

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

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

Finance
Appropriations

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
3rd Reading Unamended
May 5, 2014

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 OR AN
12 ENTITY THAT PROVIDES GOODS OR SERVICES TO A LICENSED MARIJUANA
13 BUSINESS AND THAT PROVIDES DOCUMENTATION TO THE CO-OP OF AN
14 INABILITY TO GET COMPARABLE SERVICES FROM A BANK OR CREDIT UNION,
15 ACTING THROUGH ONE OR MORE OF ITS CURRENT PARTNERS, EXECUTIVE
16 OFFICERS, OR DIRECTORS.

17 **11-33-104. Organization - charter - investigation.** (1) A
18 MARIJUANA FINANCIAL SERVICES COOPERATIVE, REFERRED TO IN THIS
19 ARTICLE AS A CANNABIS CREDIT CO-OP, IS A COOPERATIVE ASSOCIATION
20 INCORPORATED PURSUANT TO THIS ARTICLE FOR THE TWOFOLD PURPOSE
21 OF PROVIDING SPECIFIED FINANCIAL SERVICES TO ITS MEMBERS AND
22 CREATING A SOURCE OF CREDIT FOR THEM.

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

24 (a) (I) ANY EIGHT OR MORE COLORADO RESIDENTS MAY EXECUTE,
25 IN A NUMBER OF COPIES TO BE SPECIFIED BY THE COMMISSIONER, ARTICLES
26 OF INCORPORATION THAT SET FORTH THE TERMS BY WHICH THEY AGREE
27 TO BE BOUND. THE ARTICLES MUST STATE THE NAME AND ADDRESS OF THE

1 PROPOSED CO-OP; THE NAMES AND ADDRESSES OF THE INCORPORATORS;
2 THE NUMBER OF SHARES SUBSCRIBED BY EACH INCORPORATOR; AND THE
3 TERM OF EXISTENCE OF THE CORPORATION, WHICH MAY BE PERPETUAL.

4 (II) A CO-OP MAY BE INCORPORATED AND ORGANIZED FOR THE
5 PURPOSE OF PROVIDING FINANCIAL SERVICES TO LICENSED MARIJUANA
6 BUSINESSES IN GOOD STANDING WITH THE EXECUTIVE DIRECTOR OF THE
7 STATE LICENSING AUTHORITY CREATED IN SECTION 12-43.3-201, C.R.S.,
8 AND ENTITIES THAT PROVIDE GOODS OR SERVICES TO LICENSED
9 MARIJUANA BUSINESSES AND THAT PROVIDE DOCUMENTATION TO THE
10 CO-OP OF AN INABILITY TO GET COMPARABLE SERVICES FROM A BANK OR
11 CREDIT UNION.

12 (b) THE INCORPORATORS MUST PREPARE, IN A NUMBER OF COPIES
13 TO BE SPECIFIED BY THE COMMISSIONER, PROPOSED BYLAWS FOR THE
14 GOVERNING OF THE CO-OP, CONSISTENT WITH THIS ARTICLE, ON STANDARD
15 FORMS APPROVED BY THE COMMISSIONER AND MUST DEFINE IN THE
16 BYLAWS THE PROPOSED ELIGIBILITY REQUIREMENTS FOR MEMBERSHIP.

17 (c) THE PROPOSED BYLAWS MUST SET FORTH:

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

20 (II) IF THE SHARES ARE TO CONSIST OF ONE CLASS ONLY, THE PAR
21 VALUE OF EACH OF THE SHARES OR A STATEMENT THAT ALL OF THE
22 SHARES ARE WITHOUT PAR VALUE, OR, IF THE SHARES ARE TO BE DIVIDED
23 INTO CLASSES, A STATEMENT OF THE PAR VALUE OF THE SHARES OF EACH
24 SUCH CLASS OR THAT THE SHARES ARE TO BE WITHOUT PAR VALUE; AND

25 (III) IF THE SHARES ARE TO BE DIVIDED INTO CLASSES, THE
26 BYLAWS MUST DESIGNATE EACH CLASS AND A STATEMENT OF ITS
27 PREFERENCES, LIMITATIONS, AND RELATIVE RIGHTS WITH RESPECT TO THE

1 SHARES OF EACH OTHER CLASS.

2 (3) (a) THE INCORPORATORS MUST FILE AN APPLICATION IN SUCH
3 FORM AS MAY BE PRESCRIBED BY THE COMMISSIONER TOGETHER WITH THE
4 ARTICLES OF INCORPORATION AND THE BYLAWS WITH THE COMMISSIONER,
5 IN A NUMBER OF COPIES TO BE SPECIFIED BY THE COMMISSIONER, UPON THE
6 PAYMENT OF A FILING FEE, AS DETERMINED FROM TIME TO TIME BY THE
7 COMMISSIONER, TO COVER THE REASONABLE AND NECESSARY EXPENSE TO
8 THE DIVISION ATTRIBUTABLE TO THE APPLICATION. WITHIN SIXTY DAYS
9 AFTER THE FILING AND PAYMENT OF THE FEE, THE COMMISSIONER SHALL
10 DETERMINE WHETHER THE APPLICATION COMPLIES WITH THIS ARTICLE AND
11 WHETHER THE CO-OP WOULD BENEFIT ITS MEMBERS AND PROPOSED
12 MEMBERS, CONSISTENT WITH THE PURPOSES OF THIS ARTICLE, THE
13 GENERAL CHARACTER AND FITNESS OF THE INCORPORATORS, AND THE
14 ECONOMIC ADVISABILITY OF ESTABLISHING THE PROPOSED CO-OP. UPON
15 SUCH DETERMINATION AND WRITTEN EVIDENCE OF APPROVAL BY THE
16 FEDERAL RESERVE SYSTEM BOARD OF GOVERNORS, THE COMMISSIONER
17 MAY APPROVE OR DENY AN APPLICATION WITHOUT NOTICE AND HEARING.
18 IF FEDERAL DEPOSIT INSURANCE PROVIDED BY THE FEDERAL DEPOSIT
19 INSURANCE CORPORATION OR NATIONAL CREDIT UNION ADMINISTRATION
20 BECOMES AVAILABLE FOR BANKS, SAVINGS AND LOAN ASSOCIATIONS, AND
21 CREDIT UNIONS ORGANIZED TO PROVIDE FINANCIAL SERVICES TO THE
22 LICENSED MARIJUANA INDUSTRY, THE COMMISSIONER MAY DETERMINE
23 THAT THE CONTINUED ISSUANCE OF CHARTERS UNDER THIS ARTICLE IS NO
24 LONGER NECESSARY OR DESIRABLE.

25 (b) THE COMMISSIONER SHALL MAKE OR CAUSE TO BE MADE AN
26 INVESTIGATION TO DETERMINE WHETHER THE INCORPORATORS AND
27 ORGANIZERS ARE QUALIFIED AND WHETHER THEIR QUALIFICATIONS,

1 EXPERIENCE CONCERNING FEDERAL COMPLIANCE ISSUES, AND FINANCIAL
2 EXPERIENCE ARE CONSISTENT WITH THEIR RESPONSIBILITIES AND DUTIES.
3 THE COMMISSIONER SHALL INVESTIGATE WHETHER AN INCORPORATOR OR
4 ORGANIZER HAS BEEN CONVICTED OF ANY CRIMINAL ACTIVITY. THE
5 COMMISSIONER MAY ESTABLISH BY RULE THE CONTENT OF THE
6 INVESTIGATIONS AND WHAT, IF ANY, INVESTIGATIONS BY OTHER AGENCIES
7 OR AUTHORITIES MAY BE TREATED AS SUBSTANTIALLY EQUIVALENT TO
8 AND ACCEPTED IN LIEU OF AN INVESTIGATION BY THE COMMISSIONER.

