; THE NAMES AND ADDRESSES OF THE INCORPORATORS;
26 THE NUMBER OF SHARES SUBSCRIBED BY EACH INCORPORATOR; AND THE
27 TERM OF EXISTENCE OF THE CORPORATION, WHICH MAY BE PERPETUAL.

1 (II) A CO-OP MAY BE INCORPORATED AND ORGANIZED FOR THE
2 PURPOSE OF PROVIDING FINANCIAL SERVICES TO LICENSED MARIJUANA
3 BUSINESSES IN GOOD STANDING WITH THE EXECUTIVE DIRECTOR OF THE
4 STATE LICENSING AUTHORITY CREATED IN SECTION 12-43.3-201, C.R.S.

5 (b) THE INCORPORATORS MUST PREPARE, IN A NUMBER OF COPIES
6 TO BE SPECIFIED BY THE COMMISSIONER, PROPOSED BYLAWS FOR THE
7 GOVERNING OF THE CO-OP, CONSISTENT WITH THIS ARTICLE, ON STANDARD
8 FORMS APPROVED BY THE COMMISSIONER AND MUST DEFINE IN THE
9 BYLAWS THE PROPOSED ELIGIBILITY REQUIREMENTS FOR MEMBERSHIP.

10 (c) THE PROPOSED BYLAWS MUST SET FORTH:

11 (I) THE CLASSES OF SHARES THAT THE CO-OP IS AUTHORIZED TO
12 ISSUE;

13 (II) IF THE SHARES ARE TO CONSIST OF ONE CLASS ONLY, THE PAR
14 VALUE OF EACH OF THE SHARES OR A STATEMENT THAT ALL OF THE
15 SHARES ARE WITHOUT PAR VALUE, OR, IF THE SHARES ARE TO BE DIVIDED
16 INTO CLASSES, A STATEMENT OF THE PAR VALUE OF THE SHARES OF EACH
17 SUCH CLASS OR THAT THE SHARES ARE TO BE WITHOUT PAR VALUE; AND

18 (III) IF THE SHARES ARE TO BE DIVIDED INTO CLASSES, THE
19 BYLAWS MUST DESIGNATE EACH CLASS AND A STATEMENT OF ITS
20 PREFERENCES, LIMITATIONS, AND RELATIVE RIGHTS WITH RESPECT TO THE
21 SHARES OF EACH OTHER CLASS.

22 (3) (a) THE INCORPORATORS MUST FILE AN APPLICATION IN SUCH
23 FORM AS MAY BE PRESCRIBED BY THE COMMISSIONER TOGETHER WITH THE
24 ARTICLES OF INCORPORATION AND THE BYLAWS WITH THE COMMISSIONER,
25 IN A NUMBER OF COPIES TO BE SPECIFIED BY THE COMMISSIONER, UPON THE
26 PAYMENT OF A FILING FEE, AS DETERMINED FROM TIME TO TIME BY THE
27 COMMISSIONER, TO COVER THE REASONABLE AND NECESSARY EXPENSE TO

1 THE DIVISION ATTRIBUTABLE TO THE APPLICATION. WITHIN SIXTY DAYS
2 AFTER THE FILING AND PAYMENT OF THE FEE, THE COMMISSIONER SHALL
3 DETERMINE WHETHER THE APPLICATION COMPLIES WITH THIS ARTICLE AND
4 WHETHER THE CO-OP WOULD BENEFIT ITS MEMBERS AND PROPOSED
5 MEMBERS, CONSISTENT WITH THE PURPOSES OF THIS ARTICLE, THE
6 GENERAL CHARACTER AND FITNESS OF THE INCORPORATORS, AND THE
7 ECONOMIC ADVISABILITY OF ESTABLISHING THE PROPOSED CO-OP. UPON
8 SUCH DETERMINATION AND WRITTEN EVIDENCE OF APPROVAL BY THE
9 FEDERAL RESERVE SYSTEM BOARD OF GOVERNORS, THE COMMISSIONER
10 MAY APPROVE OR DENY AN APPLICATION WITHOUT NOTICE AND HEARING.
11 IF FEDERAL DEPOSIT INSURANCE PROVIDED BY THE FEDERAL DEPOSIT
12 INSURANCE CORPORATION OR NATIONAL CREDIT UNION ADMINISTRATION
13 BECOMES AVAILABLE FOR BANKS, SAVINGS AND LOAN ASSOCIATIONS, AND
14 CREDIT UNIONS ORGANIZED TO PROVIDE FINANCIAL SERVICES TO THE
15 LICENSED MARIJUANA INDUSTRY, THE COMMISSIONER MAY DETERMINE
16 THAT THE CONTINUED ISSUANCE OF CHARTERS UNDER THIS ARTICLE IS NO
17 LONGER NECESSARY OR DESIRABLE.

18 (b) THE COMMISSIONER SHALL MAKE OR CAUSE TO BE MADE AN
19 INVESTIGATION TO DETERMINE WHETHER THE INCORPORATORS AND
20 ORGANIZERS ARE QUALIFIED AND WHETHER THEIR QUALIFICATIONS,
21 EXPERIENCE CONCERNING FEDERAL COMPLIANCE ISSUES, AND FINANCIAL
22 EXPERIENCE ARE CONSISTENT WITH THEIR RESPONSIBILITIES AND DUTIES.
23 THE COMMISSIONER SHALL INVESTIGATE WHETHER AN INCORPORATOR OR
24 ORGANIZER HAS BEEN CONVICTED OF ANY CRIMINAL ACTIVITY. THE
25 COMMISSIONER MAY ESTABLISH BY RULE THE CONTENT OF THE
26 INVESTIGATIONS AND WHAT, IF ANY, INVESTIGATIONS BY OTHER AGENCIES
27 OR AUTHORITIES MAY BE TREATED AS SUBSTANTIALLY EQUIVALENT TO

1 AND ACCEPTED IN LIEU OF AN INVESTIGATION BY THE COMMISSIONER.

2 (4) (a) BEFORE THE COMMENCEMENT OF OPERATIONS OR THE
3 CONDUCT OF BUSINESS BY THE CO-OP, THE INCORPORATORS OF THE CO-OP
4 MUST PROVIDE TO THE COMMISSIONER WRITTEN EVIDENCE OF APPROVAL
5 BY THE FEDERAL RESERVE SYSTEM BOARD OF GOVERNORS FOR ACCESS BY
6 THE CO-OP TO THE FEDERAL RESERVE SYSTEM IN CONNECTION WITH THE
7 PROPOSED DEPOSITORY ACTIVITIES OF THE CO-OP.

8 (b) UPON RECEIPT OF WRITTEN EVIDENCE OF APPROVAL BY THE
9 FEDERAL RESERVE SYSTEM BOARD OF GOVERNORS:

10 (I) THE COMMISSIONER AND THE EXECUTIVE DIRECTOR OF THE
11 DEPARTMENT OF REGULATORY AGENCIES SHALL CONVENE A
12 STAKEHOLDER GROUP, INCLUDING ALL TRADE ASSOCIATIONS
13 REPRESENTING BANKS AND CREDIT UNIONS, TO IDENTIFY CONFLICTS THAT
14 MAY EXIST BETWEEN THIS ARTICLE AND OTHER PROVISIONS OF STATE LAW,
15 INCLUDING TITLE 4, C.R.S. THE COMMISSIONER SHALL FILE A REPORT WITH
16 THE GENERAL ASSEMBLY REGARDING THE CONFLICTS AND SUGGESTED
17 RESOLUTION OF THE CONFLICTS, AND SHALL NOT APPROVE AN
18 APPLICATION OR ISSUE A CERTIFICATE PURSUANT TO SUBPARAGRAPH (II)
19 OF THIS PARAGRAPH (b) UNTIL THE GENERAL ASSEMBLY RESOLVES ALL OF
20 THE IDENTIFIED STATE LAW CONFLICTS.

21 (II) UPON APPROVAL OF AN APPLICATION, RECEIPT OF ALL
22 NECESSARY DOCUMENTS, AND RESOLUTION OF ANY STATE LAW CONFLICTS
23 AS SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (b), THE
24 COMMISSIONER SHALL ISSUE A CERTIFICATE OF APPROVAL, IN A NUMBER
25 OF COPIES EQUAL TO THE NUMBER OF COPIES OF THE ARTICLES OF
26 INCORPORATION REQUIRED TO BE FILED PURSUANT TO PARAGRAPH (a) OF
27 SUBSECTION (2) OF THIS SECTION AS SPECIFIED BY THE COMMISSIONER,

1 AND ATTACH A COPY OF THE CERTIFICATE TO EACH COPY OF THE ARTICLES
2 OF INCORPORATION. THE INCORPORATORS MUST THEN FILE APPROVED
3 ARTICLES WITH THE SECRETARY OF STATE AND A COPY OF THE ARTICLES,
4 CERTIFIED BY THE SECRETARY OF STATE, WITH THE COMMISSIONER. THE
5 INCORPORATORS MUST PAY TO THE SECRETARY OF STATE A FEE FOR FILING
6 THE ARTICLES OF INCORPORATION AND A FEE FOR CERTIFYING THE COPY
7 OF ARTICLES OF INCORPORATION FURNISHED BY THE INCORPORATORS FOR
8 FILING WITH THE COMMISSIONER, BOTH FEES TO BE DETERMINED AND
9 COLLECTED PURSUANT TO SECTION 24-21-104 (3), C.R.S.

10 (5) (a) AFTER THE INCORPORATORS HAVE FILED A CERTIFIED COPY
11 OF ARTICLES OF INCORPORATION WITH THE COMMISSIONER, THE
12 COMMISSIONER SHALL ISSUE A CHARTER FOR THE CO-OP, AT WHICH TIME
13 THE CO-OP BECOMES A BODY CORPORATE HAVING THE POWERS
14 ENUMERATED IN SECTION 7-103-102, C.R.S., EXCEPT AS OTHERWISE
15 PROVIDED OR LIMITED IN THIS ARTICLE.

16 (b) THE COMMISSIONER SHALL NOT PERMIT MORE THAN TEN CO-OP
17 CHARTERS TO BE OUTSTANDING AT ANY ONE TIME.

18 (c) IF THE COMMISSIONER HAS NOT ISSUED ANY CHARTERS
19 PURSUANT TO THIS ARTICLE BY AUGUST 1, 2017, THIS ARTICLE IS
20 REPEALED, EFFECTIVE SEPTEMBER 1, 2017. BY AUGUST 31, 2017, THE
21 COMMISSIONER SHALL FILE A WRITTEN STATEMENT WITH THE REVISOR OF
22 STATUTES REGARDING WHETHER ANY CHARTERS HAVE BEEN ISSUED BY
23 AUGUST 1, 2017.

24 (6) THE INITIAL BOARD OF DIRECTORS OF THE CO-OP SHALL THEN
25 ADOPT THE BYLAWS APPROVED BY THE COMMISSIONER.

26 **11-33-105. Bylaws.** THE COMMISSIONER SHALL CAUSE TO BE
27 PREPARED A STANDARD FORM OF BYLAWS, CONSISTENT WITH THIS

1 ARTICLE, TO BE ISSUED TO ALL CANNABIS CREDIT CO-OPS. ALL CO-OPS
2 SHALL OPERATE UNDER THE STANDARD BYLAWS; EXCEPT THAT EACH
3 CO-OP, SUBJECT TO THE APPROVAL OF THE COMMISSIONER, MUST PROPOSE
4 ITS OWN NAME, THE NUMBER OF MEMBERS OF ITS BOARD OF DIRECTORS,
5 ITS CREDIT COMMITTEE, ITS SUPERVISORY COMMITTEE, PROVISIONS
6 RELATIVE TO TIMES AND PLACES OF MEETINGS OF THE MEMBERSHIP AND
7 OF THE BOARD OF DIRECTORS, PROVISIONS RELATIVE TO THE CONDUCT OF
8 ELECTIONS AND BALLOTING OF THE CO-OP, AND MODIFICATIONS OF THE
9 STANDARD BYLAWS DEEMED APPROPRIATE BY THE BOARD OF DIRECTORS
10 FOR THE OPERATION OF THE INDIVIDUAL CO-OP. THE COMMISSIONER MUST
11 APPROVE ANY AND ALL AMENDMENTS TO THE BYLAWS BEFORE THEY
12 BECOME OPERATIVE.

13 **11-33-106. Membership.** (1) CANNABIS CREDIT CO-OP
14 MEMBERSHIP CONSISTS OF LICENSED MARIJUANA BUSINESSES THAT ARE
15 QUALIFIED AND ELECTED TO MEMBERSHIP AND THAT PAY ANY ENTRANCE
16 FEE.

17 (2) (a) CO-OP MEMBERSHIP IS LIMITED TO ONLY ENTITIES THAT
18 OWN, OPERATE, OR ARE LICENSED MARIJUANA BUSINESSES IN GOOD
19 STANDING WITH THE EXECUTIVE DIRECTOR OF THE STATE LICENSING
20 AUTHORITY CREATED IN SECTION 12-43.3-201, C.R.S.

21 (b) AN INDIVIDUAL IS NOT QUALIFIED TO BE A MEMBER OF A CO-OP,
22 REGARDLESS OF WHETHER THE INDIVIDUAL IS LICENSED, INCLUDING
23 PURSUANT TO SECTION 12-43.3-401 (1) (d) OR 12-43.4-401 (1) (e), TO
24 OWN, OPERATE, MANAGE, OR BE EMPLOYED BY A LICENSED MARIJUANA
25 BUSINESS, EITHER AS A SOLE PROPRIETOR OR ANY OTHER FORM OF
26 OWNERSHIP THAT GIVES THE INDIVIDUAL SOLE CONTROL OVER THE
27 LICENSED MARIJUANA BUSINESS.

