

An Act

HOUSE BILL 24-1381

BY REPRESENTATIVE(S) Kipp and Soper, deGruy Kennedy, Garcia, Joseph, Lindstedt, Snyder, Hamrick, Ricks;
also SENATOR(S) Hansen and Mullica.

CONCERNING THE CONTINUATION OF THE DIVISION OF FINANCIAL SERVICES
IN THE DEPARTMENT OF REGULATORY AGENCIES, AND, IN
CONNECTION THEREWITH, IMPLEMENTING THE RECOMMENDATIONS
CONTAINED IN THE 2023 SUNSET REPORT BY THE DEPARTMENT OF
REGULATORY AGENCIES.

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

SECTION 1. In Colorado Revised Statutes, 24-34-104, **repeal** (25)(a)(I); and **add** (34)(a)(XI) as follows:

24-34-104. General assembly review of regulatory agencies and functions for repeal, continuation, or reestablishment - legislative declaration - repeal. (25) (a) The following agencies, functions, or both, are scheduled for repeal on September 1, 2024:

(I) ~~The division of financial services created in article 44 of title 11;~~

(34) (a) The following agencies, functions, or both, are scheduled for repeal on September 1, 2033:

(XI) THE DIVISION OF FINANCIAL SERVICES CREATED IN ARTICLE 44 OF TITLE 11.

SECTION 2. In Colorado Revised Statutes, **add** 11-44-124 as follows:

11-44-124. Repeal of article - review of functions. THIS ARTICLE 44 IS REPEALED, EFFECTIVE SEPTEMBER 1, 2033. BEFORE THE REPEAL, THE DIVISION AND THE BOARD ARE SCHEDULED FOR REVIEW IN ACCORDANCE WITH SECTION 24-34-104.

SECTION 3. In Colorado Revised Statutes, **repeal** 11-44-101.5 as follows:

11-44-101.5. Division subject to termination - repeal of article.
~~(1) The provisions of section 24-34-104, C.R.S., concerning the termination schedule for regulatory bodies of the state unless extended as provided in that section, are applicable to the division of financial services created by section 11-44-101.~~

~~(2) This article is repealed, effective September 1, 2024.~~

SECTION 4. In Colorado Revised Statutes, 11-30-122, **amend** (5); and **add** (8) as follows:

11-30-122. Merger. (5) The duplicate of the certificate of merger with the board's certificate of approval attached shall be filed with the secretary of state who shall make a record of ~~said~~ THE certificate and return it, with ~~his~~ THE SECRETARY OF STATE'S certificate of record attached, to the board for permanent record. The fee for ~~said~~ THE filing shall be determined and collected pursuant to section 24-21-104 (3). ~~C.R.S.~~

(8) A CREDIT UNION MAY MERGE WITH A CREDIT UNION THAT IS CHARTERED IN ANOTHER STATE SO LONG AS THE MERGER IS APPROVED BY THE BOARD OF DIRECTORS OF EACH CREDIT UNION, THE COMMISSIONER, AND THE FEDERAL NATIONAL CREDIT UNION ADMINISTRATION. BEFORE APPROVING A MERGER, THE COMMISSIONER SHALL CONSIDER THE CONDITION

OF EACH CREDIT UNION THAT IS A PARTY TO THE MERGER AND WHETHER THE MERGER POSES ANY RISKS TO THE MEMBERS OF EACH CREDIT UNION.

SECTION 5. In Colorado Revised Statutes, 11-30-106.5, **amend** (3) as follows:

11-30-106.5. Assessment of civil money penalties. (3) In determining the amount of ~~the~~ A civil money penalty to be assessed, the commissioner shall consider the good faith of the person AGAINST WHOM THE PENALTY IS assessed, the gravity of the violation, any previous violations by the person AGAINST WHOM THE PENALTY IS assessed, and ~~such~~ other matters ~~as~~ THAT the commissioner may deem appropriate. ~~except that~~ The AMOUNT OF THE civil money penalty ~~shall be~~ MUST not ~~more than one~~ EXCEED FIVE thousand dollars per day for each day the person assessed is determined by the commissioner to be in violation of a cease-and-desist order or an order of suspension or removal. Alternatively, the commissioner may assess a civil money penalty for ~~such~~ A violation in a lump-sum amount not to exceed fifty thousand dollars.

SECTION 6. In Colorado Revised Statutes, 11-30-101.7, **amend** (3)(a), (5) introductory portion, (5)(b), and (5)(c); and **repeal** (5)(d) as follows:

11-30-101.7. Hearing procedures for community field of membership credit unions. (3) (a) The board shall give notice of a hearing on a community field of membership application at least thirty days before the hearing date ~~by registered or certified mail~~; to the principal office of each credit union, savings and loan association, or bank within the neighborhood, community, or rural district sought to be served by the proposed community credit union and to ~~such~~ other persons or credit unions, savings and loan associations, or banks ~~as~~ THAT the board may designate.

(5) Within ninety days ~~following the conclusion of~~ AFTER a hearing, the board shall issue a written order granting a community field of membership if the board finds:

(b) That the credit union would benefit its members or proposed members, consistent with the purposes of this ~~article~~, ARTICLE 30; that the general character and fitness of the incorporators is appropriate; and that it

is advisable from an economic standpoint to establish the proposed credit union; AND

(c) That the neighborhood, community, or rural district is politically, geographically, socially, or economically well defined. ~~and~~

~~(d) That the members of other credit unions within the neighborhood, community, or rural district are specifically excluded from membership, except as otherwise provided by the board for good cause.~~

SECTION 7. In Colorado Revised Statutes, **amend** 11-30-107 as follows:

11-30-107. Fiscal year - meetings. (1) ~~The fiscal year of all credit unions shall end December 31 of each year. The annual meeting shall be held within five months after the close of said fiscal year~~ A BOARD OF DIRECTORS OF A CREDIT UNION MAY DETERMINE THE DATE UPON WHICH THE CREDIT UNION'S FISCAL YEAR ENDS, SO LONG AS THE DATE COINCIDES WITH THE END OF A STANDARD FISCAL QUARTER.

(2) A BOARD OF DIRECTORS OF A CREDIT UNION MAY DETERMINE THE DATE OF THE CREDIT UNION'S ANNUAL MEMBERSHIP MEETING. Special meetings may be held in the manner indicated in the bylaws. At all meetings, a member ~~shall have but a single~~ HAS ONLY ONE vote, ~~whatever his~~ REGARDLESS OF THE MEMBER'S share holdings. There shall NOT be ~~no~~ voting by proxy, but a member other than a natural person may cast a single vote through a delegated agent.

SECTION 8. In Colorado Revised Statutes, 11-44-123, **amend** (3) as follows:

11-44-123. Assessment of civil money penalties. (3) In determining the amount of ~~the~~ A civil money penalty to be assessed, the commissioner shall consider the good faith of the person AGAINST WHOM THE PENALTY IS assessed, the gravity of the violation, any previous violations by the person AGAINST WHOM THE PENALTY IS assessed, and ~~such~~ other matters ~~as~~ THAT the commissioner may deem appropriate. ~~except that~~ The AMOUNT OF THE civil money penalty ~~shall be~~ MUST not ~~more than one~~ EXCEED FIVE thousand dollars per day for each day the person assessed is determined by the commissioner to be in violation of a cease-and-desist

order or an order of suspension or removal. Alternatively, the commissioner may assess a civil money penalty for such a violation in a lump-sum amount not to exceed fifty thousand dollars.

SECTION 9. In Colorado Revised Statutes, repeal 11-30-124 as follows:

11-30-124. Transfer of functions - conforming of statutes. ~~(1) As of April 11, 1988, the powers, duties, and functions of the state bank commissioner under this article are transferred to the state commissioner of financial services.~~

~~(2) On April 11, 1988, all employees of the division of banking whose principal duties are concerned with the powers, duties, and functions transferred to the state commissioner of financial services and whose employment in the division of financial services is deemed necessary by the executive director of the department of regulatory agencies to carry out the purposes of this article are transferred to the division of financial services and shall become employees thereof. Such employees shall retain all rights to state personnel system and retirement benefits under the laws of this state, and their services shall be deemed to have been continuous.~~

~~(3) On April 11, 1988, all items of property, real and personal, including office furniture and fixtures, books, documents, and records of the division of banking pertaining to the powers, duties, and functions transferred to the state commissioner of financial services pursuant to this section shall be transferred to the division of financial services and shall become the property thereof.~~

~~(4) Whenever the state bank commissioner or the division of banking is referred to or designated by any contract or other document in connection with the powers, duties, and functions transferred to the state commissioner of financial services, such reference or designation shall be deemed to apply to the state commissioner of financial services or the division of financial services, as the case may be. All contracts entered into by the state bank commissioner or the division of banking prior to April 11, 1988, in connection with the powers, duties, and functions transferred to the state commissioner of financial services are hereby validated, with the state commissioner of financial services succeeding to all the rights and obligations of such contracts.~~

~~(5) On April 11, 1988, any unexpended appropriations of funds for the current fiscal year made to the division of banking and allocated for the administration and enforcement of this article shall be transferred to the division of financial services. The executive director of the department of regulatory agencies shall have the final authority to determine the allocation of funds for purposes of the transfer under this subsection (5).~~

~~(6) The revisor of statutes is authorized to change all references to the state bank commissioner in this article to refer to the state commissioner of financial services and to change all references to the division of banking in this article to refer to the division of financial services.~~

SECTION 10. In Colorado Revised Statutes, 11-30-101, **amend** (5) as follows:

11-30-101. Definitions - organization - charter - investigation.

(5) After the ~~said~~ INCORPORATORS FILE A certified copy of articles of incorporation ~~have been filed~~ with the commissioner ~~he~~ AS DESCRIBED IN SUBSECTION (4) OF THIS SECTION, THE COMMISSIONER shall issue a charter for ~~such~~ THE credit union, at which time the credit union ~~shall become~~ BECOMES a body corporate ~~having~~ AND HAS the powers enumerated in section 7-103-102, ~~C.R.S.~~; except as otherwise provided or limited in this ~~article~~ ARTICLE 30.