9 (4) (a) BEFORE THE COMMENCEMENT OF OPERATIONS OR THE
10 CONDUCT OF BUSINESS BY THE CO-OP, THE INCORPORATORS OF THE CO-OP
11 MUST PROVIDE TO THE COMMISSIONER WRITTEN EVIDENCE OF APPROVAL
12 BY THE FEDERAL RESERVE SYSTEM BOARD OF GOVERNORS FOR ACCESS BY
13 THE CO-OP TO THE FEDERAL RESERVE SYSTEM IN CONNECTION WITH THE
14 PROPOSED DEPOSITORY ACTIVITIES OF THE CO-OP.

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

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

1 (II) UPON APPROVAL OF AN APPLICATION, RECEIPT OF ALL
2 NECESSARY DOCUMENTS, AND RESOLUTION OF ANY STATE LAW CONFLICTS
3 AS SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (b), THE
4 COMMISSIONER SHALL ISSUE A CERTIFICATE OF APPROVAL, IN A NUMBER
5 OF COPIES EQUAL TO THE NUMBER OF COPIES OF THE ARTICLES OF
6 INCORPORATION REQUIRED TO BE FILED PURSUANT TO PARAGRAPH (a) OF
7 SUBSECTION (2) OF THIS SECTION AS SPECIFIED BY THE COMMISSIONER,
8 AND ATTACH A COPY OF THE CERTIFICATE TO EACH COPY OF THE ARTICLES
9 OF INCORPORATION. THE INCORPORATORS MUST THEN FILE APPROVED
10 ARTICLES WITH THE SECRETARY OF STATE AND A COPY OF THE ARTICLES,
11 CERTIFIED BY THE SECRETARY OF STATE, WITH THE COMMISSIONER. THE
12 INCORPORATORS MUST PAY TO THE SECRETARY OF STATE A FEE FOR FILING
13 THE ARTICLES OF INCORPORATION AND A FEE FOR CERTIFYING THE COPY
14 OF ARTICLES OF INCORPORATION FURNISHED BY THE INCORPORATORS FOR
15 FILING WITH THE COMMISSIONER, BOTH FEES TO BE DETERMINED AND
16 COLLECTED PURSUANT TO SECTION 24-21-104 (3), C.R.S.

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

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

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

1 **11-33-105. Bylaws.** THE COMMISSIONER SHALL CAUSE TO BE
2 PREPARED A STANDARD FORM OF BYLAWS, CONSISTENT WITH THIS
3 ARTICLE, TO BE ISSUED TO ALL CANNABIS CREDIT CO-OPS. ALL CO-OPS
4 SHALL OPERATE UNDER THE STANDARD BYLAWS; EXCEPT THAT EACH
5 CO-OP, SUBJECT TO THE APPROVAL OF THE COMMISSIONER, MUST PROPOSE
6 ITS OWN NAME, THE NUMBER OF MEMBERS OF ITS BOARD OF DIRECTORS,
7 ITS CREDIT COMMITTEE, ITS SUPERVISORY COMMITTEE, PROVISIONS
8 RELATIVE TO TIMES AND PLACES OF MEETINGS OF THE MEMBERSHIP AND
9 OF THE BOARD OF DIRECTORS, PROVISIONS RELATIVE TO THE CONDUCT OF
10 ELECTIONS AND BALLOTING OF THE CO-OP, AND MODIFICATIONS OF THE
11 STANDARD BYLAWS DEEMED APPROPRIATE BY THE BOARD OF DIRECTORS
12 FOR THE OPERATION OF THE INDIVIDUAL CO-OP. THE COMMISSIONER MUST
13 APPROVE ANY AND ALL AMENDMENTS TO THE BYLAWS BEFORE THEY
14 BECOME OPERATIVE.

15 **11-33-106. Membership - disclosures.** (1) CANNABIS CREDIT
16 CO-OP MEMBERSHIP CONSISTS OF LICENSED MARIJUANA BUSINESSES AND
17 ENTITIES THAT PROVIDE GOODS OR SERVICES TO LICENSED MARIJUANA
18 BUSINESSES AND THAT PROVIDE DOCUMENTATION TO THE CO-OP OF AN
19 INABILITY TO GET COMPARABLE SERVICES FROM A BANK OR CREDIT UNION,
20 THAT ARE QUALIFIED AND ELECTED TO MEMBERSHIP AND THAT PAY ANY
21 ENTRANCE FEE; EXCEPT THAT THE CO-OP SHALL PERFORM DUE DILIGENCE
22 ON EACH APPLICANT FOR MEMBERSHIP, INCLUDING BACKGROUND CHECKS
23 AND INVESTIGATIONS, AS SPECIFIED IN SECTION 11-33-126 BEFORE THE
24 CO-OP GRANTS THE APPLICANT MEMBERSHIP IN THE CO-OP.

25 (2) (a) CO-OP MEMBERSHIP IS LIMITED TO ONLY ENTITIES THAT
26 OWN, OPERATE, OR ARE LICENSED MARIJUANA BUSINESSES IN GOOD
27 STANDING WITH THE EXECUTIVE DIRECTOR OF THE STATE LICENSING

1 AUTHORITY CREATED IN SECTION 12-43.3-201, C.R.S., AND ENTITIES THAT
2 PROVIDE GOODS OR SERVICES TO LICENSED MARIJUANA BUSINESSES AND
3 THAT PROVIDE DOCUMENTATION TO THE CO-OP OF AN INABILITY TO GET
4 COMPARABLE SERVICES FROM A BANK OR CREDIT UNION.

5 (b) AN INDIVIDUAL IS NOT QUALIFIED TO BE A MEMBER OF A CO-OP,
6 REGARDLESS OF WHETHER THE INDIVIDUAL IS LICENSED, INCLUDING
7 PURSUANT TO SECTION 12-43.3-401 (1) (d) OR 12-43.4-401 (1) (e), TO
8 OWN, OPERATE, MANAGE, OR BE EMPLOYED BY A LICENSED MARIJUANA
9 BUSINESS, EITHER AS A SOLE PROPRIETOR OR ANY OTHER FORM OF
10 OWNERSHIP THAT GIVES THE INDIVIDUAL SOLE CONTROL OVER THE
11 LICENSED MARIJUANA BUSINESS.

12 (3) ONCE A MEMBER NO LONGER OWNS OR OPERATES A LICENSED
13 MARIJUANA BUSINESS OR PROVIDES GOODS OR SERVICES TO A LICENSED
14 MARIJUANA BUSINESS, THE MEMBER IS NO LONGER QUALIFIED TO BE A
15 MEMBER AND SHALL PROMPTLY TERMINATE ITS DEPOSITS WITH AND REPAY
16 ITS LOANS FROM THE CO-OP.

17 (4) (a) EACH CO-OP SHALL DISCLOSE TO ITS MEMBERS OR
18 PROSPECTIVE MEMBERS THAT:

19 (I) FEDERAL LAW DOES NOT AUTHORIZE FINANCIAL INSTITUTIONS,
20 INCLUDING MARIJUANA FINANCIAL SERVICES COOPERATIVES, TO ACCEPT
21 PROCEEDS FROM ACTIVITY THAT IS ILLEGAL UNDER FEDERAL LAW, SUCH
22 AS THAT FROM LICENSED MARIJUANA BUSINESSES;

23 (II) DEPOSITS WITH AND THE CAPITAL OF THE CO-OP ARE:

24 (A) SUBJECT TO SEIZURE BY THE FEDERAL GOVERNMENT;

25 (B) NOT FEDERALLY INSURED;

26 (C) NOT BACKED BY THE FULL FAITH AND CREDIT OF THE STATE OF
27 COLORADO; AND

1 (III) IT IS NOT THE OBLIGATION OF THE STATE OF COLORADO TO
2 DEFEND THE CO-OP OR ITS DEPOSITS AND CAPITAL IN THE EVENT OF A
3 SEIZURE.

4 (b) A CO-OP SHALL MAKE THE DISCLOSURES:

5 (I) ON ITS WEB SITE;

6 (II) IN EACH ADVERTISEMENT OR OFFER OF SERVICES;

7 (III) BEFORE ACCEPTING AN APPLICANT AS A MEMBER; AND

8 (IV) BEFORE A MEMBER ACCEPTS A LOAN FROM THE CO-OP.