1 (3) ONCE A MEMBER NO LONGER OWNS OR OPERATES A LICENSED
2 MARIJUANA BUSINESS, THE MEMBER IS NO LONGER QUALIFIED TO BE A
3 MEMBER AND SHALL PROMPTLY TERMINATE ITS DEPOSITS WITH AND REPAY
4 ITS LOANS FROM THE CO-OP.

5 **11-33-107. Powers.** (1) A CANNABIS CREDIT CO-OP HAS THE
6 POWER TO:

7 (a) RECEIVE THE SAVINGS OF ITS MEMBERS EITHER AS PAYMENT ON
8 SHARES OR AS DEPOSITS;

9 (b) MAKE LOANS TO ITS MEMBERS;

10 (c) MAKE LOANS TO OTHER CO-OPS AS PROVIDED IN THIS ARTICLE;

11 (d) MAKE DEPOSITS IN STATE AND NATIONAL FINANCIAL
12 INSTITUTIONS INSURED BY AN AGENCY OF THE FEDERAL GOVERNMENT
13 THAT VOLUNTARILY ACCEPTS THOSE DEPOSITS;

14 (e) INVEST IN ANY OF THE FOLLOWING:

15 (I) OBLIGATIONS OF THE UNITED STATES OR SECURITIES
16 GUARANTEED OR INSURED BY ANY AGENCY OF THE UNITED STATES;

17 (II) OBLIGATIONS OF ANY STATE OR TERRITORY OF THE UNITED
18 STATES, OR OF ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY
19 THEREOF, EXCEPT REVENUE OBLIGATIONS ISSUED TO PROVIDE, ENLARGE,
20 OR IMPROVE ELECTRIC POWER, GAS, WATER, OR SEWER FACILITIES, OR ANY
21 COMBINATION THEREOF, ISSUED BY ANY CITY OR TOWN, OR OTHER SIMILAR
22 MUNICIPAL CORPORATION HAVING A POPULATION OF FEWER THAN FIVE
23 THOUSAND PERSONS, AS DETERMINED BY THE LATEST FEDERAL DECENNIAL
24 CENSUS; AND

25 (III) TO AN EXTENT THAT MUST NOT EXCEED TEN PERCENT OF ITS
26 SHARES, DEPOSITS, AND UNDIVIDED EARNINGS, IN SHARES OF MUTUAL
27 FUNDS OR INVESTMENT COMPANIES, STOCKS, BONDS, OR OTHER

1 SECURITIES OF ANY CORPORATION OR RELIGIOUS OR EDUCATIONAL
2 ORGANIZATIONS;

3 (f) ACQUIRE, THROUGH PURCHASE OR OTHER LAWFUL
4 TRANSACTIONS, AND HOLD TITLE TO REAL AND PERSONAL PROPERTY
5 NECESSARY AND INCIDENTAL TO THE OPERATION OF THE CO-OP, AND SELL,
6 MORTGAGE, OR OTHERWISE DISPOSE OF THE PROPERTY;

7 (g) EXERCISE SUCH INCIDENTAL POWERS AS ARE NECESSARY TO
8 ENABLE IT TO CARRY ON EFFECTIVELY THE BUSINESS FOR WHICH IT IS
9 INCORPORATED AS AUTHORIZED IN THIS ARTICLE;

10 (h) SELL ALL OR ANY PORTION OF ITS ASSETS AND PURCHASE ALL
11 OR ANY PORTION OF THE ASSETS OF ANOTHER CO-OP AND ASSUME THE
12 LIABILITIES OF THE SELLING CO-OP, SUBJECT TO THE APPROVAL OF THE
13 COMMISSIONER; AND

14 (i) PARTICIPATE WITH OTHER CO-OPS OR FINANCIAL
15 ORGANIZATIONS IN MAKING LOANS TO CO-OP MEMBERS WHEN THE
16 BORROWER IS A MEMBER OF EITHER THE CO-OP ORIGINATING THE LOAN OR
17 THE CO-OP PURCHASING A PARTICIPATION INTEREST IN THE LOAN.

18 **11-33-108. Title protection.** (1) A CANNABIS CREDIT CO-OP:

19 (a) SHALL NOT USE THE WORD "BANK" OR THE PHRASE "CREDIT
20 UNION" IN ITS ARTICLES OF INCORPORATION, TRADE NAME, OR AN
21 ADVERTISEMENT OR OFFER OF SERVICES;

22 (b) SHALL USE:

23 (I) THE PHRASE "MARIJUANA FINANCIAL SERVICES COOPERATIVE"
24 IN ITS ARTICLES OF INCORPORATION; AND

25 (II) THE WORDS "MARIJUANA" OR "CANNABIS" IN ITS TRADE NAME
26 AND ANY ADVERTISEMENT OR OFFER OF SERVICES; AND

27 (c) MAY USE THE PHRASES "FINANCIAL SERVICES COOPERATIVE",

1 "FINANCIAL SERVICES CO-OP", "FINANCIAL COOPERATIVE", "FINANCIAL
2 CO-OP", "CREDIT COOPERATIVE", OR "CREDIT CO-OP" IN ITS TRADE NAME
3 OR AN ADVERTISEMENT OR OFFER OF SERVICES.

4 (2) (a) A CO-OP ORGANIZED IN ACCORDANCE WITH THIS ARTICLE
5 HAS THE EXCLUSIVE RIGHT TO USE THE PHRASES "CANNABIS CREDIT
6 COOPERATIVE", "MARIJUANA CREDIT COOPERATIVE", "CANNABIS CREDIT
7 CO-OP", "MARIJUANA CREDIT CO-OP", "CANNABIS FINANCIAL SERVICES
8 COOPERATIVE", "MARIJUANA FINANCIAL SERVICES COOPERATIVE",
9 "CANNABIS FINANCIAL SERVICES CO-OP", AND "MARIJUANA FINANCIAL
10 SERVICES CO-OP" IN ITS NAME, TITLE, AND ADVERTISEMENTS OR OFFERS OF
11 SERVICES; BUT AN ASSOCIATION COMPOSED OF CO-OPS TRANSACTING
12 BUSINESS IN THIS STATE MAY USE THOSE PHRASES IN ITS NAME, TITLE, AND
13 ADVERTISEMENTS OR OFFERS OF SERVICES.

14 (b) ANY PERSON OTHER THAN A CO-OP OR AN ASSOCIATION OF
15 CO-OPS USING THE PHRASES SPECIFIED IN PARAGRAPH (a) OF THIS
16 SUBSECTION (2) IN ITS NAME, TITLE, OR ADVERTISEMENTS OR OFFERS OF
17 SERVICES IS GUILTY OF A MISDEMEANOR AND, UPON CONVICTION THEREOF,
18 SHALL BE PUNISHED BY A FINE OF NOT MORE THAN FIVE HUNDRED
19 DOLLARS, IMPRISONMENT IN THE COUNTY JAIL FOR NOT MORE THAN SIXTY
20 DAYS, OR BOTH.

21 **11-33-109. Examinations - reports - powers of commissioner**

22 **- rules - fund created.** (1) (a) CANNABIS CREDIT CO-OPS ARE UNDER THE
23 SUPERVISION OF THE COMMISSIONER. THE COMMISSIONER SHALL EXAMINE
24 EVERY CO-OP AT LEAST ONCE DURING ANY SIX-MONTH PERIOD. THE
25 COMMISSIONER SHALL ASSESS EACH CO-OP AN AMOUNT TO COVER THE
26 EXPENSES OF THE DIVISION ATTRIBUTABLE TO THE SUPERVISION OF
27 CO-OPS. THE COMMISSIONER SHALL DETERMINE THE AMOUNT ASSESSED

1 ACCORDING TO A SCHEDULE OR SCHEDULES OR ANY OTHER METHOD
2 ESTABLISHED BY THE COMMISSIONER TO BE APPROPRIATE, BUT THE
3 ASSESSMENT MUST BE AT THE SAME RATE FOR ALL CO-OPS. THE
4 COMMISSIONER MAY WAIVE THE PAYMENT OF ALL OR A PORTION OF THE
5 ASSESSMENT WITH RESPECT TO A YEAR IN WHICH A CHARTER IS ISSUED OR
6 CANCELLED OR IN WHICH A FINAL DISTRIBUTION IS MADE IN LIQUIDATION.

7 (b) THE COMMISSIONER SHALL ESTABLISH THE DIVISION'S ANNUAL
8 ASSESSMENT, TO BE COLLECTED AT LEAST SEMIANNUALLY IN AMOUNTS
9 SUFFICIENT TO GENERATE THE MONEYS APPROPRIATED BY THE GENERAL
10 ASSEMBLY TO THE DIVISION FOR EACH FISCAL YEAR.

11 (c) (I) THERE IS HEREBY CREATED IN THE STATE TREASURY THE
12 CANNABIS CREDIT CO-OP FUND, CONSISTING OF:

13 (A) REVENUES APPROPRIATED TO THE FUND; AND

14 (B) ASSESSMENTS MADE PURSUANT TO PARAGRAPH (a) OF THIS
15 SUBSECTION (1).

16 (II) REVENUES CREDITED TO THE FUND AND UNEXPENDED AT THE
17 END OF EACH FISCAL YEAR REMAIN IN THE FUND AND DO NOT REVERT TO
18 THE GENERAL FUND. ALL INTEREST DERIVED FROM THE DEPOSIT AND
19 INVESTMENT OF REVENUES IN THE FUND REMAINS IN THE FUND AND DOES
20 NOT REVERT TO THE GENERAL FUND. THE DIVISION SHALL USE REVENUES
21 IN THE FUND ONLY FOR THE PURPOSE OF IMPLEMENTING THIS ARTICLE.

22 (2) QUARTERLY, EVERY CO-OP SHALL FILE A FINANCIAL REPORT
23 WITH THE COMMISSIONER ON A DATE ESTABLISHED BY THE COMMISSIONER,
24 IN A FORM PRESCRIBED BY THE COMMISSIONER. THE COMMISSIONER MAY
25 REQUIRE THAT ADDITIONAL REPORTS BE FILED. FOR FAILURE TO FILE A
26 REPORT WHEN DUE, UNLESS EXCUSED FOR CAUSE, A CO-OP SHALL PAY TO
27 THE COMMISSIONER A PENALTY, AS PRESCRIBED BY RULE, FOR EACH DAY

1 OF DELINQUENCY IN FILING.

2 (3) THE COMMISSIONER MAY ADOPT RULES NECESSARY FOR THE
3 ADMINISTRATION AND ENFORCEMENT OF THIS ARTICLE AND SHALL
4 REFERENCE THE RULES TO THE SECTIONS OF THIS ARTICLE TO WHICH THEY
5 APPLY. THE COMMISSIONER SHALL PROMULGATE THE RULES PURSUANT TO
6 ARTICLE 4 OF TITLE 24, C.R.S., AND SHALL MAIL A COPY OF THE RULES
7 AND OF EACH ORDER TO EACH CO-OP AT LEAST THIRTY DAYS BEFORE
8 THEIR EFFECTIVE DATE, EXCEPT AS TO TEMPORARY OR EMERGENCY RULES.

9 (4) EXCEPT IN CASES WHERE THERE IS A STATUTORY RIGHT TO
10 APPEAL TO THE COMMISSIONER, ANY PERSON AGGRIEVED AND DIRECTLY
11 AFFECTED BY A FINAL ORDER OF THE COMMISSIONER MAY OBTAIN
12 JUDICIAL REVIEW OF THE ORDER BY FILING AN ACTION FOR REVIEW WITH
13 THE COLORADO COURT OF APPEALS PURSUANT TO SECTION 24-4-106(11),
14 C.R.S., WITHIN THIRTY DAYS AFTER THE DATE OF ISSUANCE OF THE ORDER.

15 (5) THE COMMISSIONER MAY CHARGE OFF THE WHOLE OR ANY
16 PART OF ANY ASSET OF ANY CO-OP THAT COULD NOT BE LAWFULLY
17 ACQUIRED BY IT AND TO REDUCE THE VALUE OF ANY ASSET OF A CO-OP TO
18 ITS MARKET VALUE OR TO A REASONABLE VALUE, IF NO MARKET VALUE
19 CAN BE ESTABLISHED. IF THE LOSSES OF A CO-OP EXCEED ITS UNDIVIDED
20 EARNINGS AND RESERVE FUNDS SO THAT THE REASONABLE VALUE OF ITS
21 ASSETS IS LESS THAN THE TOTAL AMOUNT DUE THE SHAREHOLDERS, THE
22 COMMISSIONER MAY ORDER A REDUCTION IN THE LIABILITY TO EACH
23 SHAREHOLDER, DIVIDING THE LOSS PROPORTIONATELY AMONG ALL
24 SHAREHOLDERS. ANY REDUCTION FROM EACH SHARE ACCOUNT MUST BE
25 A SPECIFIED PERCENTAGE SUFFICIENT TO CORRECT THE IMPAIRED
26 CONDITION AND PRESERVE THE SOLVENCY OF THE CO-OP. IF THEREAFTER
27 THE CO-OP REALIZES FROM THE ASSETS A GREATER AMOUNT THAN THAT

1 FIXED BY THE ORDER OF REDUCTION, THE COMMISSIONER SHALL DIVIDE
2 THE EXCESS PROPORTIONATELY AMONG THE SHAREHOLDERS TO WHOM
3 LIABILITY WAS PREVIOUSLY REDUCED, BUT ONLY TO THE EXTENT OF THE
4 REDUCTION.