SECTION 11. In Colorado Revised Statutes, 11-30-106, **amend** (6) as follows:

11-30-106. Examinations - reports - powers of commissioner - rules - penalty. (6) (a) The commissioner ~~has the power to~~ MAY:

(I) Issue subpoenas and require attendance of any ~~and all officers, directors, agents, and employees~~ OFFICER, DIRECTOR, AGENT, OR EMPLOYEE of any credit union and ~~such~~ ANY other witnesses ~~as he~~ THAT THE COMMISSIONER may deem necessary in relation to ~~its~~ THE CREDIT UNION'S affairs, transactions, and conditions; ~~and may~~

(II) Require ~~such~~ witnesses to ~~appear and answer such~~ questions as THAT THE COMMISSIONER may ~~be~~ put to them; ~~by the commissioner,~~ and ~~may~~

(III) Require ~~such~~ witnesses to produce ~~such~~ books, papers, or documents in their possession. ~~as may be required by the commissioner.~~

(b) Upon application of the commissioner, any person served with a subpoena issued by ~~him~~ THE COMMISSIONER may be required, by order of the district court of the county where the credit union has its principal office, to:

(I) Appear and answer ~~such~~ questions ~~as~~ THAT THE COMMISSIONER may be put to ~~him by the commissioner~~ THE PERSON; and ~~be required to~~

(II) Produce ~~such~~ books, papers, or documents in ~~his~~ THE PERSON'S possession ~~as may be required by~~ THAT the commissioner MAY REQUIRE.

SECTION 12. In Colorado Revised Statutes, 11-30-109, **amend** (3) as follows:

11-30-109. Directors and officers - compensation. (3) A credit union may reasonably compensate a director for ~~his or her~~ THE DIRECTOR'S services to the credit union. Providing reasonable life, health, accident, and similar insurance protection is not considered compensation. Directors, officers, and committee members may be reimbursed for necessary expenses incidental to the performance of the official business of the credit union.

SECTION 13. In Colorado Revised Statutes, **amend** 11-30-110 as follows:

11-30-110. Credit committee - credit officer. The credit committee or credit officer ~~shall have the~~ HAS general supervision of all loans to members. Applications for loans ~~shall~~ MUST be on a form approved by the credit committee or the credit officer. At least a majority of the members of the credit committee or the credit officer shall pass and approve or disapprove all loans; except that the credit committee or the credit officer may **appoint** ~~DELEGATE TO~~ one or more loan officers ~~and delegate to the same~~ the power to approve or disapprove loans ~~which~~ THAT are within limits prescribed by the credit committee or the credit officer. Each loan officer shall furnish to the credit committee or the credit officer a record of each loan application received by ~~him~~ THE LOAN OFFICER within seven days after the date ~~of filing of~~ the application IS FILED. All loans not approved by

a loan officer may be considered by the credit committee or the credit officer. ~~No~~ A member of the credit committee shall NOT receive any compensation as a loan officer or be employed by the credit union in any other capacity. A credit officer may receive compensation in connection with the performance of ~~his~~ THE CREDIT OFFICER'S duties. The credit committee shall meet as often as may be necessary after due notice to each member. Vacancies in the credit committee shall be filled pursuant to section 11-30-109 (1)(e).

SECTION 14. In Colorado Revised Statutes, **amend** 11-30-112 as follows:

11-30-112. Capital. The capital of a credit union ~~shall consist~~ CONSISTS of the payments that have been made to it in shares by the several members ~~thereof~~ OF THE CREDIT UNION. The credit union has a lien on the shares and deposits of a member for any sum due to the credit union from ~~said~~ THE member or for any loan endorsed by ~~him~~ THE MEMBER. A credit union may charge an entrance fee and an annual membership fee, but ~~such~~ THE fees ~~shall~~ MUST be uniform to all members.

SECTION 15. In Colorado Revised Statutes, **amend** 11-30-113 as follows:

11-30-113. Minors. Shares may be issued and deposits received in the name of a minor. A member who is a minor ~~shall be entitled to~~ MAY withdraw or pledge any shares owned by ~~him~~ THE MINOR and ~~to receive~~ from the credit union any ~~and all~~ dividends or other ~~moneys~~, MONEY at any time the ~~same become~~ DIVIDENDS OR OTHER MONEY BECOMES due, in the same manner and subject to the same conditions as an adult, and any receipt or acquittance signed by ~~such a~~ THE minor ~~shall constitute~~ CONSTITUTES a valid release and discharge to the credit union for the payment of such ~~moneys~~ MONEY. The board of directors of the credit union may provide in the bylaws of the credit union a minimum age of any minor to be eligible for membership in the credit union and to vote at any meeting of the members.

SECTION 16. In Colorado Revised Statutes, 11-30-120, **amend** (1)(a), (1)(c), and (2) as follows:

11-30-120. Suspension - liquidation - procedures. (1) (a) If it

appears that any credit union is insolvent, or that it has willfully violated any provision of this ~~article~~ ARTICLE 30, or that it is operating in an unsafe or unsound manner, the commissioner may ~~issue his order for~~ ~~such~~ THE credit union to show cause why its operations should not be suspended until ~~such~~ THE insolvency, violation, or manner of operation is rectified and afford the credit union an opportunity for a hearing not less than ten days nor more than twenty days after ~~such~~ THE DATE THE order ~~Such~~ IS ISSUED. THE order ~~shall~~ MUST be in writing and delivered by registered or certified mail. If the credit union fails to answer ~~such~~ THE order, or if any officer or director of or attorney for the credit union fails to appear at the time set for the hearing, the commissioner MAY either ~~may~~ revoke the certificate of incorporation of the credit union or ~~may~~ order the immediate suspension of operations of the credit union, except FOR the collection of payments on outstanding loans or other obligations due TO the credit union, or both, and may enforce ~~any such~~ THE order by an action filed in the district court of the judicial district ~~wherein~~ WHERE the principal office of the credit union is located, seeking to enjoin further operations or to appoint a receiver for ~~such~~ THE credit union.

(c) If the commissioner revokes the charter of the credit union, ~~he~~ THE COMMISSIONER shall appoint a liquidating agent to liquidate the assets of the credit union pursuant to subsection (3) of this section.

(2) Any credit union may be voluntarily dissolved and liquidated upon majority vote of the entire membership ~~thereof~~ OF THE CREDIT UNION at a meeting especially called for ~~the~~ THAT purpose or at the annual meeting where notice of ~~such~~ THE proposed action is mailed to the members at least thirty days ~~prior to such~~ BEFORE THE meeting. In either event, a copy of the notice shall be delivered to the commissioner not less than ten days ~~prior to such~~ BEFORE THE meeting. Any member of a credit union may cast ~~his~~ THE MEMBER'S ballot for or against ~~such~~ THE dissolution and liquidation by mail within twenty days after ~~such~~ THE meeting. If a majority of the members of the credit union vote in favor of dissolution and liquidation, the board of directors, within five days after the close of voting, shall notify the commissioner of ~~such~~ THE action and specify the names and addresses of the directors and officers of the credit union who will conduct the dissolution and liquidation of the credit union. Upon ~~such~~ THE favorable vote, the credit union shall cease to do business except for the collection of payments on outstanding loans or other obligations due TO the credit union.

SECTION 17. In Colorado Revised Statutes, 11-40-105, **amend** (2) as follows:

11-40-105. File annual reports. (2) If ~~any~~ AN association fails to file ~~such~~ A report AS DESCRIBED IN SUBSECTION (1) OF THIS SECTION, or if ~~any such~~ THE report is delayed or withheld beyond the day when the report should be ~~so~~ filed, ~~such~~ THE association shall ~~forfeit and~~ pay the sum of ten dollars for every day ~~such~~ THE report is withheld or delayed or not completed, and any member of any association or any party in interest may maintain an action in ~~his or her~~ THE MEMBER'S OR OTHER PARTY'S own name to receive ~~such~~ THE penalty, and the penalty shall be paid to the state treasurer.

SECTION 18. In Colorado Revised Statutes, **amend** 11-40-109 as follows:

11-40-109. Suits interfering with business of association. ~~No~~ AN order, A judgment, or A decree providing for an accounting of, or enjoining, restraining, or interfering with the transaction of, the business of any savings and loan association organized or doing business under ~~the provisions of~~ articles 40 to 46 of this ~~title~~ TITLE 11 shall NOT be made or granted otherwise than upon the application of the attorney general, after ~~his or her~~ THE ATTORNEY GENERAL'S approval of a written request ~~therefor~~ by the commissioner FOR THE ORDER, JUDGMENT, OR DECREE, except in an action by a judgment creditor or in proceedings supplementary to execution.

SECTION 19. In Colorado Revised Statutes, 11-41-107, **amend** (2) introductory portion and (3) as follows:

11-41-107. Documents deposited with commissioner. (2) Upon receipt of ~~such~~ THE documents DESCRIBED IN SUBSECTION (1) OF THIS SECTION, the commissioner shall immediately examine and investigate ~~into~~ the advisability of issuing a certificate of approval for ~~such~~ THE association, and ~~he~~ THE COMMISSIONER shall issue ~~such~~ A certificate of approval if, upon examination, the commissioner finds:

(3) If the ~~commissioner's finding is adverse to the association in any of the particulars recited in~~ COMMISSIONER FINDS THAT THE ASSOCIATION DOES NOT MEET ANY OF THE REQUIREMENTS OF subsection (2) of this section, ~~he~~ THE COMMISSIONER shall not issue a certificate of approval.

SECTION 20. In Colorado Revised Statutes, **amend** 11-41-108 as follows:

11-41-108. Refusal of certificate - appeal. If the commissioner, after an examination, believes for any reason that a certificate of approval should not be issued and refuses to issue ~~the same, he~~ A CERTIFICATE OF APPROVAL, THE COMMISSIONER shall file a written statement with ~~a board consisting of~~ the governor, the attorney general, and the state treasurer, ~~of the state of Colorado~~ giving in detail ~~his~~ THE COMMISSIONER'S reasons for ~~such~~ THE refusal. After notice to all concerned and after a hearing, ~~said board~~ THE GOVERNOR, ATTORNEY GENERAL, AND STATE TREASURER may order the commissioner to issue the certificate of approval or may approve ~~his~~ THE COMMISSIONER'S action in refusing a certificate of approval.