9 **11-33-107. Powers.** (1) A CANNABIS CREDIT CO-OP HAS THE
10 POWER TO:

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

13 (b) MAKE LOANS TO ITS MEMBERS;

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

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

18 (e) INVEST IN ANY OF THE FOLLOWING:

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

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

1 CENSUS; AND

2 (III) TO AN EXTENT THAT MUST NOT EXCEED TEN PERCENT OF ITS
3 SHARES, DEPOSITS, AND UNDIVIDED EARNINGS, IN SHARES OF MUTUAL
4 FUNDS OR INVESTMENT COMPANIES, STOCKS, BONDS, OR OTHER
5 SECURITIES OF ANY CORPORATION OR RELIGIOUS OR EDUCATIONAL
6 ORGANIZATIONS;

7 (f) ACQUIRE, THROUGH PURCHASE OR OTHER LAWFUL
8 TRANSACTIONS, AND HOLD TITLE TO REAL AND PERSONAL PROPERTY
9 NECESSARY AND INCIDENTAL TO THE OPERATION OF THE CO-OP, AND SELL,
10 MORTGAGE, OR OTHERWISE DISPOSE OF THE PROPERTY;

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

14 (h) SELL ALL OR ANY PORTION OF ITS ASSETS AND PURCHASE ALL
15 OR ANY PORTION OF THE ASSETS OF ANOTHER CO-OP AND ASSUME THE
16 LIABILITIES OF THE SELLING CO-OP, SUBJECT TO THE APPROVAL OF THE
17 COMMISSIONER; AND

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

22 **11-33-108. Title protection.** (1) A CANNABIS CREDIT CO-OP:

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

26 (b) SHALL USE:

27 (I) THE PHRASE "MARIJUANA FINANCIAL SERVICES COOPERATIVE"

1 IN ITS ARTICLES OF INCORPORATION; AND

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

4 (c) MAY USE THE PHRASES "FINANCIAL SERVICES COOPERATIVE",
5 "FINANCIAL SERVICES CO-OP", "FINANCIAL COOPERATIVE", "FINANCIAL
6 CO-OP", "CREDIT COOPERATIVE", OR "CREDIT CO-OP" IN ITS TRADE NAME
7 OR AN ADVERTISEMENT OR OFFER OF SERVICES.

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

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

25 **11-33-109. Examinations - reports - powers of commissioner**
26 **- rules - fund created.** (1) (a) CANNABIS CREDIT CO-OPS ARE UNDER THE
27 SUPERVISION OF THE COMMISSIONER. THE COMMISSIONER SHALL EXAMINE

1 EVERY CO-OP AT LEAST ONCE DURING ANY SIX-MONTH PERIOD. THE
2 COMMISSIONER SHALL ASSESS EACH CO-OP AN AMOUNT TO COVER THE
3 EXPENSES OF THE DIVISION ATTRIBUTABLE TO THE SUPERVISION OF
4 CO-OPS. THE COMMISSIONER SHALL DETERMINE THE AMOUNT ASSESSED
5 ACCORDING TO A SCHEDULE OR SCHEDULES OR ANY OTHER METHOD
6 ESTABLISHED BY THE COMMISSIONER TO BE APPROPRIATE, BUT THE
7 ASSESSMENT MUST BE AT THE SAME RATE FOR ALL CO-OPS. THE
8 COMMISSIONER MAY WAIVE THE PAYMENT OF ALL OR A PORTION OF THE
9 ASSESSMENT WITH RESPECT TO A YEAR IN WHICH A CHARTER IS ISSUED OR
10 CANCELLED OR IN WHICH A FINAL DISTRIBUTION IS MADE IN LIQUIDATION.

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

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

17 (A) REVENUES APPROPRIATED TO THE FUND; AND

18 (B) ASSESSMENTS MADE PURSUANT TO PARAGRAPH (a) OF THIS
19 SUBSECTION (1).

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

26 (2) QUARTERLY, EVERY CO-OP SHALL FILE A FINANCIAL REPORT
27 WITH THE COMMISSIONER ON A DATE ESTABLISHED BY THE COMMISSIONER,

1 IN A FORM PRESCRIBED BY THE COMMISSIONER. THE COMMISSIONER MAY
2 REQUIRE THAT ADDITIONAL REPORTS BE FILED. FOR FAILURE TO FILE A
3 REPORT WHEN DUE, UNLESS EXCUSED FOR CAUSE, A CO-OP SHALL PAY TO
4 THE COMMISSIONER A PENALTY, AS PRESCRIBED BY RULE, FOR EACH DAY
5 OF DELINQUENCY IN FILING.

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

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

19 (5) THE COMMISSIONER MAY CHARGE OFF THE WHOLE OR ANY
20 PART OF ANY ASSET OF ANY CO-OP THAT COULD NOT BE LAWFULLY
21 ACQUIRED BY IT AND TO REDUCE THE VALUE OF ANY ASSET OF A CO-OP TO
22 ITS MARKET VALUE OR TO A REASONABLE VALUE, IF NO MARKET VALUE
23 CAN BE ESTABLISHED. IF THE LOSSES OF A CO-OP EXCEED ITS UNDIVIDED
24 EARNINGS AND RESERVE FUNDS SO THAT THE REASONABLE VALUE OF ITS
25 ASSETS IS LESS THAN THE TOTAL AMOUNT DUE THE SHAREHOLDERS, THE
26 COMMISSIONER MAY ORDER A REDUCTION IN THE LIABILITY TO EACH
27 SHAREHOLDER, DIVIDING THE LOSS PROPORTIONATELY AMONG ALL

1 SHAREHOLDERS. ANY REDUCTION FROM EACH SHARE ACCOUNT MUST BE
2 A SPECIFIED PERCENTAGE SUFFICIENT TO CORRECT THE IMPAIRED
3 CONDITION AND PRESERVE THE SOLVENCY OF THE CO-OP. IF THEREAFTER
4 THE CO-OP REALIZES FROM THE ASSETS A GREATER AMOUNT THAN THAT
5 FIXED BY THE ORDER OF REDUCTION, THE COMMISSIONER SHALL DIVIDE
6 THE EXCESS PROPORTIONATELY AMONG THE SHAREHOLDERS TO WHOM
7 LIABILITY WAS PREVIOUSLY REDUCED, BUT ONLY TO THE EXTENT OF THE
8 REDUCTION.

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

24 (7) THE COMMISSIONER MAY ISSUE CEASE-AND-DESIST ORDERS IF
25 THE COMMISSIONER DETERMINES FROM COMPETENT AND SUBSTANTIAL
26 EVIDENCE THAT A CO-OP IS ENGAGED OR HAS ENGAGED, OR WHEN THE
27 COMMISSIONER HAS REASONABLE CAUSE TO BELIEVE THE CO-OP IS ABOUT

1 TO ENGAGE, IN AN UNSAFE OR UNSOUND PRACTICE OR IS VIOLATING OR
2 HAS VIOLATED, OR WHEN THE COMMISSIONER HAS REASONABLE CAUSE TO
3 BELIEVE THE CO-OP IS ABOUT TO VIOLATE, A MATERIAL PROVISION OF ANY
4 LAW OR RULE OR ANY CONDITION IMPOSED IN WRITING BY THE
5 COMMISSIONER OR ANY WRITTEN AGREEMENT MADE WITH THE
6 COMMISSIONER.

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

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

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

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

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

23 (II) THE COMMISSIONER MAY SUSPEND OR REMOVE A DIRECTOR,
24 OFFICER, OR EMPLOYEE OF A CO-OP WHO, UNDER THE LAWS OF THIS STATE,
25 THE UNITED STATES, OR ANY OTHER STATE OR TERRITORY OF THE UNITED
26 STATES:

27 (A) HAS ENTERED A PLEA OF GUILTY OR NOLO CONTENDERE TO OR

1 BEEN CONVICTED OF A CRIME INVOLVING THEFT OR FRAUD THAT IS
2 CLASSIFIED AS A FELONY; OR

3 (B) IS SUBJECT TO AN ORDER REMOVING OR SUSPENDING THE
4 INDIVIDUAL FROM OFFICE OR PROHIBITING THE INDIVIDUAL'S
5 PARTICIPATION IN THE CONDUCT OF THE AFFAIRS OF A CO-OP, SAVINGS
6 AND LOAN ASSOCIATION, BANK, OR OTHER FINANCIAL INSTITUTION.