5 (6) THE COMMISSIONER MAY ISSUE SUBPOENAS AND REQUIRE
6 ATTENDANCE OF ANY OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES OF
7 A CO-OP AND SUCH OTHER WITNESSES AS THE COMMISSIONER DEEMS
8 NECESSARY IN RELATION TO ITS AFFAIRS, TRANSACTIONS, AND
9 CONDITIONS, AND MAY REQUIRE THE WITNESSES TO APPEAR AND ANSWER
10 SUCH QUESTIONS AS THE COMMISSIONER PUTS TO THEM, AND MAY
11 REQUIRE THE WITNESSES TO PRODUCE SUCH BOOKS, PAPERS, OR
12 DOCUMENTS IN THEIR POSSESSION AS THE COMMISSIONER MAY REQUIRE.
13 UPON APPLICATION OF THE COMMISSIONER, A PERSON SERVED WITH A
14 SUBPOENA ISSUED BY THE COMMISSIONER MAY BE REQUIRED, BY ORDER
15 OF THE DISTRICT COURT OF THE COUNTY WHERE THE CO-OP HAS ITS
16 PRINCIPAL OFFICE, TO APPEAR AND ANSWER SUCH QUESTIONS AS THE
17 COMMISSIONER MAY PUT TO THE WITNESS AND BE REQUIRED TO PRODUCE
18 SUCH BOOKS, PAPERS, OR DOCUMENTS IN THE WITNESS' POSSESSION AS THE
19 COMMISSIONER MAY REQUIRE.

20 (7) THE COMMISSIONER MAY ISSUE CEASE-AND-DESIST ORDERS IF
21 THE COMMISSIONER DETERMINES FROM COMPETENT AND SUBSTANTIAL
22 EVIDENCE THAT A CO-OP IS ENGAGED OR HAS ENGAGED, OR WHEN THE
23 COMMISSIONER HAS REASONABLE CAUSE TO BELIEVE THE CO-OP IS ABOUT
24 TO ENGAGE, IN AN UNSAFE OR UNSOUND PRACTICE OR IS VIOLATING OR
25 HAS VIOLATED, OR WHEN THE COMMISSIONER HAS REASONABLE CAUSE TO
26 BELIEVE THE CO-OP IS ABOUT TO VIOLATE, A MATERIAL PROVISION OF ANY
27 LAW OR RULE OR ANY CONDITION IMPOSED IN WRITING BY THE

1 COMMISSIONER OR ANY WRITTEN AGREEMENT MADE WITH THE
2 COMMISSIONER.

3 (8) (a) (I) THE COMMISSIONER MAY SUSPEND OR REMOVE A
4 DIRECTOR, OFFICER, OR EMPLOYEE OF A CO-OP WHEN THE COMMISSIONER
5 DETERMINES THAT THE PERSON HAS:

6 (A) VIOLATED A PROVISION OF THIS ARTICLE OR A LAWFUL RULE
7 OR ORDER ISSUED PURSUANT TO THIS ARTICLE;

8 (B) ENGAGED OR PARTICIPATED IN AN UNSAFE OR UNSOUND
9 PRACTICE IN THE CONDUCT OF A CO-OP;

10 (C) COMMITTED OR ENGAGED IN AN ACT, OMISSION, OR PRACTICE
11 THAT CONSTITUTES A BREACH OF FIDUCIARY DUTY TO THE CO-OP, AND THE
12 CO-OP HAS SUFFERED OR WILL PROBABLY SUFFER FINANCIAL LOSS OR
13 OTHER DAMAGE, OR THE INTERESTS OF MEMBERS OR ACCOUNT HOLDERS
14 MAY BE SERIOUSLY PREJUDICED THEREBY; OR

15 (D) RECEIVED FINANCIAL GAIN BY REASON OF A VIOLATION,
16 PRACTICE, OR BREACH OF FIDUCIARY DUTY THAT INVOLVED PERSONAL
17 DISHONESTY OR DEMONSTRATED A WILLFUL OR CONTINUING DISREGARD
18 FOR THE SAFETY OR SOUNDNESS OF THE CO-OP.

19 (II) THE COMMISSIONER MAY SUSPEND OR REMOVE A DIRECTOR,
20 OFFICER, OR EMPLOYEE OF A CO-OP WHO, UNDER THE LAWS OF THIS STATE,
21 THE UNITED STATES, OR ANY OTHER STATE OR TERRITORY OF THE UNITED
22 STATES:

23 (A) HAS ENTERED A PLEA OF GUILTY OR NOLO CONTENDERE TO OR
24 BEEN CONVICTED OF A CRIME INVOLVING THEFT OR FRAUD THAT IS
25 CLASSIFIED AS A FELONY; OR

26 (B) IS SUBJECT TO AN ORDER REMOVING OR SUSPENDING THE
27 INDIVIDUAL FROM OFFICE OR PROHIBITING THE INDIVIDUAL'S

1 PARTICIPATION IN THE CONDUCT OF THE AFFAIRS OF A CO-OP, SAVINGS
2 AND LOAN ASSOCIATION, BANK, OR OTHER FINANCIAL INSTITUTION.

3 (b) (I) A SUSPENSION OR REMOVAL ORDER MUST SPECIFY THE
4 GROUNDS FOR THE SUSPENSION OR REMOVAL. THE COMMISSIONER SHALL
5 SEND A COPY OF THE ORDER TO THE CO-OP CONCERNED AND TO EACH
6 MEMBER OF ITS BOARD OF DIRECTORS. THE COMMISSIONER SHALL SEND
7 WRITTEN NOTICE BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO
8 EACH PERSON AFFECTED BY PARAGRAPH (a) OF THIS SUBSECTION (8) AT
9 LEAST TEN DAYS BEFORE A HEARING HELD PURSUANT TO SECTION
10 24-4-105, C.R.S., AT WHICH THE COMMISSIONER SHALL PRESIDE.

11 (II) IF THE COMMISSIONER DETERMINES THAT EXTRAORDINARY
12 CIRCUMSTANCES REQUIRE IMMEDIATE ACTION, THE COMMISSIONER MAY
13 SUSPEND OR REMOVE A PERSON UNDER PARAGRAPH (a) OF THIS
14 SUBSECTION (8) WITHOUT NOTICE OR A HEARING, BUT THE COMMISSIONER
15 SHALL CONDUCT A HEARING UNDER SECTION 24-4-105, C.R.S., WITHIN
16 THIRTY DAYS AFTER THE SUSPENSION OR REMOVAL.

17 (III) IN EXTRAORDINARY CIRCUMSTANCES, UPON ORDER OF THE
18 COMMISSIONER, A HEARING CONDUCTED PURSUANT TO THIS SECTION IS
19 EXEMPT FROM ANY PROVISION OF LAW REQUIRING THAT PROCEEDINGS OF
20 THE COMMISSIONER BE CONDUCTED PUBLICLY. EXTRAORDINARY
21 CIRCUMSTANCES OCCUR WHEN SPECIFIC CONCERN ARISES ABOUT PROMPT
22 WITHDRAWAL OF MONEYS FROM THE CO-OP.

23 (IV) A PERSON WHO PERFORMS A DUTY OR EXERCISES A POWER OF
24 A CO-OP AFTER RECEIPT OF A SUSPENSION OR REMOVAL ORDER UNDER
25 PARAGRAPH (a) OF THIS SUBSECTION (8) COMMITS A CLASS 1
26 MISDEMEANOR AND SHALL BE PUNISHED AS PROVIDED IN SECTION
27 18-1.3-501, C.R.S.

1 **11-33-110. Assessment of civil fines.** (1) (a) AFTER NOTICE AND
2 A HEARING AS PROVIDED IN ARTICLE 4 OF TITLE 24, C.R.S., AND AFTER
3 MAKING A DETERMINATION THAT NO OTHER APPROPRIATE
4 GOVERNMENTAL AGENCY HAS TAKEN SIMILAR ACTION AGAINST THE
5 PERSON FOR THE SAME ACT OR PRACTICE, THE COMMISSIONER MAY ASSESS
6 AND COLLECT A CIVIL FINE FROM A PERSON WHO HAS VIOLATED A FINAL
7 CEASE-AND-DESIST ORDER ISSUED BY THE COMMISSIONER PURSUANT TO
8 SECTION 11-33-109 (7) OR A SUSPENSION ORDER ISSUED PURSUANT TO
9 SECTION 11-33-122.

10 (b) FOR THE PURPOSES OF THIS SECTION, A VIOLATION INCLUDES
11 AN ACTION BY ANY PERSON, ALONE OR WITH ANOTHER PERSON, THAT
12 CAUSES, BRINGS ABOUT, OR RESULTS IN THE PARTICIPATION IN,
13 COUNSELING OF, OR AIDING OR ABETTING OF A VIOLATION.

14 (c) IN EXTRAORDINARY CIRCUMSTANCES, UPON ORDER OF THE
15 COMMISSIONER, A HEARING CONDUCTED PURSUANT TO THIS SECTION IS
16 EXEMPT FROM ANY PROVISION OF LAW REQUIRING THAT PROCEEDINGS OF
17 THE COMMISSIONER BE CONDUCTED PUBLICLY. EXTRAORDINARY
18 CIRCUMSTANCES OCCUR WHEN SPECIFIC CONCERN ARISES ABOUT PROMPT
19 WITHDRAWAL OF MONEYS FROM A CO-OP.

20 (2) (a) THE COMMISSIONER MUST ASSESS CIVIL FINES BY WRITTEN
21 NOTICE OF ASSESSMENT OF A CIVIL FINE SERVED UPON THE PERSON TO BE
22 ASSESSED. THE NOTICE OF ASSESSMENT OF A CIVIL FINE MUST STATE THE
23 AMOUNT OF THE FINE, THE PERIOD FOR PAYMENT, THE LEGAL AUTHORITY
24 FOR THE ASSESSMENT, AND THE MATTERS OF FACT OR LAW CONSTITUTING
25 THE GROUNDS FOR ASSESSMENT. THE PERSON MAY FILE A REQUEST FOR A
26 REHEARING REGARDING THE NOTICE OF ASSESSMENT OF A CIVIL FINE WITH
27 THE COMMISSIONER PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION

1 (2).

2 (b) A PERSON MUST FILE THE NOTICE OF REHEARING WITH THE
3 COMMISSIONER WITHIN THIRTY DAYS AFTER THE ASSESSMENT. THE NOTICE
4 MUST CONTAIN A BRIEF STATEMENT OF THE PERTINENT FACTS UPON WHICH
5 THE REQUEST IS BASED. WITHIN SIXTY DAYS AFTER THE REQUEST IS FILED,
6 THE COMMISSIONER SHALL FIX A DATE, TIME, AND PLACE FOR THE
7 REHEARING AND SHALL NOTIFY THE PERSON AT LEAST THIRTY DAYS
8 BEFORE THE DATE OF THE REHEARING. THE COMMISSIONER MAY STAY THE
9 CIVIL FINE PENDING THE REHEARING. ON REHEARING, THE COMMISSIONER
10 MAY CONSIDER, AMONG OTHER MATTERS, WHETHER THE CIVIL FINE
11 ASSESSED IS APPROPRIATE CONSIDERING THE FINANCIAL RESOURCES OF
12 THE PERSON ASSESSED. THE DECISION OF THE COMMISSIONER IS FINAL
13 AGENCY ACTION.

14 (c) IN EXTRAORDINARY CIRCUMSTANCES, UPON ORDER OF THE
15 COMMISSIONER, A REHEARING CONDUCTED PURSUANT TO PARAGRAPH (a)
16 OF THIS SUBSECTION (2) IS EXEMPT FROM ANY PROVISION OF LAW
17 REQUIRING THAT PROCEEDINGS OF THE COMMISSIONER BE CONDUCTED
18 PUBLICLY. EXTRAORDINARY CIRCUMSTANCES OCCUR WHEN SPECIFIC
19 CONCERN ARISES ABOUT PROMPT WITHDRAWAL OF MONEYS FROM A CO-OP.

20 (3) IN DETERMINING THE AMOUNT OF THE CIVIL FINE TO BE
21 ASSESSED, THE COMMISSIONER SHALL CONSIDER THE GOOD FAITH OF THE
22 PERSON ASSESSED, THE GRAVITY OF THE VIOLATION, ANY PREVIOUS
23 VIOLATIONS BY THE PERSON ASSESSED, AND SUCH OTHER MATTERS AS THE
24 COMMISSIONER DEEMS APPROPRIATE; EXCEPT THAT THE CIVIL FINE MUST
25 BE NOT MORE THAN ONE THOUSAND DOLLARS PER DAY FOR EACH DAY THE
26 PERSON ASSESSED IS DETERMINED BY THE COMMISSIONER TO BE IN
27 VIOLATION OF A CEASE-AND-DESIST ORDER OR AN ORDER OF SUSPENSION

1 OR REMOVAL. ALTERNATIVELY, THE COMMISSIONER MAY ASSESS A CIVIL
2 FINE FOR THE VIOLATION IN A LUMP SUM AMOUNT NOT TO EXCEED FIFTY
3 THOUSAND DOLLARS.