SECTION 21. In Colorado Revised Statutes, 11-41-109, **amend** (1) introductory portion, (1)(a), (1)(c), and (2) as follows:

11-41-109. Certificate of approval - where articles filed. (1) If the commissioner finds affirmatively for the association upon all the matters set forth in section 11-41-107, ~~he~~ THE COMMISSIONER shall issue a certificate of approval ~~under his hand and seal, executed~~ in duplicate within sixty days ~~thereafter, in~~ AFTER THE FINDING, which ~~shall be recited~~ CERTIFICATE RECITES in substance the following:

(a) That the articles of incorporation and bylaws have been filed in ~~his~~ THE COMMISSIONER'S office;

(c) That ~~he~~ THE COMMISSIONER has approved the ~~same~~ ARTICLES OF INCORPORATION AND BYLAWS.

(2) The commissioner shall attach one of ~~said~~ THE certificates to each copy of the articles of incorporation, ~~and shall~~ retain one copy of the articles of incorporation and bylaws in ~~his~~ THE COMMISSIONER'S office, and return the other copy of the articles and bylaws, with the certificate of approval attached, ~~thereto,~~ to the association. Upon receipt ~~from the commissioner~~ of the articles of incorporation, the association shall file the ~~same~~ ARTICLES OF INCORPORATION with the secretary of state, and certified copies of the articles of incorporation shall be filed by the association in the office of the county clerk and recorder of each county in this state in which ~~said~~ THE association may own real estate. The failure to file a certified copy

in the office of the clerk and recorder of any county in this state ~~shall~~ DOES not affect the validity of the incorporation of any association ~~which~~ THAT has made its filing with the secretary of state and has obtained a certificate of approval. In the event a true copy of ~~such~~ THE articles of incorporation is presented to the secretary of state with the request that the ~~same~~ ARTICLES OF INCORPORATION be certified, ~~he~~ THE SECRETARY OF STATE shall certify the ~~same~~ ARTICLES OF INCORPORATION for a fee ~~which shall be~~ IN AN AMOUNT THAT IS determined and collected pursuant to section 24-21-104 (3). ~~C.R.S., which~~ THE certificate ~~shall~~ MUST contain, in addition to the usual statement, a statement that the ~~same~~ ATTACHED COPY is a true copy of the original articles of incorporation on file in ~~his~~ THE SECRETARY OF STATE'S office and a statement as to the date of the filing of ~~such~~ THE articles of incorporation. When articles of incorporation or amendments ~~thereto~~ TO ARTICLES OF INCORPORATION have been filed in the office of the secretary of state, ~~he~~ THE SECRETARY OF STATE shall record and carefully preserve ~~the same~~ THEM in ~~his~~ THE SECRETARY OF STATE'S office, and a copy ~~thereof~~ OF THE ARTICLES OF INCORPORATION OR AMENDMENTS, duly certified by the secretary of state under the great seal of the state of Colorado, ~~shall be~~ IS evidence of the existence of ~~such~~ THE association and prima facie evidence of the contents of ~~said~~ THE articles of incorporation or ~~such~~ amendments. ~~thereto~~.

SECTION 22. In Colorado Revised Statutes, 11-41-114, **amend** (1) introductory portion and (1)(i)(III) as follows:

11-41-114. How funds invested. (1) ~~Any~~ A savings and loan association may invest any portion of its funds in any of the following:

(i) (III) ~~No~~ AN association organized under the laws of this state shall NOT acquire the capital stock, obligations, or other securities of any ~~such~~ corporation DESCRIBED IN SUBSECTION (1)(i)(I) OF THIS SECTION until ~~there~~ THE CORPORATION has ~~been~~ filed in the office of the commissioner a statement ~~by such corporation~~ agreeing to permit and pay all costs of ~~such~~ ANY examinations or audits of the corporation by the commissioner ~~as he~~ THAT THE COMMISSIONER deems necessary in order to confirm compliance with ~~the provisions of this paragraph~~ (i) SUBSECTION (1)(i).

SECTION 23. In Colorado Revised Statutes, 11-41-117, **amend** (2) as follows:

11-41-117. Insurance of shares. (2) The commissioner, in connection with all such insured associations, shall furnish ~~said~~ THE FEDERAL DEPOSIT insurance corporation with reports of THE ISSUANCE OF examination, orders, and requirements ~~issued in connection therewith~~ RELATING TO INSURED ASSOCIATIONS and other information ~~coming to his~~ THAT COMES TO THE COMMISSIONER'S attention ~~bearing on~~ AND CONCERNS the financial condition and administration ~~and~~ OF INSURED ASSOCIATIONS. THE COMMISSIONER may collaborate with ~~said~~ THE FEDERAL DEPOSIT INSURANCE corporation in any merger, reorganization, dissolution, liquidation, or examination and audit of any ~~such~~ insured association.

SECTION 24. In Colorado Revised Statutes, 11-41-117.5, **amend** (4) as follows:

11-41-117.5. Insurance of obligations. (4) The commissioner or ~~his duly designated representative~~ THE COMMISSIONER'S DESIGNEE may investigate the affairs and examine the books, accounts, records, and files of the insurer at ~~such~~ intervals ~~as~~ THAT the commissioner deems prudent, but not less than once a year, and ~~shall~~ have free access for such purposes. Costs of ~~such~~ investigations and examinations shall be paid by the insurer. If any ~~such~~ investigation or examination reveals that the insurer is not conducting its affairs in accordance with this section or that the insurer is not actuarially sound or is impaired and may be unable to fulfill its obligations, the commissioner may exercise any powers available under article 44 of this ~~title~~ TITLE 11 until ~~such time as~~ compliance is restored or the impairment is terminated.

SECTION 25. In Colorado Revised Statutes, 11-41-119, **amend** (5) as follows:

11-41-119. Loans to members and other loans. (5) (a) ~~Loans~~ A LOAN secured by ~~first lien trust deeds or mortgages~~ A FIRST-LIEN TRUST DEED OR MORTGAGE upon improved real estate shall not be made until:

(I) A signed application for ~~such~~ THE loan has been submitted; ~~nor~~ ~~until~~

(II) A signed appraisal has been submitted; ~~nor until~~ AND

(III) The loan has been approved by the board of directors or by a

committee authorized by the board of directors.

(b) Appraisals may be made by any two of the association's directors, officers, employees, or attorneys or by an independent appraiser who is not a director, officer, employee, or attorney of the association; ~~but no such~~ EXCEPT THAT AN officer, A director, AN employee, or AN attorney shall NOT act as an appraiser ~~nor~~ OR act on any committee approving a loan ~~in which he~~ IF THE OFFICER, DIRECTOR, EMPLOYEE, OR ATTORNEY has an interest ~~either~~ in EITHER the property tendered as security or ~~in~~ the sale of the property.

(c) ~~The association shall furnish to each borrower,~~ Upon the closing of the loan, THE ASSOCIATION SHALL FURNISH TO EACH BORROWER a loan settlement statement ~~indicating~~ THAT INDICATES in detail the charges or fees ~~such~~ THE borrower has paid or obligated ~~himself~~ THE BORROWER to pay to the association or to any other person in connection with ~~such~~ THE loan, and THE ASSOCIATION SHALL RETAIN a copy of ~~such~~ THE statement. ~~shall be retained in the records of the association.~~

SECTION 26. In Colorado Revised Statutes, 11-41-121, **amend** (1.5)(c), (3), (4), and (6); and **repeal** (5) as follows:

11-41-121. Merger, consolidation, and transfer.
(1.5) (c) Whenever a foreign association ~~which~~ THAT meets the criteria established by this subsection (1.5) proposes to merge with a domestic association, the foreign association shall make an application for prior approval to the commissioner in ~~such~~ THE form and with ~~such~~ THE information that the commissioner may require, and ~~such~~ THE application ~~shall~~ MUST be accompanied by a nonrefundable filing fee in ~~such~~ AN amount ~~as~~ determined by the commissioner. Upon receipt of a properly submitted application for merger, the commissioner shall proceed to investigate the application in accordance with ~~the provisions~~ of this section. The commissioner shall not grant approval of the merger until ~~he~~ THE COMMISSIONER is satisfied that the criteria imposed by this section have been met and that the merger is not contrary to the public interest.

(3) Copies of the proposed agreement of merger, signed by the president or vice president of ~~such~~ THE association and verified by ~~his~~ THE PRESIDENT'S OR VICE PRESIDENT'S affidavit and attested by the secretary or assistant secretary ~~thereof~~ OF THE ASSOCIATION, with the seal of the

association ~~thereunto~~ affixed, shall be submitted together with a fee in the amount established by the commissioner to the commissioner for ~~his~~ THE COMMISSIONER'S approval or disapproval, and ~~he~~ THE COMMISSIONER shall cause a certificate of approval or disapproval to be attached to ~~said~~ THE copies of the proposed agreement, one copy to be filed in the division and one returned to each of the associations.

(4) If ~~approved by the commissioner such approved~~ APPROVES AN AGREEMENT OF MERGER, THE agreement shall be presented to the members of each of the merging associations at special meetings called for the purpose of considering and voting upon ~~such approved~~ THE agreement; but, in the case of associations having permanent stock, only the holders of the permanent stock ~~shall be~~ ARE entitled to any notice other than the published notice of ~~such~~ THE special meeting or to vote upon the agreement of merger. The complete agreement of merger, as adopted by the boards of directors and approved by the commissioner, shall be furnished TO each member entitled to vote on ~~such~~ THE merger at the time THAT notice of ~~such~~ THE meetings, as required by section 11-41-123, is given. If at ~~such meetings~~ A MEETING two-thirds of all votes of the members present in person or by proxy and entitled to vote on ~~such~~ THE merger are in favor of ~~such~~ THE approved agreement, the associations may proceed to merge. ~~in accordance therewith~~. The proceedings of ~~such~~ THE meetings shall be submitted to the commissioner for ~~his~~ THE COMMISSIONER'S approval in the same manner as required for the submission of the agreement by the boards of directors. Unless the agreement of merger fixes a later effective date, ~~thereof~~, the effective date of THE merger ~~shall be~~ IS the date upon which the commissioner accepts for filing the certified copies of the proceedings of the meetings of members adopting the approved agreement of merger.