7 (b) (I) A SUSPENSION OR REMOVAL ORDER MUST SPECIFY THE
8 GROUNDS FOR THE SUSPENSION OR REMOVAL. THE COMMISSIONER SHALL
9 SEND A COPY OF THE ORDER TO THE CO-OP CONCERNED AND TO EACH
10 MEMBER OF ITS BOARD OF DIRECTORS. THE COMMISSIONER SHALL SEND
11 WRITTEN NOTICE BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO
12 EACH PERSON AFFECTED BY PARAGRAPH (a) OF THIS SUBSECTION (8) AT
13 LEAST TEN DAYS BEFORE A HEARING HELD PURSUANT TO SECTION
14 24-4-105, C.R.S., AT WHICH THE COMMISSIONER SHALL PRESIDE.

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

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

27 (IV) A PERSON WHO PERFORMS A DUTY OR EXERCISES A POWER OF

1 A CO-OP AFTER RECEIPT OF A SUSPENSION OR REMOVAL ORDER UNDER
2 PARAGRAPH (a) OF THIS SUBSECTION (8) COMMITS A CLASS 1
3 MISDEMEANOR AND SHALL BE PUNISHED AS PROVIDED IN SECTION
4 18-1.3-501, C.R.S.

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

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

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

24 (2) (a) THE COMMISSIONER MUST ASSESS CIVIL FINES BY WRITTEN
25 NOTICE OF ASSESSMENT OF A CIVIL FINE SERVED UPON THE PERSON TO BE
26 ASSESSED. THE NOTICE OF ASSESSMENT OF A CIVIL FINE MUST STATE THE
27 AMOUNT OF THE FINE, THE PERIOD FOR PAYMENT, THE LEGAL AUTHORITY

1 FOR THE ASSESSMENT, AND THE MATTERS OF FACT OR LAW CONSTITUTING
2 THE GROUNDS FOR ASSESSMENT. THE PERSON MAY FILE A REQUEST FOR A
3 REHEARING REGARDING THE NOTICE OF ASSESSMENT OF A CIVIL FINE WITH
4 THE COMMISSIONER PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION
5 (2).

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

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

24 (3) IN DETERMINING THE AMOUNT OF THE CIVIL FINE TO BE
25 ASSESSED, THE COMMISSIONER SHALL CONSIDER THE GOOD FAITH OF THE
26 PERSON ASSESSED, THE GRAVITY OF THE VIOLATION, ANY PREVIOUS
27 VIOLATIONS BY THE PERSON ASSESSED, AND SUCH OTHER MATTERS AS THE

1 COMMISSIONER DEEMS APPROPRIATE; EXCEPT THAT THE CIVIL FINE MUST
2 BE NOT MORE THAN ONE THOUSAND DOLLARS PER DAY FOR EACH DAY THE
3 PERSON ASSESSED IS DETERMINED BY THE COMMISSIONER TO BE IN
4 VIOLATION OF A CEASE-AND-DESIST ORDER OR AN ORDER OF SUSPENSION
5 OR REMOVAL. ALTERNATIVELY, THE COMMISSIONER MAY ASSESS A CIVIL
6 FINE FOR THE VIOLATION IN A LUMP SUM AMOUNT NOT TO EXCEED FIFTY
7 THOUSAND DOLLARS.

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

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

26 **11-33-112. Elections.** (1) (a) AT THE ANNUAL MEETING, OR BY
27 OTHER PROPER BALLOTING WITHIN THIRTY DAYS BEFORE AND TWENTY

1 DAYS AFTER THE ANNUAL MEETING, THE CANNABIS CREDIT CO-OP
2 MEMBERS MUST ELECT FROM THE MEMBERSHIP, OR THE BOARD OF
3 DIRECTORS MUST APPOINT AS PROVIDED IN THE BYLAWS OF THE CO-OP:

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

5 (II) A SUPERVISORY COMMITTEE OF NOT LESS THAN THREE
6 MEMBERS; AND

7 (III) A CREDIT COMMITTEE OF NOT LESS THAN THREE MEMBERS OR
8 A CREDIT OFFICER.

9 (b) IN ADDITION, THE CO-OP MEMBERS MAY ELECT, OR THE BOARD
10 MAY APPOINT, ONE OR MORE ALTERNATE MEMBERS OF THE CREDIT
11 COMMITTEE TO SERVE IN THE ABSENCE OF MEMBERS OF THE CREDIT
12 COMMITTEE.

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

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

22 **11-33-113. Directors and officers.** (1) AT ITS FIRST MEETING
23 AFTER THE ANNUAL ELECTION, THE BOARD OF DIRECTORS SHALL ELECT
24 FROM ITS OWN NUMBER: AN EXECUTIVE OFFICER, WHO MAY BE
25 DESIGNATED AS CHAIR OF THE BOARD OR PRESIDENT; A VICE-CHAIR OF THE
26 BOARD OR ONE OR MORE VICE-PRESIDENTS; A TREASURER; AND A
27 SECRETARY. A SINGLE PERSON SHALL NOT SERVE AS BOTH SECRETARY

1 AND TREASURER. THE PERSONS SO ELECTED ARE THE EXECUTIVE OFFICERS
2 OF THE CORPORATION. THE BOARD OF DIRECTORS IS RESPONSIBLE FOR THE
3 GENERAL MANAGEMENT OF THE AFFAIRS OF THE CANNABIS CREDIT CO-OP,
4 AND MORE SPECIFICALLY FOR:

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

8 (b) SETTING POLICIES, TERMS, AND CONDITIONS UNDER WHICH
9 LOANS WILL BE AVAILABLE TO MEMBERS, AND DETERMINING INTEREST
10 RATES ON LOANS AND ON DEPOSITS;

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

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

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

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

- 1 (II) A CHIEF FINANCIAL OFFICER;
- 2 (f) DETERMINING THE MAXIMUM INDIVIDUAL SHARE HOLDINGS IN
- 3 THE CO-OP AND THE MAXIMUM AMOUNT OF INDIVIDUAL LOANS THAT CAN
- 4 BE MADE EITHER WITH OR WITHOUT SECURITY;
- 5 (g) HAVING CHARGE OF AND SUPERVISING INVESTMENTS OF CO-OP
- 6 FUNDS;
- 7 (h) MAINTAINING RECORDS PURSUANT TO RULES PROMULGATED
- 8 BY THE COMMISSIONER CONCERNING HOW LONG RECORDS MUST BE
- 9 RETAINED AND IN WHAT MANNER;
- 10 (i) PROVIDING FOR COMPENSATION FOR NECESSARY CLERICAL AND
- 11 AUDITING ASSISTANCE REQUESTED BY THE SUPERVISORY COMMITTEE AND
- 12 OF LOAN OFFICERS APPOINTED BY THE CREDIT COMMITTEE, AND
- 13 ESTABLISHING ANY SALARY TO BE PAID TO THE CHIEF EXECUTIVE OFFICER,
- 14 PRESIDENT, OR CHIEF FINANCIAL OFFICER.
- 15 (2) THE BYLAWS MUST DETERMINE THE DUTIES OF THE OFFICERS;
- 16 EXCEPT THAT THE TREASURER IS THE GENERAL MANAGER IF A GENERAL
- 17 MANAGER HAS NOT BEEN EMPLOYED PURSUANT TO PARAGRAPH (e) OF
- 18 SUBSECTION (1) OF THIS SECTION.