4 (4) CIVIL FINES ASSESSED PURSUANT TO THIS SECTION ARE DUE
5 AND PAYABLE AND MUST BE COLLECTED WITHIN THIRTY DAYS AFTER THE
6 COMMISSIONER ISSUES THE NOTICE OF ASSESSMENT OF A CIVIL FINE;
7 EXCEPT THAT THE COMMISSIONER MAY COMPROMISE, MODIFY, OR SET
8 ASIDE ANY CIVIL FINE. IF A PERSON FAILS TO PAY AN ASSESSMENT AFTER
9 IT HAS BECOME DUE AND PAYABLE, THE COMMISSIONER MAY REFER THE
10 MATTER TO THE ATTORNEY GENERAL, WHO SHALL RECOVER THE AMOUNT
11 ASSESSED BY ACTION IN THE DISTRICT COURT FOR THE CITY AND COUNTY
12 OF DENVER. A CIVIL FINE COLLECTED PURSUANT TO THIS SECTION SHALL
13 BE TRANSMITTED TO THE STATE TREASURER, WHO SHALL CREDIT IT TO THE
14 GENERAL FUND.

15 **11-33-111. Fiscal year - meetings.** THE FISCAL YEAR OF ALL
16 CANNABIS CREDIT CO-OPS ENDS ON DECEMBER 31 OF EACH YEAR. THE
17 CO-OP SHALL HOLD ITS ANNUAL MEETING WITHIN FIVE MONTHS AFTER THE
18 CLOSE OF THE FISCAL YEAR. SPECIAL MEETINGS MAY BE HELD IN THE
19 MANNER INDICATED IN THE BYLAWS. AT ALL MEETINGS A MEMBER HAS
20 BUT A SINGLE VOTE, WHATEVER THE MEMBER'S SHARE HOLDINGS. VOTING
21 BY PROXY IS PROHIBITED.

22 **11-33-112. Elections.** (1) (a) AT THE ANNUAL MEETING, OR BY
23 OTHER PROPER BALLOTING WITHIN THIRTY DAYS BEFORE AND TWENTY
24 DAYS AFTER THE ANNUAL MEETING, THE CANNABIS CREDIT CO-OP
25 MEMBERS MUST ELECT FROM THE MEMBERSHIP, OR THE BOARD OF
26 DIRECTORS MUST APPOINT AS PROVIDED IN THE BYLAWS OF THE CO-OP:

27 (I) A BOARD OF DIRECTORS OF NOT LESS THAN FIVE MEMBERS;

1 (II) A SUPERVISORY COMMITTEE OF NOT LESS THAN THREE
2 MEMBERS; AND

3 (III) A CREDIT COMMITTEE OF NOT LESS THAN THREE MEMBERS OR
4 A CREDIT OFFICER.

5 (b) IN ADDITION, THE CO-OP MEMBERS MAY ELECT, OR THE BOARD
6 MAY APPOINT, ONE OR MORE ALTERNATE MEMBERS OF THE CREDIT
7 COMMITTEE TO SERVE IN THE ABSENCE OF MEMBERS OF THE CREDIT
8 COMMITTEE.

9 (2) ALL PERSONS APPOINTED OR ELECTED PURSUANT TO
10 SUBSECTION (1) OF THIS SECTION HOLD OFFICE FOR THE TERMS SPECIFIED
11 IN THE BYLAWS AND UNTIL SUCCESSORS ARE ELECTED OR APPOINTED AND
12 ARE QUALIFIED. A PERSON SHALL NOT HOLD MORE THAN ONE ELECTED
13 OFFICE SIMULTANEOUSLY.

14 (3) THE CO-OP SHALL FILE WITH THE COMMISSIONER A RECORD OF
15 THE NAMES AND ADDRESSES OF THE MEMBERS OF THE BOARD AND THE
16 COMMITTEES, ALTERNATES, AND OFFICERS WITHIN TWENTY DAYS AFTER
17 THEIR ELECTION OR APPOINTMENT.

18 **11-33-113. Directors and officers.** (1) AT ITS FIRST MEETING
19 AFTER THE ANNUAL ELECTION, THE BOARD OF DIRECTORS SHALL ELECT
20 FROM ITS OWN NUMBER: AN EXECUTIVE OFFICER, WHO MAY BE
21 DESIGNATED AS CHAIR OF THE BOARD OR PRESIDENT; A VICE-CHAIR OF THE
22 BOARD OR ONE OR MORE VICE-PRESIDENTS; A TREASURER; AND A
23 SECRETARY. A SINGLE PERSON SHALL NOT SERVE AS BOTH SECRETARY
24 AND TREASURER. THE PERSONS SO ELECTED ARE THE EXECUTIVE OFFICERS
25 OF THE CORPORATION. THE BOARD OF DIRECTORS IS RESPONSIBLE FOR THE
26 GENERAL MANAGEMENT OF THE AFFAIRS OF THE CANNABIS CREDIT CO-OP,
27 AND MORE SPECIFICALLY FOR:

1 (a) ACTING ON APPLICATIONS FOR MEMBERSHIP, OR APPOINTING
2 FROM AMONG THE MEMBERSHIP OF THE CO-OP ONE OR MORE MEMBERSHIP
3 OFFICERS WHO MAY ACT ON APPLICATIONS FOR MEMBERSHIP;

4 (b) SETTING POLICIES, TERMS, AND CONDITIONS UNDER WHICH
5 LOANS WILL BE AVAILABLE TO MEMBERS, AND DETERMINING INTEREST
6 RATES ON LOANS AND ON DEPOSITS;

7 (c) FIXING THE AMOUNT OF THE BLANKET SURETY BOND THAT
8 COVERS ALL ELECTED AND APPOINTED OFFICIALS AND ALL EMPLOYEES OF
9 THE CO-OP. THE BLANKET SURETY BOND MUST BE IN AN AMOUNT EQUAL
10 TO THE ASSETS OF THE CO-OP AS OF DECEMBER 31 OF THE PREVIOUS YEAR
11 OR ONE MILLION DOLLARS, WHICHEVER IS LESS, OR IN SUCH OTHER
12 AMOUNT AS THE COMMISSIONER MAY PRESCRIBE.

13 (d) DECLARING DIVIDENDS AND, SUBJECT TO APPROVAL BY THE
14 COMMISSIONER, ADOPTING AMENDMENTS TO THE BYLAWS OF THE CO-OP;

15 (e) DETERMINING WHEN ANY VACANCY EXISTS IN THE BOARD OF
16 DIRECTORS OR IN THE CREDIT COMMITTEE, FILLING VACANCIES IN THE
17 BOARD AND IN THE CREDIT COMMITTEE UNTIL SUCCESSORS ARE ELECTED
18 OR APPOINTED AND QUALIFY, AND APPOINTING ONE OR MORE ASSISTANT
19 SECRETARIES OR TREASURERS OR BOTH, AS NEEDED; AND THE BOARD
20 SHALL EMPLOY:

21 (I) AN OFFICER IN CHARGE OF OPERATIONS WHOSE TITLE IS EITHER
22 PRESIDENT OR CHIEF EXECUTIVE OFFICER TO ACT AS GENERAL MANAGER
23 AND WHO SHALL BE IN ACTIVE CHARGE OF THE AFFAIRS OF THE CO-OP; AND

24 (II) A CHIEF FINANCIAL OFFICER;

25 (f) DETERMINING THE MAXIMUM INDIVIDUAL SHARE HOLDINGS IN
26 THE CO-OP AND THE MAXIMUM AMOUNT OF INDIVIDUAL LOANS THAT CAN
27 BE MADE EITHER WITH OR WITHOUT SECURITY;

1 (g) HAVING CHARGE OF AND SUPERVISING INVESTMENTS OF CO-OP
2 FUNDS;

3 (h) MAINTAINING RECORDS PURSUANT TO RULES PROMULGATED
4 BY THE COMMISSIONER CONCERNING HOW LONG RECORDS MUST BE
5 RETAINED AND IN WHAT MANNER;

6 (i) PROVIDING FOR COMPENSATION FOR NECESSARY CLERICAL AND
7 AUDITING ASSISTANCE REQUESTED BY THE SUPERVISORY COMMITTEE AND
8 OF LOAN OFFICERS APPOINTED BY THE CREDIT COMMITTEE, AND
9 ESTABLISHING ANY SALARY TO BE PAID TO THE CHIEF EXECUTIVE OFFICER,
10 PRESIDENT, OR CHIEF FINANCIAL OFFICER.

11 (2) THE BYLAWS MUST DETERMINE THE DUTIES OF THE OFFICERS;
12 EXCEPT THAT THE TREASURER IS THE GENERAL MANAGER IF A GENERAL
13 MANAGER HAS NOT BEEN EMPLOYED PURSUANT TO PARAGRAPH (e) OF
14 SUBSECTION (1) OF THIS SECTION.

15 **11-33-114. Credit committee - credit officer.** THE CREDIT
16 COMMITTEE OR CREDIT OFFICER IS RESPONSIBLE FOR THE GENERAL
17 SUPERVISION OF ALL LOANS TO MEMBERS. APPLICATIONS FOR LOANS MUST
18 BE ON A FORM APPROVED BY THE CREDIT COMMITTEE OR THE CREDIT
19 OFFICER. AT LEAST A MAJORITY OF THE MEMBERS OF THE CREDIT
20 COMMITTEE OR THE CREDIT OFFICER MUST APPROVE OR DISAPPROVE ALL
21 LOANS; EXCEPT THAT THE CREDIT COMMITTEE OR THE CREDIT OFFICER
22 MAY APPOINT ONE OR MORE LOAN OFFICERS AND DELEGATE TO THE LOAN
23 OFFICER THE POWER TO APPROVE OR DISAPPROVE LOANS THAT ARE WITHIN
24 LIMITS PRESCRIBED BY THE CREDIT COMMITTEE OR THE CREDIT OFFICER.
25 EACH LOAN OFFICER SHALL FURNISH TO THE CREDIT COMMITTEE OR THE
26 CREDIT OFFICER A RECORD OF EACH LOAN APPLICATION RECEIVED BY THE
27 LOAN OFFICER WITHIN SEVEN DAYS AFTER THE DATE OF FILING OF THE

1 APPLICATION. THE CREDIT COMMITTEE OR THE CREDIT OFFICE MAY
2 CONSIDER ALL LOANS NOT APPROVED BY A LOAN OFFICER. A MEMBER OF
3 THE CREDIT COMMITTEE SHALL NOT RECEIVE ANY COMPENSATION AS A
4 LOAN OFFICER OR BE EMPLOYED BY THE CANNABIS CREDIT CO-OP IN ANY
5 OTHER CAPACITY. A CREDIT OFFICER MAY RECEIVE COMPENSATION IN
6 CONNECTION WITH THE PERFORMANCE OF HIS OR HER DUTIES. THE CREDIT
7 COMMITTEE SHALL MEET AS OFTEN AS NECESSARY AFTER DUE NOTICE TO
8 EACH MEMBER. VACANCIES IN THE CREDIT COMMITTEE SHALL BE FILLED
9 PURSUANT TO SECTION 11-33-113 (1) (e).

10 **11-33-115. Supervisory committee.** (1) THE SUPERVISORY
11 COMMITTEE SHALL:

12 (a) MAKE, OR CAUSE TO BE MADE, A COMPREHENSIVE ANNUAL
13 AUDIT OF THE BOOKS AND AFFAIRS OF THE CANNABIS CREDIT CO-OP AND
14 SHALL SUBMIT A REPORT OF THE ANNUAL AUDIT TO THE BOARD OF
15 DIRECTORS AND A SUMMARY OF THAT REPORT TO THE MEMBERS AT THE
16 NEXT ANNUAL MEETING. THE COMMITTEE SHALL MAKE OR CAUSE TO BE
17 MADE SUCH SUPPLEMENTARY AUDITS OR EXAMINATIONS AS IT DEEMS
18 NECESSARY OR AS REQUIRED BY THE COMMISSIONER.

19 (b) MAKE AN ANNUAL REPORT AND SUBMIT THE REPORT AT THE
20 ANNUAL MEETING OF THE MEMBERS;

21 (c) BY UNANIMOUS VOTE OF THE COMMITTEE IF IT DEEMS THE
22 ACTION TO BE NECESSARY FOR THE PROPER CONDUCT OF THE CO-OP,
23 TEMPORARILY SUSPEND AN OFFICER OR DIRECTOR OF THE CO-OP OR A
24 MEMBER OF THE CREDIT COMMITTEE, AND CALL A SPECIAL MEETING OF
25 THE MEMBERS OF THE CO-OP NOT LESS THAN SEVEN NOR MORE THAN
26 FOURTEEN DAYS AFTER THE SUSPENSION TO TAKE FINAL ACTION ON THE
27 SUSPENSION. THE MEMBERS AT THE MEETING MAY SUSTAIN THE

1 SUSPENSION AND REMOVE THE OFFICER, DIRECTOR, OR MEMBER OF THE
2 CREDIT COMMITTEE PERMANENTLY AND ELECT A SUCCESSOR THERETO FOR
3 THE UNEXPIRED TERM OF OFFICE OR MAY REINSTATE THE PERSON.

4 (d) ANNUALLY VERIFY, OR CAUSE TO BE VERIFIED, BY A RANDOM
5 SAMPLING OR BY VERIFICATION OF ALL MEMBERS' ACCOUNTS, THE
6 MEMBERS' SHARE, DEPOSIT, AND LOAN ACCOUNTS. THE VERIFICATION MAY
7 BE OBTAINED BY EITHER SENDING OR CAUSING TO BE SENT A STATEMENT
8 OF ACCOUNT TO EACH MEMBER OR BY SUCH MEANS AS MAY BE SPECIFIED
9 BY THE COMMISSIONER.