(5) ~~In the event any association involved in a proposed merger is a federal savings and loan association, the commissioner shall transmit to the federal office of thrift supervision or its successor, a copy of the proposed agreement of merger and shall not approve the agreement of merger unless and until he or she has been advised in writing by the federal office of thrift supervision or its successor that said office has no objection to the agreement.~~

(6) (a) ~~No such~~ A transfer ~~shall~~ DOES NOT:

(1) Prejudice the right of any creditor of any ~~such~~ association to have

payment of ~~his~~ THE CREDITOR'S debt out of the assets and property thereof; ~~nor shall any creditor be thereby deprived of or prejudiced~~ OF THE ASSOCIATION; OR

(II) DEPRIVE ANY CREDITOR OF, OR CREATE ANY PREJUDICE AGAINST ANY CREDITOR in, any right of action then existing against the officers or directors of ~~said~~ AN association for any neglect or misconduct. ~~and the~~

(b) A reorganized association ~~shall be~~ IS liable for all obligations to members of the associations existing prior to ~~such~~ A consolidation.

SECTION 27. In Colorado Revised Statutes, 11-41-123, **amend** (2), (4), and (5) as follows:

11-41-123. Directors and meetings. (2) Public notice of the time and place of holding ~~such~~ elections DESCRIBED IN SUBSECTION (1) OF THIS SECTION and also of all special meetings of the members shall be published at least once, not more than thirty days nor less than ten days ~~prior to~~ BEFORE the date ~~fixed for said~~ OF EACH meeting, in a newspaper of general circulation printed in the county where the principal office of ~~said~~ THE corporation is located, and, if there is no such newspaper, then in a newspaper printed in an adjoining county, and, with respect to any special meeting or any annual meeting to be held at a time or place other than as specified in the articles of incorporation or bylaws of the association, by delivering personally to each member or depositing in the post office at least thirty days before ~~such~~ THE meeting a copy of ~~said~~ THE notice, addressed to each member entitled to vote, ~~thereat, with~~ INCLUDING the signature of the president or secretary, ~~printed thereon;~~ stating the time and, in case of special meetings, the objects of ~~said~~ THE meeting. ~~and no~~ Business shall NOT be transacted at any special meeting except ~~such as shall be~~ BUSINESS THAT IS mentioned in ~~said~~ THE notice. If any member fails to furnish the secretary with ~~his~~ THE MEMBER'S correct post-office address, ~~he shall~~ THE MEMBER IS not ~~be~~ entitled to separate notice.

(4) Members who are entitled to vote may vote either in person or by proxy at ~~such~~ meetings. Any number of members present in person or by proxy at a regular or special meeting of the members ~~shall constitute~~ CONSTITUTES a quorum unless otherwise specifically provided in articles 40 to 46 of this ~~title~~ TITLE 11. If a majority of the votes represented at any annual or special meeting are in favor of adjournment, ~~such~~ THE meeting

may be adjourned for a period not to exceed sixty days at one adjournment. Each member entitled to vote ~~shall be permitted to~~ MAY cast, in person or by proxy, one vote for each one hundred dollars, or fraction thereof, of the total certificate value of all ~~his~~ THE MEMBER'S shares and stock. A borrowing member holding a membership certificate ~~shall be permitted~~ MAY, as a borrower, ~~to~~ cast one vote and has such voting right in all cases where articles 40 to 46 of this ~~title~~ TITLE 11 give such right to shareholders.

(5) A majority of all votes cast at any meeting of members ~~shall determine~~ DETERMINES any question unless otherwise specifically provided. The members who are entitled to vote at any meeting of the members shall be those of record on the books of the association at the end of the calendar month next preceding the date of the meeting of members, except those who have ceased to be members. In balloting for directors, members may vote for as many directors as are to be elected, or, in case the certificate of incorporation of the association permits cumulative voting, each member may cumulate ~~his~~ THE MEMBER'S votes and give one candidate as many votes as the number of directors multiplied by the number of ~~his~~ THE MEMBER'S votes or distribute them on the same principle among as many candidates as ~~he~~ THE MEMBER may desire, and the person having the highest number of votes in consecutive order ~~shall be declared~~ IS elected. By the unanimous vote of all the members represented at ~~such~~ THE meeting, the secretary of the meeting may be authorized and instructed to cast one ballot for one or more of all the directors to be elected.

SECTION 28. In Colorado Revised Statutes, **amend** 11-41-126 as follows:

11-41-126. Bonds of officers. Every officer, employee, and agent handling or having custody or charge of funds or securities belonging to a savings and loan association, before entering upon the discharge of ~~his~~ THE OFFICER'S, EMPLOYEE'S, OR AGENT'S duties, shall give a good and sufficient bond in ~~such~~ THE sum ~~as may be~~ fixed by the board of directors of any such association. ~~Such~~ THE bond ~~shall~~ MUST be in ~~such~~ THE form and provide ~~such~~ coverage as the commissioner may direct and ~~shall~~ MUST be made by a surety corporation authorized to do business in this state. The amount of ~~such~~ THE bond as to each person ~~shall be~~ IS subject to the approval of the commissioner. In lieu of individual bonds, a blanket bond covering all active officers, agents, and employees of ~~such~~ AN association may be executed, subject to approval by the commissioner. Every ~~such~~ bond ~~shall~~

be IS in force until ten days after notice IS PROVIDED to ~~such~~ THE commissioner that the ~~same~~ BOND is to be canceled.

SECTION 29. In Colorado Revised Statutes, **amend** 11-41-128 as follows:

11-41-128. Acknowledgments. ~~No~~ A notary public or other public officer qualified to take acknowledgments or proof of written instruments shall NOT be disqualified from taking the acknowledgment or proof of an instrument in writing in which a savings and loan association is interested by reason of ~~his~~ THE NOTARY PUBLIC'S OR OTHER PUBLIC OFFICER'S employment by, or ~~his~~ THE NOTARY PUBLIC OR OTHER PUBLIC OFFICER being a member or officer of, the savings and loan association interested in ~~such~~ THE instrument.

SECTION 30. In Colorado Revised Statutes, 11-41-129, **amend** (4) as follows:

11-41-129. Amendment of articles of incorporation. (4) A certificate setting forth ~~such~~ AN amendment and the adoption ~~thereof~~ OF THE AMENDMENT, signed by the president or vice president of ~~such~~ THE association, verified by ~~his~~ THE PRESIDENT'S OR VICE PRESIDENT'S affidavit, and attested by the secretary or assistant secretary ~~thereof~~ OF THE ASSOCIATION, with the seal of the association ~~thereunto~~ affixed, shall be submitted ~~together~~ TO THE COMMISSIONER with ~~the~~ A fee IN AN AMOUNT established by the commissioner. ~~to the commissioner for his approval or disapproval, and; If he~~ THE COMMISSIONER approves ~~he~~ THE PROPOSED AMENDMENT, THE COMMISSIONER shall ~~cause~~ ATTACH a certificate of approval ~~to be attached to said~~ THE proposed amendment, and then the ~~same~~ AMENDMENT shall be filed in the same manner as THE articles of incorporation. ~~and~~ Thereafter, ~~said~~ THE amendment ~~shall be~~ IS in full force and effect, ~~to the same extent~~, except as provided in section 11-41-130.5, as if the ~~same~~ AMENDMENT had been included in the original articles of incorporation. ~~No~~ AN amendment to the articles of incorporation shall NOT be filed in the office of the secretary of state ~~of the state of Colorado~~ or received by the secretary of state unless a certificate of approval by the commissioner is attached ~~thereto~~ TO THE AMENDMENT.

SECTION 31. In Colorado Revised Statutes, 11-41-130, **amend** (1), (2), and (6) as follows:

11-41-130. Reorganization. (1) The board of directors of ~~any~~ AN association ~~at a meeting called for that purpose~~; may adopt a plan of reorganization of the association AT A MEETING CALLED FOR THAT PURPOSE. Two copies of the proposed plan of reorganization, signed by the president or vice president of ~~such~~ THE association, verified by ~~his~~ THE PRESIDENT'S OR VICE PRESIDENT'S affidavit, and attested by the secretary or assistant secretary ~~thereof~~ OF THE ASSOCIATION, with the seal of the association ~~thereunto~~ affixed, shall be submitted to the commissioner for ~~his~~ THE COMMISSIONER'S approval, ~~or disapproval~~; and ~~he~~ THE COMMISSIONER shall ~~cause~~ ATTACH a certificate of approval or disapproval ~~to be attached to said~~ THE proposed plan, one copy to be filed in the division and one returned to the association. If A PLAN IS approved by the commissioner, ~~such approved plan~~ IT shall be presented to the members at a special meeting called for the purpose of considering and voting upon ~~such approved~~ THE plan. The complete plan of reorganization, as adopted by the board of directors and approved by the commissioner, shall be furnished TO each member at the time notice of ~~such~~ THE meeting IS GIVEN, as required by section 11-41-123. ~~is given~~. If at ~~such~~ THE meeting two-thirds of all votes of the members present in person or by proxy are in favor of ~~such~~ THE approved plan, the association may proceed to reorganize. ~~in accordance therewith~~.

(2) The proceedings of ~~such~~ A meeting TO APPROVE A REORGANIZATION PLAN shall be submitted to the commissioner for ~~his~~ THE COMMISSIONER'S approval in the same manner as required for the submission of the plan by the board of directors. Unless the plan of reorganization fixes a later effective date, ~~thereof~~; the effective date of reorganization ~~shall be~~ IS the date upon which the commissioner accepts for filing the certified copies of the proceedings of the meetings of members adopting the approved plan of reorganization.