19 **11-33-114. Credit committee - credit officer.** THE CREDIT

20 COMMITTEE OR CREDIT OFFICER IS RESPONSIBLE FOR THE GENERAL

21 SUPERVISION OF ALL LOANS TO MEMBERS. APPLICATIONS FOR LOANS MUST

22 BE ON A FORM APPROVED BY THE CREDIT COMMITTEE OR THE CREDIT

23 OFFICER. AT LEAST A MAJORITY OF THE MEMBERS OF THE CREDIT

24 COMMITTEE OR THE CREDIT OFFICER MUST APPROVE OR DISAPPROVE ALL

25 LOANS; EXCEPT THAT THE CREDIT COMMITTEE OR THE CREDIT OFFICER

26 MAY APPOINT ONE OR MORE LOAN OFFICERS AND DELEGATE TO THE LOAN

27 OFFICER THE POWER TO APPROVE OR DISAPPROVE LOANS THAT ARE WITHIN

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

14 **11-33-115. Supervisory committee.** (1) THE SUPERVISORY
15 COMMITTEE SHALL:

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

23 (b) MAKE AN ANNUAL REPORT AND SUBMIT THE REPORT AT THE
24 ANNUAL MEETING OF THE MEMBERS;

25 (c) BY UNANIMOUS VOTE OF THE COMMITTEE IF IT DEEMS THE
26 ACTION TO BE NECESSARY FOR THE PROPER CONDUCT OF THE CO-OP,
27 TEMPORARILY SUSPEND AN OFFICER OR DIRECTOR OF THE CO-OP OR A

1 MEMBER OF THE CREDIT COMMITTEE, AND CALL A SPECIAL MEETING OF
2 THE MEMBERS OF THE CO-OP NOT LESS THAN SEVEN NOR MORE THAN
3 FOURTEEN DAYS AFTER THE SUSPENSION TO TAKE FINAL ACTION ON THE
4 SUSPENSION. THE MEMBERS AT THE MEETING MAY SUSTAIN THE
5 SUSPENSION AND REMOVE THE OFFICER, DIRECTOR, OR MEMBER OF THE
6 CREDIT COMMITTEE PERMANENTLY AND ELECT A SUCCESSOR THERETO FOR
7 THE UNEXPIRED TERM OF OFFICE OR MAY REINSTATE THE PERSON.

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

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

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

26 **11-33-116. Capital - no full faith and credit.** (1) THE CAPITAL
27 OF A CANNABIS CREDIT CO-OP CONSISTS OF THE PAYMENTS THAT HAVE

1 BEEN MADE TO IT IN SHARES BY ITS MEMBERS. THE CO-OP HAS A LIEN ON
2 THE SHARES AND DEPOSITS OF A MEMBER FOR ANY SUM DUE TO THE CO-OP
3 FROM A MEMBER OR FOR ANY LOAN ENDORSED BY A MEMBER. A CO-OP
4 MAY CHARGE AN ENTRANCE FEE AND AN ANNUAL MEMBERSHIP FEE, BUT
5 THE FEES MUST BE UNIFORM TO ALL MEMBERS.

6 (2) THE DEPOSITS WITH AND CAPITAL OF A CO-OP ARE NOT BACKED
7 BY THE FULL FAITH AND CREDIT OF THE STATE OF COLORADO.

8 **11-33-117. Loans.** A CANNABIS CREDIT CO-OP MAY MAKE LOANS
9 TO MEMBERS SUBJECT TO THIS ARTICLE AND THE BYLAWS OF THE CO-OP.
10 A BORROWER MAY REPAY A LOAN IN WHOLE OR IN PART ANY DAY THE
11 OFFICE OF THE CO-OP IS OPEN FOR BUSINESS.

12 **11-33-118. Reserves.** THE COMMISSIONER MAY REQUIRE
13 RESERVES TO PROTECT THE INTEREST OF MEMBERS BY GENERAL RULES. IN
14 ADDITION, THE COMMISSIONER MAY REQUIRE SPECIAL RESERVES BY AN
15 ORDER DIRECTED TO AN INDIVIDUAL CANNABIS CREDIT CO-OP IN A SPECIAL
16 CASE.

17 **11-33-119. Confidentiality.** (1) NEITHER THE COMMISSIONER,
18 THE COMMISSIONER'S DEPUTY, NOR ANY OTHER PERSON APPOINTED BY THE
19 COMMISSIONER SHALL DIVULGE ANY INFORMATION ACQUIRED IN THE
20 DISCHARGE OF THE PERSON'S DUTIES; EXCEPT THAT:

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

26 (b) THE COMMISSIONER MAY FURNISH INFORMATION AS TO THE
27 CONDITION OF A CANNABIS CREDIT CO-OP TO A LIQUIDATING AGENT

1 APPOINTED BY THE COMMISSIONER, A FEDERAL RESERVE BANK, THE
2 DIVISION OF BANKING, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF
3 REGULATORY AGENCIES, OR A DEPARTMENT OR DIVISION OF ANY OTHER
4 STATE HAVING SUPERVISORY AUTHORITY OVER MARIJUANA FINANCIAL
5 SERVICES COOPERATIVES OR ANALOGOUS ORGANIZATIONS AND MAY
6 ACCEPT ANY REPORT OF EXAMINATION MADE ON BEHALF OF THE
7 LIQUIDATING AGENT, BANK, DEPARTMENT, OR DIVISION;

8 (c) THE COMMISSIONER MAY GIVE RECORDS OR INFORMATION IN
9 THE COMMISSIONER'S POSSESSION TO A LICENSING AGENCY WITHIN THE
10 DEPARTMENT OF REGULATORY AGENCIES OR THE DEPARTMENT OF
11 REVENUE RELATING TO POSSIBLE MISCONDUCT BY A PERSON OR ENTITY
12 LICENSED BY THE AGENCY;

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

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

22 (e) NOTWITHSTANDING ANY PROVISION OF THIS ARTICLE TO THE
23 CONTRARY, THE COMMISSIONER MAY DISCLOSE INFORMATION IN THE
24 RECORDS OF THE DIVISION OR ACQUIRED BY THE COMMISSIONER IN THE
25 DISCHARGE OF THE COMMISSIONER'S DUTIES THE DISCLOSURE OF WHICH
26 HAS BEEN SPECIFICALLY AUTHORIZED BY THE BOARD OF DIRECTORS OF
27 THE CO-OP TO WHICH THE INFORMATION RELATES. NOTHING IN THIS

1 SECTION AUTHORIZES THE BOARD OF DIRECTORS OF A CO-OP TO WAIVE
2 ANY PRIVILEGES THAT BELONG SOLELY TO THE COMMISSIONER, THE
3 DIVISION, OR ITS EMPLOYEES.

4 **11-33-120. Dividends.** AT INTERVALS AND FOR PERIODS OF TIME
5 THAT THE BOARD OF DIRECTORS MAY AUTHORIZE AND AFTER PROVISION
6 FOR THE REQUIRED RESERVES, THE BOARD OF DIRECTORS OF A CANNABIS
7 CREDIT CO-OP MAY DECLARE A DIVIDEND. DIVIDENDS MAY BE PAID AT
8 VARIOUS RATES ON DIFFERENT CLASSES OF SHARES, AND DIVIDEND CREDIT
9 MAY BE ACCRUED ON DIFFERENT CLASSES OF SHARES, AS DETERMINED BY
10 THE BOARD OF DIRECTORS. THE BOARD SHALL NOT PAY DIVIDENDS IN
11 EXCESS OF AVAILABLE EARNINGS.

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

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

22 (3) THE CO-OP SHALL PAY TO AN EXPELLED OR WITHDRAWING
23 MEMBER ALL AMOUNTS PAID ON SHARES OR AS DEPOSITS OF THE MEMBER,
24 TOGETHER WITH ANY DIVIDENDS OR INTEREST ACCREDITED TO THE
25 MEMBER, TO THE DATE OF THE WITHDRAWAL OR EXPULSION, AS FUNDS
26 BECOME AVAILABLE AND AFTER DEDUCTING ALL AMOUNTS DUE FROM THE
27 MEMBER TO THE CO-OP. THE CO-OP MAY REQUIRE SIXTY DAYS' WRITTEN

1 NOTICE OF INTENTION TO WITHDRAW SHARES AND THIRTY DAYS' WRITTEN
2 NOTICE OF INTENTION TO WITHDRAW DEPOSITS. WITHDRAWING OR
3 EXPELLED MEMBERS HAVE NO FURTHER RIGHTS IN THE CO-OP BUT ARE
4 NOT, BY SUCH EXPULSION OR WITHDRAWAL, RELEASED FROM ANY
5 REMAINING LIABILITY TO THE CO-OP.