10 (e) NOT LESS FREQUENTLY THAN TWICE ANNUALLY, OR AS
11 OTHERWISE REQUIRED BY THE COMMISSIONER, EXAMINE THE CONTINUED
12 ELIGIBILITY OF EACH MEMBER AND EXPEL EACH MEMBER THAT IS NO
13 LONGER QUALIFIED TO BE A MEMBER.

14 (2) BY MAJORITY VOTE, THE SUPERVISORY COMMITTEE MAY CALL
15 A SPECIAL MEETING OF THE MEMBERS OF THE CO-OP TO CONSIDER A
16 VIOLATION OF A PROVISION OF THIS ARTICLE, RULES OF THE
17 COMMISSIONER, THE BYLAWS, OR A RULE OR REQUIREMENT OF THE CO-OP,
18 BY AN OFFICER, DIRECTOR, MEMBER OF A COMMITTEE, OR A MEMBER, THAT
19 THE COMMITTEE DEEMS TO BE DETRIMENTAL TO THE CO-OP. THE
20 SUPERVISORY COMMITTEE SHALL FILL VACANCIES IN ITS OWN MEMBERSHIP
21 UNTIL THE NEXT ANNUAL ELECTION OF THE CO-OP.

22 **11-33-116. Capital.** THE CAPITAL OF A CANNABIS CREDIT CO-OP
23 CONSISTS OF THE PAYMENTS THAT HAVE BEEN MADE TO IT IN SHARES BY
24 ITS MEMBERS. THE CO-OP HAS A LIEN ON THE SHARES AND DEPOSITS OF A
25 MEMBER FOR ANY SUM DUE TO THE CO-OP FROM A MEMBER OR FOR ANY
26 LOAN ENDORSED BY A MEMBER. A CO-OP MAY CHARGE AN ENTRANCE FEE
27 AND AN ANNUAL MEMBERSHIP FEE, BUT THE FEES MUST BE UNIFORM TO

1 ALL MEMBERS.

2 **11-33-117. Loans.** A CANNABIS CREDIT CO-OP MAY MAKE LOANS
3 TO MEMBERS SUBJECT TO THIS ARTICLE AND THE BYLAWS OF THE CO-OP.
4 A BORROWER MAY REPAY A LOAN IN WHOLE OR IN PART ANY DAY THE
5 OFFICE OF THE CO-OP IS OPEN FOR BUSINESS.

6 **11-33-118. Reserves.** THE COMMISSIONER MAY REQUIRE
7 RESERVES TO PROTECT THE INTEREST OF MEMBERS BY GENERAL RULES. IN
8 ADDITION, THE COMMISSIONER MAY REQUIRE SPECIAL RESERVES BY AN
9 ORDER DIRECTED TO AN INDIVIDUAL CANNABIS CREDIT CO-OP IN A SPECIAL
10 CASE.

11 **11-33-119. Confidentiality.** (1) NEITHER THE COMMISSIONER,
12 THE COMMISSIONER'S DEPUTY, NOR ANY OTHER PERSON APPOINTED BY THE
13 COMMISSIONER SHALL DIVULGE ANY INFORMATION ACQUIRED IN THE
14 DISCHARGE OF THE PERSON'S DUTIES; EXCEPT THAT:

15 (a) A PERSON SPECIFIED IN THE INTRODUCTORY PORTION TO THIS
16 SUBSECTION (1) MAY DIVULGE INFORMATION ACQUIRED IN THE DISCHARGE
17 OF THE PERSON'S DUTIES IF DOING SO IS MADE NECESSARY BY LAW OR
18 UNDER ORDER OF COURT IN AN ACTION INVOLVING THE DIVISION OR IN
19 CRIMINAL ACTIONS;

20 (b) THE COMMISSIONER MAY FURNISH INFORMATION AS TO THE
21 CONDITION OF A CANNABIS CREDIT CO-OP TO A LIQUIDATING AGENT
22 APPOINTED BY THE COMMISSIONER, A FEDERAL RESERVE BANK, THE
23 DIVISION OF BANKING, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF
24 REGULATORY AGENCIES, OR A DEPARTMENT OR DIVISION OF ANY OTHER
25 STATE HAVING SUPERVISORY AUTHORITY OVER MARIJUANA FINANCIAL
26 SERVICES COOPERATIVES OR ANALOGOUS ORGANIZATIONS AND MAY
27 ACCEPT ANY REPORT OF EXAMINATION MADE ON BEHALF OF THE

1 LIQUIDATING AGENT, BANK, DEPARTMENT, OR DIVISION;

2 (c) THE COMMISSIONER MAY GIVE RECORDS OR INFORMATION IN
3 THE COMMISSIONER'S POSSESSION TO A LICENSING AGENCY WITHIN THE
4 DEPARTMENT OF REGULATORY AGENCIES OR THE DEPARTMENT OF
5 REVENUE RELATING TO POSSIBLE MISCONDUCT BY A PERSON OR ENTITY
6 LICENSED BY THE AGENCY;

7 (d) (I) THE COMMISSIONER AND THE COMMISSIONER'S DESIGNEES
8 MAY EXCHANGE INFORMATION OBTAINED BY THE DIVISION AS TO POSSIBLE
9 CRIMINAL VIOLATIONS OF ANY LAW RELATING TO THE ACTIVITIES OF A
10 CO-OP WITH THE APPROPRIATE LAW ENFORCEMENT AGENCIES; AND

11 (II) THE COMMISSIONER OR THE COMMISSIONER'S DESIGNEES
12 SHALL EXCHANGE INFORMATION OBTAINED BY THE DIVISION WITH THE
13 APPROPRIATE STATE LAW ENFORCEMENT AGENCIES AS TO CRIMINAL
14 VIOLATIONS OF ANY LAW RELATING TO THE ACTIVITIES OF A CO-OP THAT
15 THE COMMISSIONER REASONABLY BELIEVES HAVE OCCURRED; AND

16 (e) NOTWITHSTANDING ANY PROVISION OF THIS ARTICLE TO THE
17 CONTRARY, THE COMMISSIONER MAY DISCLOSE INFORMATION IN THE
18 RECORDS OF THE DIVISION OR ACQUIRED BY THE COMMISSIONER IN THE
19 DISCHARGE OF THE COMMISSIONER'S DUTIES THE DISCLOSURE OF WHICH
20 HAS BEEN SPECIFICALLY AUTHORIZED BY THE BOARD OF DIRECTORS OF
21 THE CO-OP TO WHICH THE INFORMATION RELATES. NOTHING IN THIS
22 SECTION AUTHORIZES THE BOARD OF DIRECTORS OF A CO-OP TO WAIVE
23 ANY PRIVILEGES THAT BELONG SOLELY TO THE COMMISSIONER, THE
24 DIVISION, OR ITS EMPLOYEES.

25 **11-33-120. Dividends.** AT INTERVALS AND FOR PERIODS OF TIME
26 THAT THE BOARD OF DIRECTORS MAY AUTHORIZE AND AFTER PROVISION
27 FOR THE REQUIRED RESERVES, THE BOARD OF DIRECTORS OF A CANNABIS

1 CREDIT CO-OP MAY DECLARE A DIVIDEND. DIVIDENDS MAY BE PAID AT
2 VARIOUS RATES ON DIFFERENT CLASSES OF SHARES, AND DIVIDEND CREDIT
3 MAY BE ACCRUED ON DIFFERENT CLASSES OF SHARES, AS DETERMINED BY
4 THE BOARD OF DIRECTORS. THE BOARD SHALL NOT PAY DIVIDENDS IN
5 EXCESS OF AVAILABLE EARNINGS.

6 **11-33-121. Expulsion or withdrawal of members.** (1) A
7 MEMBER MAY WITHDRAW FROM A CANNABIS CREDIT CO-OP AT ANY TIME,
8 BUT THE BYLAWS MAY REQUIRE ADVANCE NOTICE OF THE WITHDRAWAL.
9 THE BOARD OF DIRECTORS MAY EXPEL A MEMBER FROM MEMBERSHIP IN
10 A CO-OP IF THE MEMBER FAILS TO COMPLY WITH THE WRITTEN RULES AND
11 POLICIES OF THE CO-OP AS ADOPTED AND MADE AVAILABLE TO THE
12 MEMBERSHIP.

13 (2) THE BOARD SHALL NOT EXPEL A MEMBER UNTIL THE BOARD
14 INFORMS THE MEMBER IN WRITING OF THE REASONS FOR THE EXPULSION
15 AND THE MEMBER HAS HAD REASONABLE OPPORTUNITY TO BE HEARD.

16 (3) THE CO-OP SHALL PAY TO AN EXPELLED OR WITHDRAWING
17 MEMBER ALL AMOUNTS PAID ON SHARES OR AS DEPOSITS OF THE MEMBER,
18 TOGETHER WITH ANY DIVIDENDS OR INTEREST ACCREDITED TO THE
19 MEMBER, TO THE DATE OF THE WITHDRAWAL OR EXPULSION, AS FUNDS
20 BECOME AVAILABLE AND AFTER DEDUCTING ALL AMOUNTS DUE FROM THE
21 MEMBER TO THE CO-OP. THE CO-OP MAY REQUIRE SIXTY DAYS' WRITTEN
22 NOTICE OF INTENTION TO WITHDRAW SHARES AND THIRTY DAYS' WRITTEN
23 NOTICE OF INTENTION TO WITHDRAW DEPOSITS. WITHDRAWING OR
24 EXPELLED MEMBERS HAVE NO FURTHER RIGHTS IN THE CO-OP BUT ARE
25 NOT, BY SUCH EXPULSION OR WITHDRAWAL, RELEASED FROM ANY
26 REMAINING LIABILITY TO THE CO-OP.

27 **11-33-122. Suspension - liquidation - procedures.** (1) (a) (I) IF

1 IT APPEARS THAT A CANNABIS CREDIT CO-OP IS INSOLVENT, HAS
2 WILLFULLY VIOLATED A PROVISION OF THIS ARTICLE, OR IS OPERATING IN
3 AN UNSAFE OR UNSOUND MANNER, THE COMMISSIONER:

4 (A) MAY ISSUE AN ORDER FOR THE CO-OP TO SHOW CAUSE WHY ITS
5 OPERATIONS SHOULD NOT BE SUSPENDED UNTIL THE INSOLVENCY,
6 VIOLATION, OR MANNER OF OPERATION IS RECTIFIED; AND

7 (B) SHALL AFFORD THE CO-OP AN OPPORTUNITY FOR A HEARING
8 NOT LESS THAN TEN DAYS NOR MORE THAN TWENTY DAYS AFTER
9 ISSUANCE OF THE ORDER.

10 (II) THE ORDER MUST BE IN WRITING AND BE DELIVERED BY
11 REGISTERED OR CERTIFIED MAIL.

12 (III) IF THE CO-OP FAILS TO ANSWER THE ORDER OR IF AN OFFICER
13 OR DIRECTOR OF OR ATTORNEY FOR THE CO-OP FAILS TO APPEAR AT THE
14 TIME SET FOR THE HEARING, THE COMMISSIONER MAY:

15 (A) REVOKE THE ARTICLES OF INCORPORATION OF THE CO-OP,
16 ORDER THE IMMEDIATE SUSPENSION OF OPERATIONS OF THE CO-OP EXCEPT
17 THE COLLECTION OF PAYMENTS ON OUTSTANDING LOANS OR OTHER
18 OBLIGATIONS DUE THE CO-OP, OR BOTH; AND

19 (B) ENFORCE THE ORDER BY AN ACTION FILED IN THE DISTRICT
20 COURT OF THE JUDICIAL DISTRICT IN WHICH THE PRINCIPAL OFFICE OF THE
21 CO-OP IS LOCATED, SEEKING TO ENJOIN FURTHER OPERATIONS OR TO
22 APPOINT A CONSERVATOR FOR THE CO-OP.

23 (b) (I) A CO-OP TO WHICH AN ORDER TO SHOW CAUSE HAS BEEN
24 ISSUED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (1) MAY:

25 (A) INCLUDE WITH ITS ANSWER OR PRESENT AT A HEARING
26 RESULTING FROM THE ORDER ITS PROPOSED PLAN TO CONTINUE
27 OPERATIONS AND RECTIFY THE INSOLVENCY, VIOLATION, OR MANNER OF

1 OPERATION SPECIFIED IN THE ORDER; OR

2 (B) REQUEST THAT IT BE DISSOLVED AND LIQUIDATED AND THAT
3 THE COMMISSIONER APPOINT A LIQUIDATING AGENT.

4 (II) A CO-OP MAY REQUEST A STAY OF EXECUTION OF AN ORDER OF
5 THE COMMISSIONER REVOKING ITS ARTICLES OF INCORPORATION OR
6 SUSPENDING ITS OPERATIONS BY FILING AN ACTION IN THE DISTRICT COURT
7 FOR THE JUDICIAL DISTRICT IN WHICH THE PRINCIPAL OFFICE OF THE CO-OP
8 IS LOCATED WITHIN TEN DAYS AFTER THE ISSUANCE OF THE ORDER.

9 (c) IF THE COMMISSIONER REVOKES THE CHARTER OF A CO-OP, THE
10 COMMISSIONER SHALL APPOINT A LIQUIDATING AGENT TO LIQUIDATE THE
11 ASSETS OF THE CO-OP PURSUANT TO SUBSECTION (5) OF THIS SECTION.