(6) The reorganization of ~~such~~ AN association ~~shall~~ DOES not prejudice the right of any creditor of ~~any such~~ THE association to have payment of ~~his~~ THE CREDITOR'S debt out of the assets and property ~~thereof~~ OF THE ASSOCIATION, nor ~~shall~~ DOES THE REORGANIZATION OF AN ASSOCIATION DEPRIVE any creditor ~~be thereby deprived~~ of, or ~~prejudiced~~ PREJUDICE ANY CREDITOR in, any right of action then existing against the officers or directors of ~~said~~ THE association for any neglect or misconduct. All obligations to any ~~such~~ prior association ~~shall~~ inure to the benefit of the reorganized association and ~~shall be~~ ARE enforceable by it and in its name, and demands, claims, and rights of action against any ~~such~~ PRIOR

association may be enforced against it as fully and completely as they might have been enforced ~~theretofore~~, and BEFORE THE ASSOCIATION'S REORGANIZATION. All deeds, notes, mortgages, contracts, judgments, transactions, and proceedings whatsoever ~~theretofore~~ made, received, entered into, carried on, or done by ~~such~~ AN association before ~~such~~ ITS reorganization ~~shall be as~~ ARE good, valid, and effectual in law as though ~~such~~ THE association had never been reorganized.

SECTION 32. In Colorado Revised Statutes, 11-41-130.5, amend (1), (3)(a)(I), and (3)(b) as follows:

11-41-130.5. Cessation of business as an association - amendment of articles. (1) Notwithstanding any provision of this ~~article~~ ARTICLE 41 to the contrary, in connection with the sale of all or a substantial part of its assets, the board of directors of any savings and loan association may propose an amendment to its articles of incorporation to amend the objects and purposes to conform to those authorized in the "Colorado Business Corporation Act", articles 101 to 117 of title 7, ~~C.R.S.~~, and to make ~~such~~ other amendments authorized by and not inconsistent with ~~the provisions of~~ article 110 of title 7. ~~C.R.S.~~ ~~Such~~ Proposed amendments shall be submitted to the members or, if the savings and loan association has permanent stock, to the stockholders of ~~said~~ THE association for their approval. Upon approval, ~~said~~ PROPOSED amendments shall be submitted to the commissioner, ~~together~~ with a plan pursuant to subsection (2) of this section, for ~~his~~ THE COMMISSIONER'S approval.

(3) (a) The commissioner shall approve a plan only if:

(I) ~~He~~ THE COMMISSIONER determines that an association has paid or has made provision through an assumption agreement or otherwise for its known and unclaimed liabilities to its depositors and account holders;

(b) In approving a plan, the commissioner may impose ~~such~~ terms and conditions as ~~he~~ THE COMMISSIONER deems necessary to protect the depositors, account holders, stockholders, members, and creditors of the savings and loan association.

SECTION 33. In Colorado Revised Statutes, 11-41-131, amend (1), (3), and (4) as follows:

11-41-131. Dissolution. (1) ~~Any~~ A domestic association may elect to abandon its certificate of authority, liquidate its affairs, and dissolve as provided in this section. The affirmative vote of at least a majority of the BOARD OF directors must be cast in favor of ~~such proposal~~ A PROPOSED DISSOLUTION at a special meeting ~~thereof~~ OF THE BOARD. A certified copy of ~~such action shall~~ THE VOTE MUST be furnished to the commissioner, who shall ~~forthwith~~ PROMPTLY examine ~~said~~ THE association, and, if ~~he~~ THE COMMISSIONER determines that ~~such~~ THE association is solvent and that it is ~~to~~ IN the best interests of the members that ~~such~~ liquidation be accomplished ~~in the manner provided in~~ ACCORDING TO this section, ~~he~~ THE COMMISSIONER shall certify ~~his~~ THE COMMISSIONER'S approval ~~thereto~~. ~~Upon the granting of such~~ OF THE LIQUIDATION. AFTER THE COMMISSIONER'S approval, a special meeting of all members entitled to vote shall be called ~~in the manner provided by~~ PURSUANT TO section 11-41-123. If a majority vote of all such members of the association is cast in favor of the proposal to liquidate and ultimately dissolve ~~such~~ THE association under ~~the provisions of~~ this section, ~~such~~ THE proposal ~~shall be~~ IS deemed adopted. A certified copy of all proceedings taken prior to and at ~~such~~ THE meeting shall be filed with the commissioner, who shall determine whether ~~or not such~~ THE proceedings have been conducted in accordance with law. If the commissioner finds that ~~such~~ THE proceedings are legal and proper, ~~he~~ THE COMMISSIONER shall certify ~~his~~ THE COMMISSIONER'S approval ~~thereon~~ OF THE PROCEEDINGS and authorize ~~said~~ THE association to proceed with the liquidation in the manner provided in this section.

(3) ~~The association;~~ During the liquidation of ~~the~~ ITS assets, ~~of the~~ AN association ~~shall be~~ IS subject to the supervision of the commissioner and shall pay ~~such~~ THE fees and assessments ~~as are provided for~~ REQUIRED in articles 40 to 46 of this ~~title~~ TITLE 11 in the case of active associations and shall report the progress of ~~such~~ THE liquidation to the commissioner as ~~he~~ THE COMMISSIONER may require. Upon completion of liquidation, a final report and accounting of the affairs of the association shall be made to the commissioner. Upon the approval of ~~such~~ THE report by the commissioner, the board of directors, without the necessity of further action by the members of the association, shall proceed to dissolve ~~such~~ THE association in the manner provided by law in the case of general corporations.

(4) Nothing in this section ~~shall prejudice the rights~~ PREJUDICES THE RIGHT of the commissioner to take possession of any association under the

authority vested in ~~him~~ THE COMMISSIONER by ~~the provisions of~~ section 11-44-110, upon determining that ~~such~~ THE procedure is ~~to~~ IN the best interest of the members.

SECTION 34. In Colorado Revised Statutes, 11-41-132, **amend** (3) as follows:

11-41-132. Escheat proceedings. (3) After thirty days from the date of the last publication, the commissioner shall pay to the state treasurer any ~~such~~ liquidating dividends in ~~his~~ THE COMMISSIONER'S possession, less the costs of publication and mailing, and shall file with the state treasurer the affidavit of publication by the publisher and the affidavit of mailing by the commissioner, showing the dates of ~~such~~ THE publications and mailing. The state shall be answerable for ~~such funds~~ THE MONEY, without interest, anytime within twenty-one years after the ~~same have~~ MONEY HAS been paid into the treasury, to ~~such persons as shall be~~ THAT ARE legally entitled ~~thereto~~ TO THE MONEY. After ~~the lapse of~~ twenty-one years from the time ~~any such moneys have~~ THE MONEY HAS been paid into the state treasury, IF no claim ~~therefor having~~ FOR THE MONEY HAS been made and established by any person entitled ~~thereto, said moneys shall become~~ TO THE MONEY, THE MONEY BECOMES the property of the state and shall be transferred to the general fund.

SECTION 35. In Colorado Revised Statutes, 11-41-133, **amend** (3) introductory portion and (6)(c) as follows:

11-41-133. Acquisition of majority control over an existing association - definitions. (3) After receipt of an application, the commissioner shall make an investigation and shall issue the certificate of approval only after ~~he~~ THE COMMISSIONER has determined:

(6) (c) ~~Whenever~~ IF a foreign association ~~which~~ THAT meets the criteria established by this subsection (6) proposes to acquire control of a domestic association, the foreign association shall make an application for prior approval to the commissioner in ~~such~~ THE form and ~~with such~~ INCLUDING ANY information that the commissioner ~~shall require~~ REQUIRES, and ~~such~~ THE application ~~shall~~ MUST be accompanied by a nonrefundable filing fee in ~~such~~ AN amount ~~as~~ determined by the commissioner. Upon receipt of a properly submitted application to acquire control of a domestic association, the commissioner shall proceed to investigate the application

in accordance with ~~the provisions of~~ this section. The commissioner shall not grant approval of the merger until ~~he~~ THE COMMISSIONER is satisfied that the criteria imposed by this section have been met and that the acquisition is not contrary to the public interest.

SECTION 36. In Colorado Revised Statutes, 11-42-108, **amend** (1) as follows:

11-42-108. Assessment to restore impaired permanent stock. (1) Stockholders, after their stock has been fully paid, are not liable to creditors or for assessments upon their stock issued on or after July 1, 1981, except as provided by this section. If the commissioner, as a result of any examination or from any report made to ~~him~~ THE COMMISSIONER, finds that the permanent stock of ~~any~~ AN association is impaired, ~~he~~ THE COMMISSIONER shall notify the association that ~~such~~ THE impairment exists. In the event the amount of the impairment, as determined by the commissioner, is questioned by the association, then, upon application filed within ten days, the value of the assets in question shall be determined by appraisals made by independent appraisers acceptable to the commissioner and the association.