6 **11-33-122. Suspension - liquidation - procedures.** (1) (a) (I) IF
7 IT APPEARS THAT A CANNABIS CREDIT CO-OP IS INSOLVENT, HAS
8 WILLFULLY VIOLATED A PROVISION OF THIS ARTICLE, OR IS OPERATING IN
9 AN UNSAFE OR UNSOUND MANNER, THE COMMISSIONER:

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

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

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

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

21 (A) REVOKE THE ARTICLES OF INCORPORATION OF THE CO-OP,
22 ORDER THE IMMEDIATE SUSPENSION OF OPERATIONS OF THE CO-OP EXCEPT
23 THE COLLECTION OF PAYMENTS ON OUTSTANDING LOANS OR OTHER
24 OBLIGATIONS DUE THE CO-OP, OR BOTH; AND

25 (B) ENFORCE THE ORDER BY AN ACTION FILED IN THE DISTRICT
26 COURT OF THE JUDICIAL DISTRICT IN WHICH THE PRINCIPAL OFFICE OF THE
27 CO-OP IS LOCATED, SEEKING TO ENJOIN FURTHER OPERATIONS OR TO

1 APPOINT A CONSERVATOR FOR THE CO-OP.

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

4 (A) INCLUDE WITH ITS ANSWER OR PRESENT AT A HEARING
5 RESULTING FROM THE ORDER ITS PROPOSED PLAN TO CONTINUE
6 OPERATIONS AND RECTIFY THE INSOLVENCY, VIOLATION, OR MANNER OF
7 OPERATION SPECIFIED IN THE ORDER; OR

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

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

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

18 (d) IF IN THE OPINION OF THE COMMISSIONER AN EMERGENCY
19 EXISTS THAT MAY RESULT IN SERIOUS LOSSES TO THE MEMBERS, THE
20 COMMISSIONER MAY REVOKE THE CHARTER OF A CO-OP AND IMMEDIATELY
21 APPOINT A LIQUIDATING AGENT WITHOUT NOTICE OR A HEARING. THE
22 COMMISSIONER SHALL POST NOTICE OF THE COMMISSIONER'S EMERGENCY
23 DETERMINATION ON THE PREMISES OF THE CO-OP THAT IS THE SUBJECT OF
24 THE DETERMINATION. WITHIN TEN DAYS AFTER AN EMERGENCY
25 DETERMINATION BY THE COMMISSIONER, THE CO-OP OR THE BOARD OF
26 DIRECTORS OF THE CO-OP MAY FILE AN APPEAL WITH THE COURT OF
27 APPEALS. THE FILING OF AN APPEAL TO RESCIND A DETERMINATION DOES

1 NOT STAY THE COMMISSIONER'S ACTION PURSUANT TO THIS SUBSECTION
2 (1). IF THE COURT FINDS THE COMMISSIONER'S ACTION WAS
3 UNAUTHORIZED, THE COMMISSIONER SHALL RESCIND THE ACTION AND
4 RESTORE THE CO-OP TO ITS BOARD OF DIRECTORS. IF THE CO-OP DOES NOT
5 FILE AN APPEAL WITHIN TEN DAYS AFTER THE COMMISSIONER'S
6 EMERGENCY DETERMINATION, ALL ACTION TAKEN BY THE COMMISSIONER
7 IS FINAL.

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

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

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

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

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

22 (b) THE COMMISSIONER MAY APPOINT A CONSERVATOR AND TAKE
23 IMMEDIATE POSSESSION OF THE CO-OP WITHOUT PRIOR NOTICE OR A
24 HEARING; EXCEPT THAT, WITHIN TEN DAYS AFTER THE CONSERVATOR IS
25 APPOINTED, THE CO-OP MAY FILE AN APPEAL WITH THE COURT OF APPEALS
26 REQUESTING THE COMMISSIONER TO RESCIND THE COMMISSIONER'S
27 APPOINTMENT OF A CONSERVATOR. THE FILING OF AN APPEAL DOES NOT

1 STAY THE COMMISSIONER'S ACTION. IF THE COURT FINDS THE
2 COMMISSIONER'S ACTION WAS UNAUTHORIZED, THE COMMISSIONER SHALL
3 RESTORE CONTROL OF THE CO-OP TO ITS BOARD OF DIRECTORS. IF NO
4 APPEAL IS FILED WITHIN TEN DAYS AFTER THE COMMISSIONER'S
5 APPOINTMENT OF A CONSERVATOR, THE ACTION TAKEN BY THE
6 COMMISSIONER BECOMES FINAL.

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

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

27 (e) IF A CONSERVATOR IS APPOINTED, AND IS OTHER THAN AN

1 EMPLOYEE OF THE DIVISION, THE CONSERVATOR AND ANY ASSISTANTS
2 SHALL PROVIDE A BOND, PAYABLE TO THE CO-OP AND EXECUTED BY A
3 SURETY COMPANY AUTHORIZED TO DO BUSINESS IN THIS STATE, THAT
4 MEETS WITH THE APPROVAL OF THE COMMISSIONER, FOR THE FAITHFUL
5 DISCHARGE OF THEIR DUTIES IN CONNECTION WITH THE CONSERVATORSHIP
6 AND THE ACCOUNTING FOR ALL MONEYS COMING INTO THEIR HANDS. THE
7 COST OF THE BOND SHALL BE PAID FROM THE ASSETS OF THE CO-OP. SUIT
8 MAY BE MAINTAINED ON THE BOND BY A PERSON INJURED BY A BREACH OF
9 THE CONDITIONS OF THE BOND. THIS REQUIREMENT MAY BE DEEMED MET
10 IF THE COMMISSIONER DETERMINES THAT THE CO-OP'S FIDELITY BOND
11 COVERS THE CONSERVATOR AND ANY ASSISTANTS.

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

1 OBLIGATIONS DUE THE CO-OP.

2 (4) UNDER ANY PROCEDURE TO DISSOLVE AND LIQUIDATE A CO-OP
3 PURSUANT TO THIS SECTION, THE CO-OP CONTINUES IN EXISTENCE FOR THE
4 PURPOSE OF DISCHARGING ITS DEBTS, COLLECTING AND DISTRIBUTING ITS
5 ASSETS, AND DOING ALL ACTS REQUIRED IN ORDER TO WIND UP ITS
6 BUSINESS, AND IT MAY SUE AND BE SUED FOR THE ENFORCEMENT OF ITS
7 DEBTS AND OPERATIONS UNTIL ITS AFFAIRS ARE FULLY ADJUSTED IN
8 LIQUIDATION. THE ASSETS OF THE CO-OP SHALL BE USED TO PAY: FIRST,
9 THE EXPENSES INCIDENTAL TO LIQUIDATION; AND SECOND, DEPOSIT
10 ACCOUNTS. ANY REMAINING ASSETS SHALL BE DISTRIBUTED TO THE
11 MEMBERS PROPORTIONATELY TO THE SHARES HELD BY EACH MEMBER AS
12 OF THE DATE OF DISSOLUTION.

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

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

27 **11-33-124. Merger.** (1) THE METHOD OF MERGER OF TWO OR

1 MORE CANNABIS CREDIT CO-OPS IS AS FOLLOWS:

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

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

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

6 (II) THE PLAN MUST INCLUDE INFORMATION THAT THE
7 COMMISSIONER DEEMS APPROPRIATE.