12 (d) IF IN THE OPINION OF THE COMMISSIONER AN EMERGENCY
13 EXISTS THAT MAY RESULT IN SERIOUS LOSSES TO THE MEMBERS, THE
14 COMMISSIONER MAY REVOKE THE CHARTER OF A CO-OP AND IMMEDIATELY
15 APPOINT A LIQUIDATING AGENT WITHOUT NOTICE OR A HEARING. THE
16 COMMISSIONER SHALL POST NOTICE OF THE COMMISSIONER'S EMERGENCY
17 DETERMINATION ON THE PREMISES OF THE CO-OP THAT IS THE SUBJECT OF
18 THE DETERMINATION. WITHIN TEN DAYS AFTER AN EMERGENCY
19 DETERMINATION BY THE COMMISSIONER, THE CO-OP OR THE BOARD OF
20 DIRECTORS OF THE CO-OP MAY FILE AN APPEAL WITH THE COURT OF
21 APPEALS. THE FILING OF AN APPEAL TO RESCIND A DETERMINATION DOES
22 NOT STAY THE COMMISSIONER'S ACTION PURSUANT TO THIS SUBSECTION
23 (1). IF THE COURT FINDS THE COMMISSIONER'S ACTION WAS
24 UNAUTHORIZED, THE COMMISSIONER SHALL RESCIND THE ACTION AND
25 RESTORE THE CO-OP TO ITS BOARD OF DIRECTORS. IF THE CO-OP DOES NOT
26 FILE AN APPEAL WITHIN TEN DAYS AFTER THE COMMISSIONER'S
27 EMERGENCY DETERMINATION, ALL ACTION TAKEN BY THE COMMISSIONER

1 IS FINAL.

2 (2) (a) THE COMMISSIONER MAY APPOINT HIMSELF OR HERSELF OR
3 A THIRD PARTY AS CONSERVATOR OF A CO-OP AND IMMEDIATELY TAKE
4 POSSESSION AND CONTROL OF THE BUSINESS AND ASSETS OF THE CO-OP IF
5 THE COMMISSIONER DETERMINES THAT:

6 (I) SUCH ACTION IS NECESSARY TO CONSERVE THE ASSETS OF THE
7 CO-OP OR TO PROTECT THE INTERESTS OF ITS MEMBERS FROM ACTS OR
8 OMISSIONS OF THE EXISTING MANAGEMENT;

9 (II) THE CO-OP, BY A RESOLUTION OF ITS BOARD OF DIRECTORS,
10 CONSENTS TO SUCH ACTION;

11 (III) THERE IS A WILLFUL VIOLATION OF A CEASE-AND-DESIST
12 ORDER THAT RESULTS IN THE CO-OP BEING OPERATED IN AN UNSAFE OR
13 UNSOUND MANNER; OR

14 (IV) THE CO-OP IS SIGNIFICANTLY UNDERCAPITALIZED AND HAS NO
15 REASONABLE PROSPECT OF BECOMING ADEQUATELY CAPITALIZED.

16 (b) THE COMMISSIONER MAY APPOINT A CONSERVATOR AND TAKE
17 IMMEDIATE POSSESSION OF THE CO-OP WITHOUT PRIOR NOTICE OR A
18 HEARING; EXCEPT THAT, WITHIN TEN DAYS AFTER THE CONSERVATOR IS
19 APPOINTED, THE CO-OP MAY FILE AN APPEAL WITH THE COURT OF APPEALS
20 REQUESTING THE COMMISSIONER TO RESCIND THE COMMISSIONER'S
21 APPOINTMENT OF A CONSERVATOR. THE FILING OF AN APPEAL DOES NOT
22 STAY THE COMMISSIONER'S ACTION. IF THE COURT FINDS THE
23 COMMISSIONER'S ACTION WAS UNAUTHORIZED, THE COMMISSIONER SHALL
24 RESTORE CONTROL OF THE CO-OP TO ITS BOARD OF DIRECTORS. IF NO
25 APPEAL IS FILED WITHIN TEN DAYS AFTER THE COMMISSIONER'S
26 APPOINTMENT OF A CONSERVATOR, THE ACTION TAKEN BY THE
27 COMMISSIONER BECOMES FINAL.

1 (c) IN EXTRAORDINARY CIRCUMSTANCES, UPON ORDER OF THE
2 COMMISSIONER, A HEARING CONDUCTED PURSUANT TO THIS SUBSECTION
3 (2) IS EXEMPT FROM ANY PROVISION OF LAW REQUIRING THAT
4 PROCEEDINGS OF THE COMMISSIONER BE CONDUCTED PUBLICLY.
5 EXTRAORDINARY CIRCUMSTANCES OCCUR WHEN SPECIFIC CONCERN
6 ARISES ABOUT PROMPT WITHDRAWAL OF MONEYS FROM THE CO-OP.

7 (d) THE CONSERVATOR HAS ALL THE POWERS OF THE MEMBERS,
8 DIRECTORS, OFFICERS, AND COMMITTEES OF THE CO-OP AND IS
9 AUTHORIZED TO OPERATE THE CO-OP IN ITS OWN NAME OR TO CONSERVE
10 ITS ASSETS AS DIRECTED BY THE COMMISSIONER. THE CONSERVATOR
11 SHALL CONDUCT THE BUSINESS OF THE CO-OP AND MAKE REGULAR
12 REPORTS TO THE COMMISSIONER UNTIL THE COMMISSIONER HAS
13 DETERMINED THAT THE PURPOSES OF CONSERVATORSHIP HAVE BEEN
14 ACCOMPLISHED AND THE CO-OP SHOULD BE RETURNED TO THE CONTROL
15 OF ITS BOARD OF DIRECTORS. ALL COSTS INCIDENT TO THE
16 CONSERVATORSHIP SHALL BE PAID OUT OF THE ASSETS OF THE CO-OP. IF
17 THE COMMISSIONER DETERMINES THAT THE PURPOSES OF THE
18 CONSERVATORSHIP WILL NOT BE ACCOMPLISHED, THE COMMISSIONER MAY
19 PROCEED WITH THE INVOLUNTARY LIQUIDATION OF THE CO-OP IN THE
20 MANNER DESCRIBED IN SUBSECTION (1) OF THIS SECTION.

21 (e) IF A CONSERVATOR IS APPOINTED, AND IS OTHER THAN AN
22 EMPLOYEE OF THE DIVISION, THE CONSERVATOR AND ANY ASSISTANTS
23 SHALL PROVIDE A BOND, PAYABLE TO THE CO-OP AND EXECUTED BY A
24 SURETY COMPANY AUTHORIZED TO DO BUSINESS IN THIS STATE, THAT
25 MEETS WITH THE APPROVAL OF THE COMMISSIONER, FOR THE FAITHFUL
26 DISCHARGE OF THEIR DUTIES IN CONNECTION WITH THE CONSERVATORSHIP
27 AND THE ACCOUNTING FOR ALL MONEYS COMING INTO THEIR HANDS. THE

1 COST OF THE BOND SHALL BE PAID FROM THE ASSETS OF THE CO-OP. SUIT
2 MAY BE MAINTAINED ON THE BOND BY A PERSON INJURED BY A BREACH OF
3 THE CONDITIONS OF THE BOND. THIS REQUIREMENT MAY BE DEEMED MET
4 IF THE COMMISSIONER DETERMINES THAT THE CO-OP'S FIDELITY BOND
5 COVERS THE CONSERVATOR AND ANY ASSISTANTS.

6 (3) A CO-OP MAY BE VOLUNTARILY DISSOLVED AND LIQUIDATED
7 UPON MAJORITY VOTE OF THE ENTIRE MEMBERSHIP OF THE CO-OP AT A
8 MEETING SPECIALLY CALLED FOR THE PURPOSE OR AT THE ANNUAL
9 MEETING WHERE NOTICE OF THE PROPOSED ACTION IS MAILED TO THE
10 MEMBERS AT LEAST THIRTY DAYS BEFORE THE MEETING. IN EITHER EVENT,
11 A COPY OF THE NOTICE SHALL BE DELIVERED TO THE COMMISSIONER NOT
12 LESS THAN TEN DAYS BEFORE THE MEETING. A MEMBER OF A CO-OP MAY
13 CAST A BALLOT FOR OR AGAINST THE DISSOLUTION AND LIQUIDATION BY
14 MAIL WITHIN TWENTY DAYS AFTER THE MEETING. IF A MAJORITY OF THE
15 MEMBERS VOTE IN FAVOR OF DISSOLUTION AND LIQUIDATION, THE BOARD
16 OF DIRECTORS, WITHIN FIVE DAYS AFTER THE CLOSE OF VOTING, SHALL
17 NOTIFY THE COMMISSIONER OF THE ACTION AND SPECIFY THE NAMES AND
18 ADDRESSES OF THE DIRECTORS AND OFFICERS OF THE CO-OP WHO WILL
19 CONDUCT THE DISSOLUTION AND LIQUIDATION OF THE CO-OP. UPON A
20 FAVORABLE VOTE, THE CO-OP SHALL CEASE TO DO BUSINESS EXCEPT FOR
21 THE COLLECTION OF PAYMENTS ON OUTSTANDING LOANS OR OTHER
22 OBLIGATIONS DUE THE CO-OP.

23 (4) UNDER ANY PROCEDURE TO DISSOLVE AND LIQUIDATE A CO-OP
24 PURSUANT TO THIS SECTION, THE CO-OP CONTINUES IN EXISTENCE FOR THE
25 PURPOSE OF DISCHARGING ITS DEBTS, COLLECTING AND DISTRIBUTING ITS
26 ASSETS, AND DOING ALL ACTS REQUIRED IN ORDER TO WIND UP ITS
27 BUSINESS, AND IT MAY SUE AND BE SUED FOR THE ENFORCEMENT OF ITS

1 DEBTS AND OPERATIONS UNTIL ITS AFFAIRS ARE FULLY ADJUSTED IN
2 LIQUIDATION. THE ASSETS OF THE CO-OP SHALL BE USED TO PAY: FIRST,
3 THE EXPENSES INCIDENTAL TO LIQUIDATION; AND SECOND, DEPOSIT
4 ACCOUNTS. ANY REMAINING ASSETS SHALL BE DISTRIBUTED TO THE
5 MEMBERS PROPORTIONATELY TO THE SHARES HELD BY EACH MEMBER AS
6 OF THE DATE OF DISSOLUTION.

7 (5) UPON THE LIQUIDATION AND DISTRIBUTION OF ALL ASSETS OF
8 THE CO-OP THAT MAY BE REASONABLY EXPECTED TO BE COLLECTIBLE, THE
9 BOARD OF DIRECTORS OR THE LIQUIDATING AGENT, AS THE CASE MAY BE,
10 SHALL EXECUTE IN DUPLICATE A CERTIFICATE OF DISSOLUTION,
11 PRESCRIBED BY THE COMMISSIONER, UPON WHICH DATE THE CO-OP CEASES
12 TO EXIST, AND FILE THE CERTIFICATE WITH THE SECRETARY OF STATE.

13 **11-33-123. Change in place of business.** A CANNABIS CREDIT
14 CO-OP MAY CHANGE ITS PLACE OF BUSINESS TO A LOCATION OUTSIDE OF
15 THE COUNTY OR CITY AND COUNTY IN WHICH IT WAS PREVIOUSLY
16 LOCATED UPON RECEIVING WRITTEN PERMISSION FROM THE
17 COMMISSIONER. A CO-OP MAY CHANGE ITS PLACE OF BUSINESS WITHIN THE
18 COUNTY OR CITY AND COUNTY IN WHICH IT WAS PREVIOUSLY LOCATED BY
19 PROVIDING WRITTEN NOTICE OF THE NEW ADDRESS AND THE EFFECTIVE
20 DATE OF THE CHANGE TO THE COMMISSIONER.

21 **11-33-124. Merger.** (1) THE METHOD OF MERGER OF TWO OR
22 MORE CANNABIS CREDIT CO-OPS IS AS FOLLOWS:

23 (a) (I) THE BOARD OF DIRECTORS OF EACH MERGING CO-OP SHALL:

24 (A) APPROVE A PLAN FOR THE PROPOSED MERGER; AND

25 (B) AUTHORIZE REPRESENTATIVES OF EACH CO-OP TO ACT ON
26 EACH CO-OP'S BEHALF TO BRING ABOUT THE MERGER.

27 (II) THE PLAN MUST INCLUDE INFORMATION THAT THE

1 COMMISSIONER DEEMS APPROPRIATE.

2 (b) UPON APPROVAL OF THE MERGER PLAN BY EACH BOARD OF
3 DIRECTORS FOR EACH CO-OP INVOLVED IN THE TRANSACTION, THE CO-OPS
4 SHALL SUBMIT THE MERGER PLAN, TOGETHER WITH THE RESOLUTIONS OF
5 EACH BOARD OF DIRECTORS, TO THE COMMISSIONER. IF THE
6 COMMISSIONER DETERMINES THAT THE MERGER PLAN COMPLIES WITH THIS
7 ARTICLE AND ANY APPLICABLE RULES, THE COMMISSIONER MAY APPROVE
8 THE MERGER PLAN, SUBJECT TO SUCH OTHER SPECIFIC REQUIREMENTS AS
9 MAY BE PRESCRIBED TO FULFILL THE INTENDED PURPOSES OF THE
10 PROPOSED MERGER.