SECTION 37. In Colorado Revised Statutes, 11-42-109, **amend** (1) as follows:

11-42-109. Sale of delinquent stock. (1) If ~~any~~ A stockholder refuses or neglects to pay the assessment specified in ~~such~~ A notice PROVIDED PURSUANT TO SECTION 11-42-108 (2) within sixty days ~~from~~ AFTER the date of mailing, the directors of ~~such~~ THE association ~~shall have the right to~~ MAY sell to the highest bidder at public auction any part or all of the stock necessary to pay the assessment of ~~such~~ THE stockholder, after giving a previous notice of ~~such~~ THE sale for ten days in a newspaper of general circulation published in the county where the principal office of ~~such~~ THE association ~~in this state~~ is located. ~~and~~ A copy of ~~such~~ THE notice of sale shall also be served on ~~such~~ THE stockholder by mailing a copy of the notice to ~~his~~ THE STOCKHOLDER'S last known address ten days before the day fixed for ~~such~~ THE sale. ~~or such~~ THE stock may ALSO be sold at a private sale ~~and~~ without public notice; ~~but~~ EXCEPT THAT, before making ~~such~~ A private sale, ~~thereof~~, THE BOARD OF DIRECTORS SHALL OBTAIN an offer in writing ~~shall first be obtained~~ and SERVE a copy ~~thereof served~~ OF THE OFFER upon the owner of record of the stock ~~to be sold~~ by mailing a

copy of ~~such~~ THE offer to ~~his~~ THE OWNER'S last known address. ~~and~~; If, after service of ~~such~~ THE offer, ~~such~~ THE owner still refuses or neglects to pay ~~such~~ THE assessment ~~within~~ FOR thirty days, ~~from the time of the service of such offer~~; the directors may accept the offer and sell ~~such~~ THE stock to the person making ~~such~~ THE offer or to any other person making ~~a larger~~ AN offer ~~than the~~ IN A LARGER amount. ~~named in the offer submitted to the stockholder, but such stock in no event shall be sold~~ THE BOARD OF DIRECTORS SHALL NOT SELL THE STOCK for less than the amount of ~~such~~ THE assessment ~~so called for~~ and the expense of the sale.

SECTION 38. In Colorado Revised Statutes, 11-42-112, **amend** (2) and (3) as follows:

11-42-112. Requirements for sale of permanent stock. (2) If ~~he~~ THE COMMISSIONER finds that the proposed issue ~~is such as~~ OF STOCK will not mislead the public as to the nature of the investment or will not work a fraud upon the purchaser ~~thereof~~ OF THE STOCK, the commissioner shall issue to the association a permit authorizing it to issue and dispose of its stock in ~~such~~ THE amounts ~~as~~ PROVIDED BY the commissioner ~~may in such permit provide~~ IN THE PERMIT; otherwise, ~~he~~ THE COMMISSIONER shall deny the application and notify the association in writing of ~~his~~ THE COMMISSIONER'S decision.

(3) Every permit ~~shall recite~~ MUST STATE in bold type that the issuance ~~thereof~~ OF THE PERMIT is permissive only and does not constitute a recommendation or endorsement of the stock permitted to be issued. The commissioner may ~~impose conditions requiring~~ REQUIRE the impoundment of the proceeds from the sale of ~~such~~ stock, ~~and limiting~~ LIMIT the expense in connection with the sale ~~thereof~~ OF STOCK, and ~~such~~ IMPOSE ANY other conditions as ~~he may deem~~ THE COMMISSIONER DEEMS reasonable and necessary or advisable to ~~insure the disposition of~~ ENSURE THAT the proceeds from the sale of ~~such~~ stock ARE DISPOSED in the manner and for the purposes provided in ~~such~~ THE permit. The commissioner ~~from time to time~~ may amend, alter, or revoke any permit issued by ~~him~~ THE COMMISSIONER or temporarily suspend the rights of ~~such~~ AN association under ~~such~~ ITS permit. The commissioner ~~has the power to~~ MAY establish ~~such rules and regulations as may be~~ THAT ARE reasonable or necessary to carry out ~~the purposes and provisions of~~ this section.

SECTION 39. In Colorado Revised Statutes, 11-42-115, **amend** (1)

as follows:

11-42-115. Power to issue shares to minors or in trust. (1) ~~Every~~ AN association ~~has the power to~~ MAY issue stock or shares to a minor of any age ~~and either sex~~ and receive payments ~~thereon~~ ON THE STOCK OR SHARES from, by, or for the minor. ~~He shall be entitled to~~ A MINOR MAY withdraw, transfer, or pledge any ~~such~~ shares owned by ~~him~~ THE MINOR and ~~to receive~~ from ~~such~~ THE association any dividends or other ~~moneys at any time becoming~~ MONEY THAT BECOMES due ~~thereon~~ ON THE SHARES in the same manner and subject to the same conditions as an adult, and ~~his~~ THE MINOR'S receipt or acquittance ~~therefor shall constitute~~ OF SUCH MONEY CONSTITUTES a valid release and discharge to the association for the payment of ~~such moneys~~ THE MONEY. The dealing of an association with a minor ~~shall have~~ HAS the same effect upon the association's liability as if the minor were of full legal capacity ~~until his~~ UNLESS THE MINOR'S guardian or conservator files with the association a certified copy of the order of a Colorado court having jurisdiction appointing the guardian or conservator and directing otherwise.

SECTION 40. In Colorado Revised Statutes, **amend** 11-42-123 as follows:

11-42-123. Matured shares. If, at the time shares in a savings and loan association have matured, the association has withdrawal notices on file to such an extent that the funds of the association, applicable to withdrawals, are not sufficient to pay ~~off~~ all shareholders desiring to withdraw, as well as shares ~~which~~ THAT have matured and are unpaid, and the holder of the matured shares desires to withdraw, ~~he~~ THE HOLDER OF THE MATURED SHARES shall file a notice of intention to withdraw. ~~and~~ Thereafter, ~~be~~ THE HOLDER OF THE MATURED SHARES IS subject to all the rights and liabilities of articles 40 to 46 of this ~~title~~ TITLE 11 governing withdrawing shareholders; except that ~~he shall be~~ THE HOLDER OF THE MATURED SHARES IS entitled to the full amount of any dividends declared on like shares during the time ~~he~~ THE HOLDER OF THE MATURED SHARES has a withdrawal notice on file on THE same.

SECTION 41. In Colorado Revised Statutes, 11-44-102, **amend** (3) as follows:

11-44-102. Commissioner - duties - employees. (3) The deputy

commissioner, the secretary, and all other employees of the division ~~shall be~~ ARE under the direct supervision of the commissioner. ~~who shall have full power and control over such employees.~~ Neither the commissioner nor any officer or employee of the division ~~shall be~~ IS personally liable for any ~~acts done~~ ACT PERFORMED in good faith IF THE COMMISSIONER, OFFICER, OR EMPLOYEE PERFORMED THE ACT while in the performance of ~~his~~ THE COMMISSIONER'S, OFFICER'S, OR EMPLOYEE'S duties as prescribed by law.

SECTION 42. In Colorado Revised Statutes, **amend** 11-44-103 as follows:

11-44-103. Powers of commissioner. The commissioner has general supervision and control over all domestic and foreign savings and loan associations doing business in this state and ~~has full power to~~ MAY grant, refuse, or revoke a permit or license to any association to do business in this state when ~~such~~ THE association is not conducting its business in conformity with the laws of the state or is conducting its business in ~~such~~ an unsafe manner ~~as to render~~ THAT RENDERS its further operations hazardous to the public or any of ~~its~~ THE ASSOCIATION'S shareholders. All articles of incorporation and amendments ~~thereto~~ TO THE ARTICLES, all bylaws and amendments ~~thereto~~ TO THE BYLAWS, and all certificates of stock and shares of associations subject to articles 40 to 46 of this ~~title~~ TITLE 11 shall be submitted to ~~said~~ THE commissioner for ~~his~~ THE COMMISSIONER'S approval or disapproval, and ~~said~~ THE commissioner ~~has the authority to~~ MAY approve, modify, or reject any ~~such~~ articles of incorporation or amendments, ~~thereto~~, bylaws or amendments, ~~thereto~~, and OR certificates of stock or shares. The commissioner ~~has full power and authority to~~ MAY prescribe all necessary and proper rules ~~and regulations~~ for the conduct and operation of savings and loan associations in this state and shall prescribe the manner in which the books and records of associations doing business in this state ~~shall be~~ ARE kept.

SECTION 43. In Colorado Revised Statutes, **amend** 11-44-103.5 as follows:

11-44-103.5. Record retention by the commissioner. The commissioner shall retain records pursuant to part 1 of article 80 of title 24 ~~C.R.S.~~, and may, in ~~his or her~~ THE COMMISSIONER'S discretion, destroy records pursuant to said part 1.

SECTION 44. In Colorado Revised Statutes, **amend** 11-44-104 as follows:

11-44-104. Commissioner may delegate powers. The commissioner may delegate such of ~~his~~ THE COMMISSIONER'S powers and authority to ~~his~~ THE COMMISSIONER'S deputies as ~~he may deem~~ THE COMMISSIONER DEEMS necessary for proper administration of the division and may designate appropriate titles for ~~his~~ THE COMMISSIONER'S deputies and any of ~~his~~ THE COMMISSIONER'S employees. Any ~~such~~ delegation or designation ~~made~~ may be rescinded by the commissioner at any time. ~~All~~ WRITTEN RECORDS OF such actions shall be ~~in writing and of record~~ RETAINED in the files of the division. The acts of deputies ~~performing such~~ WHO HAVE delegated powers and authority ~~shall be of~~ HAVE the same legal effect as if THE ACTS WERE performed personally by the commissioner.

SECTION 45. In Colorado Revised Statutes, **amend** 11-44-105 as follows:

11-44-105. Commissioner may institute suits. The commissioner shall report to the attorney general, and ~~he~~ THE ATTORNEY GENERAL shall institute and prosecute suits and actions to enjoin violations of articles 40 to 46 of this ~~title~~ TITLE 11 or violations of orders or decisions of the commissioner rendered pursuant to said articles and to enforce any civil penalties provided by said articles. The commissioner shall notify the proper district attorney of any violation of ~~the provisions of~~ articles 40 to 46 of this ~~title which~~ TITLE 11 THAT constitutes a felony or misdemeanor, and ~~such~~ THE district attorney shall ~~forthwith~~ PROMPTLY prosecute the person charged with ~~such~~ THE offense. Upon THE failure or refusal of the district attorney to ~~so~~ prosecute, ~~it shall be the duty of the attorney general to conduct such~~ prosecution SHALL PROSECUTE THE MATTER.