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

17 (c) THE BOARDS OF DIRECTORS OF EACH CO-OP INVOLVED SHALL
18 CALL A MEETING OF THE MEMBERS OF EACH CO-OP INVOLVED FOR THE
19 PURPOSE OF CONSIDERING A MERGER. THE BOARDS OF DIRECTORS SHALL
20 GIVE NOTICE OF THE MEETING, INCLUDING PURPOSE, DATE, TIME, PLACE,
21 AND BALLOT OF THE MERGER PLAN, TO THE ENTIRE MEMBERSHIP. AT THE
22 MEETING, AT LEAST TWO-THIRDS OF THE MEMBERS PRESENT AND VOTING
23 MUST APPROVE THE PROPOSED MERGER. IF ANY MEMBER APPROVES OR
24 DISAPPROVES THE MERGER BY RETURNING A BALLOT, SIGNED BY THE
25 MEMBER, TO THE SECRETARY OF THE CO-OP AT OR BEFORE THE MEETING,
26 THE BALLOT FOR ALL PURPOSES OF THIS SECTION IS EQUIVALENT TO THE
27 VOTE OF THE MEMBER AT THE MEETING, NOTWITHSTANDING THAT THE

1 MEMBER IS NOT THEN PRESENT.

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

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

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

9 (II) THAT AT LEAST TWO-THIRDS OF THE VOTING MEMBERS OF
10 EACH MERGING CO-OP HAVE APPROVED THE TERMS AND CONDITIONS OF
11 THE PROPOSED MERGER AT A MEETING OF THE MEMBERS CALLED FOR THAT
12 PURPOSE; AND

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

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

17 (c) THE CONTINUING BOARD OF DIRECTORS SHALL FILE THE
18 CERTIFICATE PROVIDED FOR IN PARAGRAPH (a) OF THIS SUBSECTION (2)
19 AND ANY REQUIRED BYLAW AMENDMENTS, BOTH EXECUTED IN DUPLICATE,
20 TO THE COMMISSIONER.

21 (3) IF THE COMMISSIONER APPROVES THE CERTIFICATE AND BYLAW
22 AMENDMENTS, THE COMMISSIONER SHALL SO NOTIFY THE
23 REPRESENTATIVES AND SHALL ISSUE A CERTIFICATE OF APPROVAL,
24 ATTACH IT TO THE DUPLICATE CERTIFICATE OF MERGER, AND RETURN
25 THEM TO THE REPRESENTATIVES OF THE PARTICIPATING CO-OPS TOGETHER
26 WITH THE DUPLICATE OF THE BYLAW AMENDMENTS.

27 (4) THE CONTINUING CO-OP SHALL FILE THE DUPLICATE OF THE

1 CERTIFICATE OF MERGER WITH THE COMMISSIONER'S CERTIFICATE OF
2 APPROVAL ATTACHED WITH THE SECRETARY OF STATE, WHO SHALL MAKE
3 A RECORD OF THE CERTIFICATE AND RETURN IT, WITH THE SECRETARY'S
4 CERTIFICATE OF RECORD ATTACHED, TO THE COMMISSIONER FOR
5 PERMANENT RECORD. THE FEE FOR THE FILING SHALL BE DETERMINED AND
6 COLLECTED PURSUANT TO SECTION 24-21-104 (3), C.R.S.

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

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

14 **11-33-126. Compliance with federal requirements - due**
15 **diligence.** (1) EACH CANNABIS CREDIT CO-OP SHALL COMPLY WITH ALL
16 APPLICABLE REQUIREMENTS OF FEDERAL LAW, INCLUDING:

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

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

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

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

25 (2) EACH CO-OP SHALL:

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

- 1 (I) THE DISTRIBUTION OF MARIJUANA TO MINORS;
- 2 (II) REVENUE FROM THE SALE OF MARIJUANA FROM GOING TO
- 3 CRIMINAL ENTERPRISES, GANGS, AND CARTELS;
- 4 (III) THE DIVERSION OF MARIJUANA FROM STATES WHERE IT IS
- 5 LEGAL UNDER STATE LAW IN SOME FORM TO OTHER STATES;
- 6 (IV) STATE-AUTHORIZED MARIJUANA ACTIVITY FROM BEING USED
- 7 AS A COVER OR PRETEXT FOR THE TRAFFICKING OF OTHER ILLEGAL DRUGS
- 8 OR OTHER ILLEGAL ACTIVITY;
- 9 (V) VIOLENCE AND THE USE OF FIREARMS IN THE CULTIVATION
- 10 AND DISTRIBUTION OF MARIJUANA;
- 11 (VI) DRUGGED DRIVING AND THE EXACERBATION OF OTHER
- 12 ADVERSE PUBLIC HEALTH CONSEQUENCES ASSOCIATED WITH MARIJUANA
- 13 USE;
- 14 (VII) THE GROWING OF MARIJUANA ON PUBLIC LANDS AND THE
- 15 ATTENDANT PUBLIC SAFETY AND ENVIRONMENTAL DANGERS POSED BY
- 16 MARIJUANA PRODUCTION ON PUBLIC LANDS; AND
- 17 (VIII) MARIJUANA POSSESSION OR USE ON FEDERAL PROPERTY;
- 18 AND
- 19 (b) FILE AN ANNUAL REPORT WITH THE COMMISSIONER REGARDING
- 20 ITS COMPLIANCE WITH THE LAWS AND REQUIREMENTS SPECIFIED IN THIS
- 21 SECTION.
- 22 (3) THE COMMISSIONER SHALL REVOKE THE CHARTER OF A CO-OP
- 23 THAT VIOLATES ANY OF THE LAWS OR DUE DILIGENCE REQUIREMENTS
- 24 SPECIFIED IN THIS SECTION.

25 **11-33-127. Reports - suspicious transactions. (1) General.**

26 (a) (I) EVERY CO-OP SHALL FILE WITH THE COMMISSIONER, TO THE

27 EXTENT AND IN THE MANNER REQUIRED BY THIS SECTION, A REPORT OF

1 ANY SUSPICIOUS TRANSACTION RELEVANT TO A POSSIBLE VIOLATION OF
2 LAW, RULE, OR FEDERAL REGULATION.

3 (II) FOR PURPOSES OF THIS SECTION, A TRANSACTION OR CONDUCT
4 THAT IS ILLEGAL OR A VIOLATION OF LAW SOLELY BECAUSE MARIJUANA IS
5 A CONTROLLED SUBSTANCE UNDER FEDERAL LAW IS NOT SUBJECT TO
6 BEING REPORTED.

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

12 (I) THE TRANSACTION INVOLVES FUNDS DERIVED FROM ILLEGAL
13 ACTIVITIES OR IS INTENDED OR CONDUCTED IN ORDER TO HIDE OR DISGUISE
14 FUNDS OR ASSETS DERIVED FROM ILLEGAL ACTIVITIES AS PART OF A PLAN
15 TO VIOLATE OR EVADE ANY FEDERAL OR STATE LAW OR REGULATION OR
16 TO AVOID ANY TRANSACTION REPORTING REQUIREMENT UNDER FEDERAL
17 OR STATE LAW OR REGULATION;

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

23 (III) THE TRANSACTION HAS NO BUSINESS OR APPARENT LAWFUL
24 PURPOSE OR IS NOT THE SORT IN WHICH THE PARTICULAR MEMBER WOULD
25 NORMALLY BE EXPECTED TO ENGAGE, AND THE CO-OP KNOWS OF NO
26 REASONABLE EXPLANATION FOR THE TRANSACTION AFTER EXAMINING THE
27 AVAILABLE FACTS, INCLUDING THE BACKGROUND AND POSSIBLE PURPOSE

1 OF THE TRANSACTION.

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

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

20 (3) **Exceptions.** A CO-OP IS NOT REQUIRED TO FILE AN STR FOR A
21 ROBBERY OR BURGLARY COMMITTED OR ATTEMPTED THAT IS REPORTED
22 TO APPROPRIATE LAW ENFORCEMENT AUTHORITIES OR FOR LOST, MISSING,
23 COUNTERFEIT, OR STOLEN SECURITIES WITH RESPECT TO WHICH THE CO-OP
24 FILES A REPORT PURSUANT TO THE REPORTING REQUIREMENTS OF 17 CFR
25 240.17f-1.