11 (c) THE BOARDS OF DIRECTORS OF EACH CO-OP INVOLVED SHALL
12 CALL A MEETING OF THE MEMBERS OF EACH CO-OP INVOLVED FOR THE
13 PURPOSE OF CONSIDERING A MERGER. THE BOARDS OF DIRECTORS SHALL
14 GIVE NOTICE OF THE MEETING, INCLUDING PURPOSE, DATE, TIME, PLACE,
15 AND BALLOT OF THE MERGER PLAN, TO THE ENTIRE MEMBERSHIP. AT THE
16 MEETING, AT LEAST TWO-THIRDS OF THE MEMBERS PRESENT AND VOTING
17 MUST APPROVE THE PROPOSED MERGER. IF ANY MEMBER APPROVES OR
18 DISAPPROVES THE MERGER BY RETURNING A BALLOT, SIGNED BY THE
19 MEMBER, TO THE SECRETARY OF THE CO-OP AT OR BEFORE THE MEETING,
20 THE BALLOT FOR ALL PURPOSES OF THIS SECTION IS EQUIVALENT TO THE
21 VOTE OF THE MEMBER AT THE MEETING, NOTWITHSTANDING THAT THE
22 MEMBER IS NOT THEN PRESENT.

23 (2) UPON APPROVAL OF THE MERGER BY THE MEMBERS OF THE
24 CO-OP, THE MERGER SHALL BE CONSUMMATED IN THE FOLLOWING
25 MANNER:

26 (a) THE DULY AUTHORIZED REPRESENTATIVES OF EACH CO-OP
27 SHALL EXECUTE, IN DUPLICATE, A CERTIFICATE OF MERGER STATING:

1 (I) THAT THE BOARD OF DIRECTORS OF EACH CO-OP HAS APPROVED
2 THE MERGER;

3 (II) THAT AT LEAST TWO-THIRDS OF THE VOTING MEMBERS OF
4 EACH MERGING CO-OP HAVE APPROVED THE TERMS AND CONDITIONS OF
5 THE PROPOSED MERGER AT A MEETING OF THE MEMBERS CALLED FOR THAT
6 PURPOSE; AND

7 (III) THE NAME AND LOCATION OF THE CONTINUING CO-OP.

8 (b) THE CONTINUING CO-OP SHALL PREPARE AND ADOPT ANY
9 BYLAW AMENDMENTS REQUIRED BY THE BOARD, CONSISTENT WITH THIS
10 ARTICLE, AND EXECUTE THE AMENDMENTS IN DUPLICATE.

11 (c) THE CONTINUING BOARD OF DIRECTORS SHALL FILE THE
12 CERTIFICATE PROVIDED FOR IN PARAGRAPH (a) OF THIS SUBSECTION (2)
13 AND ANY REQUIRED BYLAW AMENDMENTS, BOTH EXECUTED IN DUPLICATE,
14 TO THE COMMISSIONER.

15 (3) IF THE COMMISSIONER APPROVES THE CERTIFICATE AND BYLAW
16 AMENDMENTS, THE COMMISSIONER SHALL SO NOTIFY THE
17 REPRESENTATIVES AND SHALL ISSUE A CERTIFICATE OF APPROVAL,
18 ATTACH IT TO THE DUPLICATE CERTIFICATE OF MERGER, AND RETURN
19 THEM TO THE REPRESENTATIVES OF THE PARTICIPATING CO-OPS TOGETHER
20 WITH THE DUPLICATE OF THE BYLAW AMENDMENTS.

21 (4) THE CONTINUING CO-OP SHALL FILE THE DUPLICATE OF THE
22 CERTIFICATE OF MERGER WITH THE COMMISSIONER'S CERTIFICATE OF
23 APPROVAL ATTACHED WITH THE SECRETARY OF STATE, WHO SHALL MAKE
24 A RECORD OF THE CERTIFICATE AND RETURN IT, WITH THE SECRETARY'S
25 CERTIFICATE OF RECORD ATTACHED, TO THE COMMISSIONER FOR
26 PERMANENT RECORD. THE FEE FOR THE FILING SHALL BE DETERMINED AND
27 COLLECTED PURSUANT TO SECTION 24-21-104 (3), C.R.S.

1 (5) UPON COMPLIANCE WITH ALL REQUIREMENTS OF SUBSECTIONS
2 (1) TO (4) OF THIS SECTION, THE PARTICIPATING CO-OPS ARE MERGED, AND
3 THE CONTINUING CO-OP SHALL TAKE OVER THE ASSETS AND ASSUME ALL
4 THE LIABILITIES OF THE PARTICIPATING CO-OPS.

5 **11-33-125. Taxation.** A CANNABIS CREDIT CO-OP IS NOT
6 TAX-EXEMPT AND IS SUBJECT TO TAXATION AS PROVIDED BY FEDERAL,
7 STATE, AND LOCAL LAWS.

8 **11-33-126. Compliance with federal requirements - due**
9 **diligence.** (1) EACH CANNABIS CREDIT CO-OP SHALL COMPLY WITH ALL
10 APPLICABLE REQUIREMENTS OF FEDERAL LAW, INCLUDING:

11 (a) THE FEDERAL "BANK SECRECY ACT", 12 U.S.C. SEC. 1951 ET
12 SEQ.;

13 (b) THE REQUIREMENT TO MAINTAIN A DUE DILIGENCE PROGRAM
14 PURSUANT TO 31 CFR 1020.610;

15 (c) THE REQUIREMENT TO ESTABLISH A CUSTOMER IDENTIFICATION
16 POLICY PURSUANT TO 31 CFR 1020.220; AND

17 (d) THE REQUIREMENT TO FILE SUSPICIOUS ACTIVITY REPORTS
18 PURSUANT TO 31 CFR SEC. 1020.320.

19 (2) EACH CO-OP SHALL:

20 (a) CONDUCT DUE DILIGENCE WITH REGARD TO THE ACTIVITIES OF
21 ITS MEMBERS SO AS TO PREVENT:

22 (I) THE DISTRIBUTION OF MARIJUANA TO MINORS;

23 (II) REVENUE FROM THE SALE OF MARIJUANA FROM GOING TO
24 CRIMINAL ENTERPRISES, GANGS, AND CARTELS;

25 (III) THE DIVERSION OF MARIJUANA FROM STATES WHERE IT IS
26 LEGAL UNDER STATE LAW IN SOME FORM TO OTHER STATES;

27 (IV) STATE-AUTHORIZED MARIJUANA ACTIVITY FROM BEING USED

1 AS A COVER OR PRETEXT FOR THE TRAFFICKING OF OTHER ILLEGAL DRUGS
2 OR OTHER ILLEGAL ACTIVITY;

3 (V) VIOLENCE AND THE USE OF FIREARMS IN THE CULTIVATION
4 AND DISTRIBUTION OF MARIJUANA;

5 (VI) DRUGGED DRIVING AND THE EXACERBATION OF OTHER
6 ADVERSE PUBLIC HEALTH CONSEQUENCES ASSOCIATED WITH MARIJUANA
7 USE;

8 (VII) THE GROWING OF MARIJUANA ON PUBLIC LANDS AND THE
9 ATTENDANT PUBLIC SAFETY AND ENVIRONMENTAL DANGERS POSED BY
10 MARIJUANA PRODUCTION ON PUBLIC LANDS; AND

11 (VIII) MARIJUANA POSSESSION OR USE ON FEDERAL PROPERTY;
12 AND

13 (b) FILE AN ANNUAL REPORT WITH THE COMMISSIONER REGARDING
14 ITS COMPLIANCE WITH THE LAWS AND REQUIREMENTS SPECIFIED IN THIS
15 SECTION.

16 (3) THE COMMISSIONER SHALL REVOKE THE CHARTER OF A CO-OP
17 THAT VIOLATES ANY OF THE LAWS OR DUE DILIGENCE REQUIREMENTS
18 SPECIFIED IN THIS SECTION.

19 **11-33-127. Reports - suspicious transactions. (1) General.**

20 (a) (I) EVERY CO-OP SHALL FILE WITH THE COMMISSIONER, TO THE
21 EXTENT AND IN THE MANNER REQUIRED BY THIS SECTION, A REPORT OF
22 ANY SUSPICIOUS TRANSACTION RELEVANT TO A POSSIBLE VIOLATION OF
23 LAW, RULE, OR FEDERAL REGULATION.

24 (II) FOR PURPOSES OF THIS SECTION, A TRANSACTION OR CONDUCT
25 THAT IS ILLEGAL OR A VIOLATION OF LAW SOLELY BECAUSE MARIJUANA IS
26 A CONTROLLED SUBSTANCE UNDER FEDERAL LAW IS NOT SUBJECT TO
27 BEING REPORTED.

1 (b) A CO-OP SHALL REPORT A TRANSACTION IF IT IS CONDUCTED OR
2 ATTEMPTED BY, AT, OR THROUGH THE CO-OP, IT INVOLVES OR
3 AGGREGATES AT LEAST FIVE THOUSAND DOLLARS IN FUNDS OR OTHER
4 ASSETS, AND THE CO-OP KNOWS, SUSPECTS, OR HAS REASON TO SUSPECT
5 THAT:

6 (I) THE TRANSACTION INVOLVES FUNDS DERIVED FROM ILLEGAL
7 ACTIVITIES OR IS INTENDED OR CONDUCTED IN ORDER TO HIDE OR DISGUISE
8 FUNDS OR ASSETS DERIVED FROM ILLEGAL ACTIVITIES AS PART OF A PLAN
9 TO VIOLATE OR EVADE ANY FEDERAL OR STATE LAW OR REGULATION OR
10 TO AVOID ANY TRANSACTION REPORTING REQUIREMENT UNDER FEDERAL
11 OR STATE LAW OR REGULATION;

12 (II) THE TRANSACTION IS DESIGNED TO EVADE ANY REQUIREMENTS
13 OF THIS ARTICLE, A RULE PROMULGATED PURSUANT TO THIS ARTICLE, THE
14 FEDERAL "BANK SECRECY ACT", 12 U.S.C. SEC. 1951 ET SEQ., OR A
15 REGULATION PROMULGATED UNDER THE FEDERAL "BANK SECRECY ACT";
16 OR

17 (III) THE TRANSACTION HAS NO BUSINESS OR APPARENT LAWFUL
18 PURPOSE OR IS NOT THE SORT IN WHICH THE PARTICULAR MEMBER WOULD
19 NORMALLY BE EXPECTED TO ENGAGE, AND THE CO-OP KNOWS OF NO
20 REASONABLE EXPLANATION FOR THE TRANSACTION AFTER EXAMINING THE
21 AVAILABLE FACTS, INCLUDING THE BACKGROUND AND POSSIBLE PURPOSE
22 OF THE TRANSACTION.

23 (2) **Filing procedures.** (a) **What to file.** A CO-OP SHALL REPORT
24 A SUSPICIOUS TRANSACTION BY COMPLETING A SUSPICIOUS TRANSACTION
25 REPORT, REFERRED TO IN THIS SECTION AS AN STR, AND COLLECTING AND
26 MAINTAINING SUPPORTING DOCUMENTATION AS REQUIRED BY SUBSECTION
27 (4) OF THIS SECTION.

1 (b) **When to file.** A CO-OP SHALL FILE AN STR NO LATER THAN
2 THIRTY CALENDAR DAYS AFTER THE DATE OF INITIAL DETECTION BY THE
3 CO-OP OF FACTS THAT MAY CONSTITUTE A BASIS FOR FILING AN STR. IF NO
4 SUSPECT WAS IDENTIFIED ON THE DATE OF THE DETECTION OF THE
5 INCIDENT REQUIRING THE FILING, A CO-OP MAY DELAY FILING AN STR FOR
6 AN ADDITIONAL THIRTY CALENDAR DAYS TO IDENTIFY A SUSPECT. IN NO
7 CASE MAY A CO-OP DELAY REPORTING FOR MORE THAN SIXTY CALENDAR
8 DAYS AFTER THE DATE OF INITIAL DETECTION OF A REPORTABLE
9 TRANSACTION. IN SITUATIONS INVOLVING VIOLATIONS THAT REQUIRE
10 IMMEDIATE ATTENTION, SUCH AS, FOR EXAMPLE, ONGOING
11 MONEY-LAUNDERING SCHEMES, THE CO-OP SHALL IMMEDIATELY NOTIFY,
12 BY TELEPHONE, AN APPROPRIATE LAW ENFORCEMENT AUTHORITY IN
13 ADDITION TO FILING TIMELY AN STR.

14 (3) **Exceptions.** A CO-OP IS NOT REQUIRED TO FILE AN STR FOR A
15 ROBBERY OR BURGLARY COMMITTED OR ATTEMPTED THAT IS REPORTED
16 TO APPROPRIATE LAW ENFORCEMENT AUTHORITIES OR FOR LOST, MISSING,
17 COUNTERFEIT, OR STOLEN SECURITIES WITH RESPECT TO WHICH THE CO-OP
18 FILES A REPORT PURSUANT TO THE REPORTING REQUIREMENTS OF 17 CFR
19 240.17f-1.

20 (4) **Retention of records.** A CO-OP SHALL MAINTAIN A COPY OF
21 EACH STR FILED AND THE ORIGINAL OR BUSINESS RECORD EQUIVALENT OF
22 ANY SUPPORTING DOCUMENTATION FOR A PERIOD OF FIVE YEARS AFTER
23 THE DATE OF FILING THE STR. THE CO-OP SHALL IDENTIFY SUPPORTING
24 DOCUMENTATION AND MAINTAIN THE DOCUMENTATION AS SUCH, WHICH
25 DOCUMENTATION SHALL BE DEEMED TO HAVE BEEN FILED WITH THE STR.
26 UPON REQUEST, A CO-OP SHALL MAKE ALL SUPPORTING DOCUMENTATION
27 AVAILABLE TO:

- 1 (a) THE COMMISSIONER;
- 2 (b) ANY FEDERAL, STATE, OR LOCAL LAW ENFORCEMENT AGENCY;
- 3 (c) ANY FEDERAL REGULATORY AUTHORITY THAT EXAMINES THE
- 4 CO-OP FOR COMPLIANCE WITH THE FEDERAL "BANK SECRECY ACT"; OR
- 5 (d) ANY STATE REGULATORY AUTHORITY ADMINISTERING A STATE
- 6 LAW THAT REQUIRES THE CO-OP TO COMPLY WITH THE FEDERAL "BANK
- 7 SECRECY ACT" OR OTHERWISE AUTHORIZES THE STATE AUTHORITY TO
- 8 ENSURE THAT THE CO-OP COMPLIES WITH THE FEDERAL "BANK SECRECY
- 9 ACT".