SECTION 46. In Colorado Revised Statutes, **amend** 11-44-106 as follows:

11-44-106. Issuance of subpoenas. (1) The commissioner ~~has the~~ power to MAY:

(a) Issue subpoenas and require attendance of any ~~and all officers, directors, agents, salesmen, collectors, and employees~~ OFFICER, DIRECTOR, AGENT, SALESPERSON, COLLECTOR, OR EMPLOYEE of any association and

~~such~~ ANY other witnesses ~~as he~~ THAT THE COMMISSIONER may deem necessary in relation to ~~its~~ THE ASSOCIATION'S affairs, transactions, and conditions; ~~and may~~

(b) Require ~~such~~ witnesses to ~~appear and~~ answer ~~such~~ questions as THAT THE COMMISSIONER may be put to them; ~~by the commissioner~~; and ~~may~~

(c) Require ~~such~~ witnesses to produce ~~such~~ books, papers, or documents in their possession. ~~as may be required by the commissioner~~.

(2) Upon application of the commissioner, any person served with a subpoena issued by ~~him~~ THE COMMISSIONER may be required, by order of the district court of the county where the association has its principal office, to:

(a) Appear and answer ~~such~~ questions as THAT THE COMMISSIONER may be put to ~~him by the commissioner~~ THE PERSON; and ~~be required to~~

(b) Produce ~~such~~ books, papers, or documents in ~~his~~ THE PERSON'S possession ~~as may be required by~~ THAT the commissioner MAY REQUIRE.

SECTION 47. In Colorado Revised Statutes, 11-44-106.5, **amend** (2)(b) as follows:

11-44-106.5. Suspension or removal of directors, officers, or employees - penalty. (2)(b) If the commissioner determines that a specific case involves extraordinary circumstances ~~which~~ THAT require immediate action, ~~he~~ THE COMMISSIONER may suspend or remove a person under subsection (1) of this section without notice or a hearing, but ~~he~~ THE COMMISSIONER shall conduct a hearing under section 24-4-105 ~~C.R.S.~~; within thirty days after ~~such~~ THE suspension or removal.

SECTION 48. In Colorado Revised Statutes, 11-44-109, **amend** (1), (1.5), (2), (3), and (4) as follows:

11-44-109. Examination by commissioner - procedure - penalty. (1) ~~The commissioner, in person or by his deputy or one or more of his or her employees~~; At such intervals as the commissioner ~~shall determine~~ DETERMINES to be necessary or desirable in order to ascertain that each

association is conducting its business in a safe and authorized manner, THE COMMISSIONER OR THE COMMISSIONER'S DEPUTY OR EMPLOYEE shall visit the home office and ~~such~~ branch offices ~~as~~ THAT the commissioner deems necessary and examine ~~into~~ the affairs of every domestic association doing business in this state. The commissioner's deputy or ~~any~~ employee, ~~of the commissioner, before being entitled to make~~ BEFORE MAKING such AN examination, shall produce ~~under the hand~~ A DOCUMENT THAT INCLUDES THE SIGNATURE and seal of the commissioner ~~his or her~~ AND A STATEMENT CONCERNING THE COMMISSIONER'S authority to make ~~such~~ THE examination. The commissioner ~~and his~~ OR THE COMMISSIONER'S deputy ~~have the power to~~ MAY administer oaths and ~~to~~ examine under oath any director, officer, employee, or agent of any association concerning the business and affairs ~~thereof~~ OF THE ASSOCIATION. If the association has neither been audited by a registered or certified public accountant, in ~~such~~ THE manner and by auditors satisfactory to the commissioner, within the twelve-month period immediately preceding the date of ~~such~~ THE examination or within the period that has elapsed since ~~such~~ THE last ~~preceding~~ examination, whichever is greater, nor adopted and maintained an internal audit program acceptable to the federal deposit insurance corporation or its successor and the division, the examination by the division ~~shall~~ MUST include an audit. The cost, as computed by the division, of ~~any such~~ THE audit shall be paid by the association audited; except that ~~there shall be no charge by~~ the division SHALL NOT CHARGE for making an audit when ~~such~~ THE audit has been made by reason of collaboration as provided in section 11-41-117.

(1.5) In lieu of making ~~his or her~~ THE COMMISSIONER'S own examination, the commissioner may accept the examination report prepared by ~~the federal office of thrift supervision or its successor or other~~ AN appropriate FEDERAL regulatory authority.

(2) When, in the judgment of the commissioner, the condition of ~~any~~ AN association renders it necessary or expedient to make an extra examination or ~~to~~ devote any ~~such~~ extraordinary attention to ~~its~~ THE ASSOCIATION'S affairs, the commissioner ~~has authority to~~ MAY make any extra examinations and ~~to~~ devote any necessary extra attention to the conduct of ~~its~~ THE ASSOCIATION'S affairs and may cause a registered or certified public accountant, appointed by the commissioner, to make an audit or examination of ~~such~~ THE association's business and affairs. In any such case, the association shall pay a reasonable fee based on actual cost to be affixed by the commissioner for all ~~such~~ extra services rendered by the

division or by ~~such~~ THE accountant. A copy of the commissioner's report on each examination must be furnished to the association examined, and each director must note ~~thereon~~ ON THE REPORT that ~~he~~ THE DIRECTOR has read the ~~same~~ REPORT.

(3) The commissioner or ~~his~~ THE COMMISSIONER'S deputy shall annually examine ~~into~~ the affairs of every foreign association doing business in this state, and for every such examination made outside this state, a reasonable expense and the actual traveling expenses incurred shall be paid by the association ~~so~~ examined. If the commissioner deems it necessary, ~~he~~ THE COMMISSIONER may cause a public accountant, appointed by the commissioner, to make an audit or examination of ~~such~~ THE association's business and affairs, and, in any such case, ~~such~~ THE association shall pay a reasonable price to be fixed by the commissioner for ~~such~~ THE extra services rendered by ~~such~~ THE accountant. ~~Should IF any~~ A foreign association ~~fail~~ FAILS to pay the costs incurred in ~~any such~~ THE examination, ~~such~~ THE costs shall be paid by the state treasurer upon the order of the commissioner, and the amount ~~so~~ paid ~~shall be~~ BECOMES a first lien upon all the assets and property of ~~such~~ THE association and may be recovered by suit by the attorney general on behalf of the state of Colorado and restored to the fund from which THE COSTS WERE paid.

(4) For the purpose of the examinations provided for in this section, the commissioner and ~~his~~ THE COMMISSIONER'S deputy or any other person authorized by ~~him~~ THE COMMISSIONER to make the examination:

(a) Has free access to all books and papers of the association ~~which~~ THAT relate to its business and to the books and papers kept by any officer, agent, or employee relating ~~thereto~~ TO THE ASSOCIATION or upon which any record of its business is kept; ~~and~~

(b) May summon witnesses and administer oaths or affirmations in the examination of the directors, officers, agents, or employees of any ~~such~~ association or any other person in relation to ~~its~~ AN ASSOCIATION'S affairs, transactions, and conditions; ~~He~~ AND

(c) May require and compel the production of records, books, papers, contracts, or other documents by court action if necessary.

SECTION 49. In Colorado Revised Statutes, 11-44-110, **amend**

(1), (2), and (4)(e) as follows:

11-44-110. Power to take possession of association. (1) If the commissioner ~~as the result of any examination or from any report made to him,~~ finds that ~~any~~ AN association doing business in this state is violating ~~the provisions of its articles of incorporation or bylaws or of the laws of this state provided for its~~ THE ASSOCIATION'S government, or is conducting its business in an unsafe or unauthorized manner, ~~by an~~ THE COMMISSIONER MAY order ~~addressed to such~~ THE association ~~he may direct a discontinuance of such~~ TO DISCONTINUE THE violations or unsafe or unauthorized practices. ~~and a conformity with all the requirements of law.~~

(2) If ~~such~~ AN association refuses or neglects to comply with ~~such~~ AN order OF THE COMMISSIONER within the time specified ~~therein~~ IN THE ORDER, or if it appears to the commissioner that ~~any~~ AN association is in an unsafe condition or is conducting its business in an unsafe manner ~~such as to render~~ THAT RENDERS its further proceedings hazardous to the public or to any of ~~its~~ THE ASSOCIATION'S members, or if ~~he~~ THE COMMISSIONER finds that ~~its~~ THE ASSOCIATION'S assets are impaired to such an extent that it threatens loss to the withdrawable shares, or if ~~any~~ AN association refuses to submit its books, papers, and accounts to the inspection of the commissioner or any of ~~his~~ THE COMMISSIONER'S examiners, ~~his deputy~~ DEPUTIES, or ~~his~~ assistants, or if any officer refuses to be examined ~~upon~~ UNDER oath concerning the affairs of ~~such~~ THE OFFICER'S association, then the commissioner may revoke the certificate of authority of ~~such~~ THE association, which ~~shall act~~ REVOCATION SERVES as an injunction against the association issuing any new shares or stock, making any new loans, transferring any shares or stock, or making any change in its managerial or directorial personnel during the time ~~such~~ THE revocation is in effect.

(4) (e) If a conservator is appointed, and THE CONSERVATOR is other than the federal deposit insurance corporation ~~the office of thrift supervision or its successors,~~ or an employee of the division of financial services, the conservator and any assistants shall provide a bond, payable to the association and executed by a surety company authorized to do business in this state, which SURETY COMPANY meets with the approval of the financial services board, for the faithful discharge of ~~their~~ ITS duties in connection with ~~such~~ THE conservatorship and the accounting for all ~~moneys~~ MONEY coming into ~~their hands~~ ITS POSSESSION. The cost of ~~such~~ THE bond shall be paid from the assets of the association. Suit may be

maintained on ~~such~~ THE bond by any person injured by a breach of the conditions ~~thereof~~ OF THE BOND. This requirement ~~may be deemed~~ IS met if the financial services board determines that the association's fidelity bond covers the conservator and any assistants.