26 (4) **Retention of records.** A CO-OP SHALL MAINTAIN A COPY OF
27 EACH STR FILED AND THE ORIGINAL OR BUSINESS RECORD EQUIVALENT OF

1 ANY SUPPORTING DOCUMENTATION FOR A PERIOD OF FIVE YEARS AFTER
2 THE DATE OF FILING THE STR. THE CO-OP SHALL IDENTIFY SUPPORTING
3 DOCUMENTATION AND MAINTAIN THE DOCUMENTATION AS SUCH, WHICH
4 DOCUMENTATION SHALL BE DEEMED TO HAVE BEEN FILED WITH THE STR.
5 UPON REQUEST, A CO-OP SHALL MAKE ALL SUPPORTING DOCUMENTATION
6 AVAILABLE TO:

- 7 (a) THE COMMISSIONER;
- 8 (b) ANY FEDERAL, STATE, OR LOCAL LAW ENFORCEMENT AGENCY;
- 9 (c) ANY FEDERAL REGULATORY AUTHORITY THAT EXAMINES THE
10 CO-OP FOR COMPLIANCE WITH THE FEDERAL "BANK SECRECY ACT"; OR
- 11 (d) ANY STATE REGULATORY AUTHORITY ADMINISTERING A STATE
12 LAW THAT REQUIRES THE CO-OP TO COMPLY WITH THE FEDERAL "BANK
13 SECRECY ACT" OR OTHERWISE AUTHORIZES THE STATE AUTHORITY TO
14 ENSURE THAT THE CO-OP COMPLIES WITH THE FEDERAL "BANK SECRECY
15 ACT".

16 (5) **Confidentiality of STRs.** (a) AN STR AND ANY INFORMATION
17 THAT WOULD REVEAL THE EXISTENCE OF AN STR ARE CONFIDENTIAL AND
18 SHALL NOT BE DISCLOSED EXCEPT AS AUTHORIZED IN THIS SUBSECTION (5).
19 FOR PURPOSES OF THIS SUBSECTION (5) ONLY, AN STR INCLUDES ANY
20 SUSPICIOUS ACTIVITY REPORT FILED WITH THE FEDERAL FINANCIAL
21 ENFORCEMENT NETWORK OF THE DEPARTMENT OF THE TREASURY
22 PURSUANT TO ANY REGULATION IN CHAPTER X OF SUBTITLE B OF TITLE 31
23 OF THE CODE OF FEDERAL REGULATIONS.

24 (b) **Prohibition on disclosures by co-ops.** (I) **General rule.** A
25 CO-OP AND A DIRECTOR, OFFICER, EMPLOYEE, OR AGENT OF ANY CO-OP
26 SHALL NOT DISCLOSE AN STR OR ANY INFORMATION THAT WOULD REVEAL
27 THE EXISTENCE OF AN STR. ANY CO-OP, AND ANY DIRECTOR, OFFICER,

1 EMPLOYEE, OR AGENT OF ANY CO-OP THAT IS SUBPOENAED OR OTHERWISE
2 REQUESTED TO DISCLOSE AN STR OR ANY INFORMATION THAT WOULD
3 REVEAL THE EXISTENCE OF AN STR, SHALL DECLINE TO PRODUCE THE STR
4 OR SUCH INFORMATION, CITING THIS SECTION, 31 U.S.C. SEC. 5318 (g) (2)
5 (A) (i), AND 31 CFR 1020.320, AND SHALL NOTIFY THE COMMISSIONER OF
6 ANY SUCH REQUEST AND THE RESPONSE THERETO.

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

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

1 EXTENT AUTHORIZED IN 31 U.S.C. SEC. 5318 (g) (2) (B).

2 (B) THE SHARING BY A CO-OP, OR ANY DIRECTOR, OFFICER,
3 EMPLOYEE, OR AGENT OF THE CO-OP, OF AN STR, OR ANY INFORMATION
4 THAT WOULD REVEAL THE EXISTENCE OF AN STR, WITHIN THE CO-OP'S
5 CORPORATE ORGANIZATIONAL STRUCTURE FOR PURPOSES CONSISTENT
6 WITH TITLE II OF THE FEDERAL "BANK SECRECY ACT" AS DETERMINED BY
7 FEDERAL REGULATION OR IN GUIDANCE.

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

21 (6) **Limitation on liability.** A CO-OP AND ANY DIRECTOR, OFFICER,
22 EMPLOYEE, OR AGENT OF ANY CO-OP, THAT MAKES A VOLUNTARY
23 DISCLOSURE OF ANY POSSIBLE VIOLATION OF LAW, RULE, OR FEDERAL
24 REGULATION TO A GOVERNMENT AGENCY OR MAKES A DISCLOSURE
25 PURSUANT TO THIS SECTION OR ANY OTHER AUTHORITY, INCLUDING A
26 DISCLOSURE MADE JOINTLY WITH ANOTHER INSTITUTION, IS PROTECTED
27 FROM LIABILITY TO ANY PERSON FOR ANY SUCH DISCLOSURE OR FOR

1 FAILURE TO PROVIDE NOTICE OF SUCH DISCLOSURE TO ANY PERSON
2 IDENTIFIED IN THE DISCLOSURE, OR BOTH, TO THE FULL EXTENT PROVIDED
3 BY 31 U.S.C. SEC. 5318 (g) (3).

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

6 **11-33-128. Repeal of article - review.** (1) THIS ARTICLE IS
7 REPEALED, EFFECTIVE SEPTEMBER 1, 2020. UPON REPEAL OF THIS
8 ARTICLE, EACH CANNABIS CREDIT CO-OP SHALL IMMEDIATELY CEASE ITS
9 OPERATION AND TAKE PRUDENT AND NECESSARY STEPS TO DISSOLVE.
10 EACH CO-OP SHALL COMPLETE ITS DISSOLUTION BY SEPTEMBER 1, 2021.

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

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

17 **12-43.3-401. Classes of licenses.** (3) A state chartered bank or a
18 credit union may loan money to any person licensed pursuant to this
19 article for the operation of a licensed business. A MARIJUANA FINANCIAL
20 SERVICES COOPERATIVE ORGANIZED PURSUANT TO ARTICLE 33 OF TITLE
21 11, C.R.S., MAY ACCEPT AS A MEMBER, LOAN MONEY TO, AND ACCEPT
22 DEPOSITS FROM ANY ENTITY LICENSED PURSUANT TO THIS ARTICLE FOR
23 THE OPERATION OF A LICENSED BUSINESS.

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

26 **13-4-102. Jurisdiction.** (2) The court of appeals has initial
27 jurisdiction to:

1 (kk) Review all final actions and orders appropriate for judicial
2 review of the director of the division of professions and occupations in
3 the department of regulatory agencies, as provided in section
4 12-40.5-110, C.R.S.; AND

5 (ll) REVIEW ALL FINAL ACTIONS AND ORDERS APPROPRIATE FOR
6 JUDICIAL REVIEW OF THE STATE COMMISSIONER OF FINANCIAL SERVICES
7 AS PROVIDED IN SECTIONS 11-33-109 (4) AND 11-33-122 (1) (d) AND (2)
8 (b), C.R.S.

9 **SECTION 4.** In Colorado Revised Statutes, 24-34-104, **add**
10 (51.5) (h) as follows:

11 **24-34-104. General assembly review of regulatory agencies**
12 **and functions for termination, continuation, or reestablishment.**

13 (51.5) The following agencies, functions, or both, terminate on
14 September 1, 2020:

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

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

20 **39-28.8-501. Marijuana tax cash fund - creation - distribution.**

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

1 department of revenue for the applicable fiscal year. The general
2 assembly may appropriate moneys in the fund for the following purposes:

3 (XI) To expand the provision of jail-based behavioral health
4 services in underserved counties and to enhance the provision of
5 jail-based behavioral health services to offenders transitioning from jail
6 to the community to ensure continuity of care; and

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

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

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

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

22 (a) Takes effect upon passage; except that sections 5 and 6 of this
23 act take effect only if Senate Bill 14-215 becomes law and sections 5 and
24 6 take effect on the effective date of this act or Senate Bill 14-215,
25 whichever is later; and

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

27 **SECTION 8. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, and safety.