10 (5) **Confidentiality of STRs.** (a) AN STR AND ANY INFORMATION

11 THAT WOULD REVEAL THE EXISTENCE OF AN STR ARE CONFIDENTIAL AND

12 SHALL NOT BE DISCLOSED EXCEPT AS AUTHORIZED IN THIS SUBSECTION (5).

13 FOR PURPOSES OF THIS SUBSECTION (5) ONLY, AN STR INCLUDES ANY

14 SUSPICIOUS ACTIVITY REPORT FILED WITH THE FEDERAL FINANCIAL

15 ENFORCEMENT NETWORK OF THE DEPARTMENT OF THE TREASURY

16 PURSUANT TO ANY REGULATION IN CHAPTER X OF SUBTITLE B OF TITLE 31

17 OF THE CODE OF FEDERAL REGULATIONS.

18 (b) **Prohibition on disclosures by co-ops.** (I) **General rule.** A

19 CO-OP AND A DIRECTOR, OFFICER, EMPLOYEE, OR AGENT OF ANY CO-OP

20 SHALL NOT DISCLOSE AN STR OR ANY INFORMATION THAT WOULD REVEAL

21 THE EXISTENCE OF AN STR. ANY CO-OP, AND ANY DIRECTOR, OFFICER,

22 EMPLOYEE, OR AGENT OF ANY CO-OP THAT IS SUBPOENAED OR OTHERWISE

23 REQUESTED TO DISCLOSE AN STR OR ANY INFORMATION THAT WOULD

24 REVEAL THE EXISTENCE OF AN STR, SHALL DECLINE TO PRODUCE THE STR

25 OR SUCH INFORMATION, CITING THIS SECTION, 31 U.S.C. SEC. 5318 (g) (2)

26 (A) (i), AND 31 CFR 1020.320, AND SHALL NOTIFY THE COMMISSIONER OF

27 ANY SUCH REQUEST AND THE RESPONSE THERETO.

1 **(II) Rules of construction.** SO LONG AS NONE OF THE PERSONS
2 INVOLVED IN A REPORTED SUSPICIOUS TRANSACTION IS NOTIFIED THAT THE
3 TRANSACTION HAS BEEN REPORTED, THIS PARAGRAPH (b) DOES NOT
4 PROHIBIT:

5 (A) TO THE FULL EXTENT AUTHORIZED IN 31 U.S.C. SEC. 5318 (g)
6 (2) (B), THE DISCLOSURE BY A CO-OP OR BY A DIRECTOR, OFFICER,
7 EMPLOYEE, OR AGENT OF A CO-OP, OF AN STR OR ANY INFORMATION THAT
8 WOULD REVEAL THE EXISTENCE OF AN STR, TO: THE COMMISSIONER OR
9 ANY FEDERAL, STATE, OR LOCAL LAW ENFORCEMENT AGENCY; A FEDERAL
10 REGULATORY AUTHORITY THAT EXAMINES THE CO-OP FOR COMPLIANCE
11 WITH THE FEDERAL "BANK SECRECY ACT"; OR A STATE REGULATORY
12 AUTHORITY ADMINISTERING A STATE LAW THAT REQUIRES THE CO-OP TO
13 COMPLY WITH THE FEDERAL "BANK SECRECY ACT" OR OTHERWISE
14 AUTHORIZES THE STATE AUTHORITY TO ENSURE THAT THE CO-OP
15 COMPLIES WITH THE "BANK SECRECY ACT". IN ADDITION, THE CO-OP AND
16 ITS OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS MAY DISCLOSE THE
17 UNDERLYING FACTS, TRANSACTIONS, AND DOCUMENTS UPON WHICH AN
18 STR IS BASED TO ANOTHER FINANCIAL INSTITUTION, OR A DIRECTOR,
19 OFFICER, EMPLOYEE, OR AGENT OF A FINANCIAL INSTITUTION, FOR THE
20 PREPARATION OF A JOINT STR OR IN CONNECTION WITH CERTAIN
21 EMPLOYMENT REFERENCES OR TERMINATION NOTICES, TO THE FULL
22 EXTENT AUTHORIZED IN 31 U.S.C. SEC. 5318 (g) (2) (B).

23 (B) THE SHARING BY A CO-OP, OR ANY DIRECTOR, OFFICER,
24 EMPLOYEE, OR AGENT OF THE CO-OP, OF AN STR, OR ANY INFORMATION
25 THAT WOULD REVEAL THE EXISTENCE OF AN STR, WITHIN THE CO-OP'S
26 CORPORATE ORGANIZATIONAL STRUCTURE FOR PURPOSES CONSISTENT
27 WITH TITLE II OF THE FEDERAL "BANK SECRECY ACT" AS DETERMINED BY

1 FEDERAL REGULATION OR IN GUIDANCE.

2 (c) **Prohibition on disclosures by government authorities.** A
3 FEDERAL, STATE, LOCAL, TERRITORIAL, OR TRIBAL GOVERNMENT
4 AUTHORITY AND ANY DIRECTOR, OFFICER, EMPLOYEE, OR AGENT OF A
5 FEDERAL, STATE, LOCAL, TERRITORIAL, OR TRIBAL GOVERNMENT SHALL
6 NOT DISCLOSE AN STR, OR ANY INFORMATION THAT WOULD REVEAL THE
7 EXISTENCE OF AN STR, EXCEPT AS NECESSARY TO FULFILL OFFICIAL
8 DUTIES CONSISTENT WITH TITLE II OF THE FEDERAL "BANK SECRECY
9 ACT". FOR PURPOSES OF THIS SECTION, "OFFICIAL DUTIES" DO NOT
10 INCLUDE THE DISCLOSURE OF AN STR, OR ANY INFORMATION THAT WOULD
11 REVEAL THE EXISTENCE OF AN STR, IN RESPONSE TO A REQUEST FOR
12 DISCLOSURE OF NONPUBLIC INFORMATION OR A REQUEST FOR USE IN A
13 PRIVATE LEGAL PROCEEDING, INCLUDING A REQUEST PURSUANT TO 31
14 CFR 1.11.

15 (6) **Limitation on liability.** A CO-OP AND ANY DIRECTOR, OFFICER,
16 EMPLOYEE, OR AGENT OF ANY CO-OP, THAT MAKES A VOLUNTARY
17 DISCLOSURE OF ANY POSSIBLE VIOLATION OF LAW, RULE, OR FEDERAL
18 REGULATION TO A GOVERNMENT AGENCY OR MAKES A DISCLOSURE
19 PURSUANT TO THIS SECTION OR ANY OTHER AUTHORITY, INCLUDING A
20 DISCLOSURE MADE JOINTLY WITH ANOTHER INSTITUTION, IS PROTECTED
21 FROM LIABILITY TO ANY PERSON FOR ANY SUCH DISCLOSURE OR FOR
22 FAILURE TO PROVIDE NOTICE OF SUCH DISCLOSURE TO ANY PERSON
23 IDENTIFIED IN THE DISCLOSURE, OR BOTH, TO THE FULL EXTENT PROVIDED
24 BY 31 U.S.C. SEC. 5318 (g) (3).

25 (7) **Compliance.** THE COMMISSIONER SHALL EXAMINE CO-OPS FOR
26 COMPLIANCE WITH THIS SECTION.

27 **11-33-128. Repeal of article - review.** (1) THIS ARTICLE IS

1 REPEALED, EFFECTIVE SEPTEMBER 1, 2020. UPON REPEAL OF THIS
2 ARTICLE, EACH CANNABIS CREDIT CO-OP SHALL IMMEDIATELY CEASE ITS
3 OPERATION AND TAKE PRUDENT AND NECESSARY STEPS TO DISSOLVE.
4 EACH CO-OP SHALL COMPLETE ITS DISSOLUTION BY SEPTEMBER 1, 2021.

5 (2) PRIOR TO THE REPEAL OF THIS ARTICLE, THE DEPARTMENT OF
6 REGULATORY AGENCIES SHALL CONDUCT A SUNSET REVIEW OF THE
7 COMMISSIONER'S REGULATION OF CANNABIS CREDIT CO-OPS AS DESCRIBED
8 IN SECTION 24-34-104 (8), C.R.S.

9 **SECTION 2.** In Colorado Revised Statutes, 12-43.3-401, **amend**
10 (3) as follows:

11 **12-43.3-401. Classes of licenses.** (3) A state chartered bank or a
12 credit union may loan money to any person licensed pursuant to this
13 article for the operation of a licensed business. A MARIJUANA FINANCIAL
14 SERVICES COOPERATIVE ORGANIZED PURSUANT TO ARTICLE 33 OF TITLE
15 11, C.R.S., MAY ACCEPT AS A MEMBER, LOAN MONEY TO, AND ACCEPT
16 DEPOSITS FROM ANY ENTITY LICENSED PURSUANT TO THIS ARTICLE FOR
17 THE OPERATION OF A LICENSED BUSINESS.

18 **SECTION 3.** In Colorado Revised Statutes, 13-4-102, **amend** (2)
19 (kk); and **add** (2) (ll) as follows:

20 **13-4-102. Jurisdiction.** (2) The court of appeals has initial
21 jurisdiction to:

22 (kk) Review all final actions and orders appropriate for judicial
23 review of the director of the division of professions and occupations in
24 the department of regulatory agencies, as provided in section
25 12-40.5-110, C.R.S.; AND

26 (ll) REVIEW ALL FINAL ACTIONS AND ORDERS APPROPRIATE FOR
27 JUDICIAL REVIEW OF THE STATE COMMISSIONER OF FINANCIAL SERVICES

1 AS PROVIDED IN SECTIONS 11-33-109 (4) AND 11-33-122 (1) (d) AND (2)
2 (b), C.R.S.

3 **SECTION 4.** In Colorado Revised Statutes, 24-34-104, **add**
4 (51.5) (h) as follows:

5 **24-34-104. General assembly review of regulatory agencies**
6 **and functions for termination, continuation, or reestablishment.**

7 (51.5) The following agencies, functions, or both, terminate on
8 September 1, 2020:

9 (h) THE REGULATION OF MARIJUANA FINANCIAL SERVICES
10 COOPERATIVES PURSUANT TO ARTICLE 33 OF TITLE 11, C.R.S.

11 **SECTION 5.** In Colorado Revised Statutes, 39-28.8-501, **amend**
12 **as added by Senate Bill 14-215** (2) (b) (XI) and (2) (b) (XII); and **add**
13 (2) (b) (XIII) as follows:

14 **39-28.8-501. Marijuana tax cash fund - creation - distribution.**

15 (2) (b) Subject to the limitations in subsection (5) of this section, any
16 moneys in the fund that are not appropriated to the department of revenue
17 pursuant to paragraph (a) of this subsection (2) are subject to annual
18 appropriation by the general assembly for any fiscal year following the
19 fiscal year in which they were received by the state. The general assembly
20 shall initially appropriate moneys in the fund based on the most recent
21 estimate of revenue prepared by the staff of the legislative council or the
22 department of revenue for the applicable fiscal year. The general
23 assembly may appropriate moneys in the fund for the following purposes:

24 (XI) To expand the provision of jail-based behavioral health
25 services in underserved counties and to enhance the provision of
26 jail-based behavioral health services to offenders transitioning from jail
27 to the community to ensure continuity of care; and

1 (XII) For the provision of substance use disorder treatment
2 services for adolescents and pregnant women; AND

3 (XIII) FOR THE START-UP EXPENSES OF THE DIVISION OF FINANCIAL
4 SERVICES RELATED TO THE REGULATION OF MARIJUANA FINANCIAL
5 SERVICES COOPERATIVES PURSUANT TO ARTICLE 33 OF TITLE 11, C.R.S.,
6 AND UNTIL THE STATE COMMISSIONER OF FINANCIAL SERVICES FIRST
7 COLLECTS ASSESSMENTS ON SUCH COOPERATIVES.

8 **SECTION 6. Appropriation.** In addition to any other
9 appropriation, there is hereby appropriated, out of any moneys in the
10 marijuana tax cash fund created in section 39-28.8-501, Colorado Revised
11 Statutes, not otherwise appropriated, to the department of regulatory
12 agencies, for the fiscal year beginning July 1, 2014, the sum of \$233,427
13 and 2.5 FTE, or so much thereof as may be necessary, for allocation to the
14 division of financial services, for the implementation of this act.

15 **SECTION 7. Effective date - applicability.** (1) This act:

16 (a) Takes effect upon passage; except that sections 5 and 6 of this
17 act take effect only if Senate Bill 14-215 becomes law and sections 5 and
18 6 take effect on the effective date of this act or Senate Bill 14-215,
19 whichever is later; and

20 (b) Applies to conduct occurring on or after said date.

21 **SECTION 8. Safety clause.** The general assembly hereby finds,
22 determines, and declares that this act is necessary for the immediate
23 preservation of the public peace, health, and safety.