SECTION 50. In Colorado Revised Statutes, 11-44-113, **amend** (1) and (3) as follows:

11-44-113. Procedure under court order. (1) The commissioner may retain possession of ~~any~~ A savings and loan association for the purpose of liquidating its affairs, but before doing so, ~~he~~ THE COMMISSIONER shall furnish a bond, executed by ~~some~~ A surety company authorized to do business in this state and running to the people of the state of Colorado, in a penal sum equal to the value of the negotiable assets of the association, as nearly as may be determined, for the faithful discharge of ~~his~~ THE COMMISSIONER'S duties in connection with liquidating the affairs of the association and accounting for all ~~moneys~~ MONEY coming into ~~his hands~~: ~~Such~~ THE COMMISSIONER'S POSSESSION. THE bond ~~shall~~ MUST be approved by the governor and ~~be~~ filed in the office of the secretary of state. The cost of ~~such~~ THE bond shall be paid from the assets of the association. Suits may be maintained on ~~such~~ THE bond by any person injured by a breach of the conditions ~~thereof~~ OF THE BOND.

(3) If the commissioner is in possession of the business, property, and assets of ~~any~~ AN association, regardless of whether ~~or not he~~ THE COMMISSIONER is liquidating the affairs of ~~such~~ THE association, the commissioner ~~in his discretion~~, may apply to the district court of the county in which the principal office ~~in this state~~ of ~~such~~ THE association is located for an order confirming any action taken by the commissioner or authorizing the commissioner to do any act or to execute any instrument not expressly authorized by articles 40 to 46 of this ~~title~~ TITLE 11, which order shall be made after a hearing, on such notice as the court shall prescribe. ~~He~~ THE COMMISSIONER may pay and discharge any secured claims against ~~such~~ THE association, and, within six months after taking ~~such~~ possession ~~he~~ OF THE ASSOCIATION, THE COMMISSIONER may disaffirm any executory contracts, including leases, to which ~~such~~ THE association is a party and disaffirm any partially executed contracts, including leases, to the extent that they remain executory.

SECTION 51. In Colorado Revised Statutes, **amend** 11-44-115 as

follows:

11-44-115. Officers to furnish schedule of property. (1) Upon taking possession of the property, business, and assets of ~~any~~ AN association, the commissioner shall require the president and secretary of ~~such~~ THE association to:

(a) Make a schedule of all ~~its~~ OF THE ASSOCIATION'S property and assets and ~~of~~ all collateral held by it THE ASSOCIATION as security for loans; ~~and to make~~

(b) STATE UNDER oath that ~~such~~ THE schedule sets forth all ~~such~~ property, assets, and collateral ~~which such~~ THAT THE association owns or to which it is entitled; and ~~to~~

(c) Deliver ~~such~~ TO THE COMMISSIONER THE schedule and the possession of all ~~such~~ property and collateral ~~as may not have~~ THAT HAS NOT been ~~so~~ previously delivered to the commissioner. ~~who~~

(2) THE COMMISSIONER may examine ~~under oath such~~ THE president and secretary, the other officers of ~~such~~ THE association, or the directors, agents, or employees ~~thereof~~ UNDER OATH at any time to determine whether ~~or not~~ all the property, assets, and collateral ~~which such~~ THAT THE association owns or to which it is entitled have been transferred and delivered ~~into his possession~~ TO THE COMMISSIONER.

SECTION 52. In Colorado Revised Statutes, 11-44-116, **amend** (1), (3), (5), (6), (7), (8), and (11) as follows:

11-44-116. Liquidation powers of commissioner. (1) In liquidating the affairs of an association, the commissioner ~~has the power to~~ MAY:

(a) Collect all ~~moneys~~ MONEY due to and all claims of ~~such~~ THE association and give full receipt ~~therefor; to~~ FOR THE MONEY AND CLAIMS;

(b) Release or reconvey all real or personal property pledged, hypothecated, or transferred in trust as security for loans; ~~to~~

(c) Approve and pay all just and equitable claims; ~~to~~

(d) Commence and prosecute all actions and proceedings necessary to enforce liquidations; ~~to~~

(e) Compound bad or doubtful debts and ~~to~~ compound and settle with any debtor or creditor of ~~such~~ THE association or with the persons having possession of its property or being in any way responsible at law or in equity to ~~such~~ THE association, upon such terms and conditions and in such manner as ~~he~~ THE COMMISSIONER deems just and beneficial to ~~such~~ THE association;

(f) In case of mutual dealings between the association and any person, ~~to~~ allow just setoffs in favor of such ~~persons~~ A PERSON in all cases in which ~~the same ought to~~ JUST SETOFFS SHOULD be allowed according to law and equity;

(g) In case of borrowers holding shares of the association pledged to the association as security for ~~said~~ A loan, ~~to~~ allow the amount paid in on ~~said~~ THE shares, together with all dividends legally declared ~~thereon~~ ON THE SHARES, to be set off against the amount due on ~~said~~ THE loan; and ~~to~~

(h) Sell, convey, and transfer real and personal property.

(3) For the purpose of executing and performing any of the powers and duties conferred upon ~~him~~ THE COMMISSIONER, the commissioner, in the name of ~~such~~ AN association or in ~~his~~ THE COMMISSIONER'S own name, may:

(a) Prosecute and defend any ~~and all suits and other legal proceedings~~ SUIT OR OTHER LEGAL PROCEEDING; and

(b) ~~in the name of such association or in his own name, as commissioner, may~~ Execute, acknowledge, and deliver any deeds, assignments, releases, and other instruments necessary and proper to effectuate any sale of real or personal property or other transaction in connection with the liquidation of ~~such~~ THE association. Any deed, assignment, release, or other instrument executed pursuant to ~~the authority given shall be~~ THIS SUBSECTION (3)(b) IS valid and effectual for all purposes as ~~though the same had been~~ IF IT WERE executed by the officers of ~~such~~ THE association by authority of its board of directors.

(5) Upon determining to liquidate an association, the commissioner shall ~~cause~~ REQUIRE an inventory of all the assets of ~~such~~ THE association to be made in duplicate, the original to be filed with the court and the duplicate in the office of the commissioner. ~~He~~ THE COMMISSIONER shall cause due notice to be given, by publication once a week for four successive weeks in ~~some~~ A newspaper of general circulation published at or near the principal place of business of ~~such~~ THE association in this state, to all persons having claims against it THE ASSOCIATION as creditors, ~~or~~ investors, or otherwise, to present and file ~~same~~ THE CLAIMS and make legal proof ~~thereof~~ OF THEM at a place and within a time to be designated in ~~such~~ THE publication, which time ~~shall~~ MUST be not less than two months after ~~such~~ THE first publication. Within ten days after ~~such~~ THE first publication, ~~he~~ THE COMMISSIONER shall cause a copy of ~~such~~ THE notice to be mailed to all persons whose names appear of record upon ~~its~~ THE ASSOCIATION'S books as creditors or investors. ~~and~~; Upon the expiration of the time fixed for the presentation of claims, the commissioner shall prepare or cause to be prepared in duplicate a full and complete schedule of all claims presented, specifying by classes those that have been approved and those that have been disapproved, and shall file the original with the court and the duplicate in the office of the commissioner. Not later than five days after ~~the time of filing such~~ THE schedule with the court, THE COMMISSIONER SHALL MAIL written notice ~~shall be mailed~~ to all claimants whose claims have been rejected.

(6) Action to enforce the payment of any rejected claim must be brought and ~~service had~~ PROCESS SERVED within four months after the date of filing of the schedule of claims with the proper court; otherwise, all such actions ~~shall be forever~~ ARE barred. All claims of creditors, investors, or other persons against the association or against any property owned or held by it THE ASSOCIATION must be presented to the commissioner in writing AND verified by the claimant or someone ~~in his~~ ACTING ON THE CLAIMANT'S behalf within the TIME period ~~limited~~ FIXED in the notice ~~mentioned~~ DESCRIBED in subsection (5) of this section for the presentation of claims. ~~and~~ Any claims not ~~so~~ presented ~~shall be forever~~ ARE barred; ~~but the claim of~~ EXCEPT THAT any investor ~~appearing~~ WHO MAKES A CLAIM THAT APPEARS upon the books of the association as a valid claim AND IS presented after the expiration of the time fixed in ~~said~~ THE notice ~~shall be entitled to~~ MAY share in any dividends declared subsequent to the presentation of ~~such~~ THE claim.

(7) (a) The commissioner ~~under his hand and official seal~~ may:

(I) Appoint one or more special deputies to assist in the duties of liquidation and distribution under ~~his~~ THE COMMISSIONER'S direction; ~~and may also~~

(II) Employ ~~such special~~ legal counsel, accountants, and assistants as ~~may be needful and requisite~~ NECESSARY; and

(III) Fix the salaries and compensation to be allowed and paid to ~~each, all to be in a reasonable and commensurate sum~~ SPECIAL DEPUTIES, LEGAL COUNSEL, ACCOUNTANTS, AND ASSISTANTS.

(b) All ~~such~~ salaries, ~~and~~ compensation, and ~~such~~ other reasonable and necessary expenses ~~as may be~~ incurred in the liquidation OF AN ASSOCIATION shall be paid by the commissioner from the funds of ~~such~~ THE association. ~~in his hands.~~

(8) From the net realization of ~~such~~ AN ASSOCIATION'S assets in excess of ~~such~~ salaries, compensation, and expenses, the commissioner shall first pay all approved claims other than to investors, and thereafter ~~he~~ THE COMMISSIONER shall distribute and pay dividends in liquidation to the shareholders and investors in the association, other than holders of permanent stock, until ~~their~~ THE SHAREHOLDERS' AND INVESTORS' claims are fully paid or ~~such~~ THE assets or funds are exhausted. ~~Such~~ Distributions shall be made as funds are available, ~~therefor,~~ to the extent of ten percent or more of the approved claims of the class of claimants then entitled to distribution, and shall continue until all the assets have been realized upon and a final dividend in liquidation is declared and paid.

(11) Whenever, in case of ~~any~~ AN association ~~which~~ THAT has issued permanent stock, the commissioner has fully liquidated all claims other than claims of ~~such~~ THE stockholders and has made due provision for any and all known or unclaimed liabilities, excepting claims of permanent stockholders, and has paid all expenses of liquidation, ~~he~~ THE COMMISSIONER shall call a meeting of the stockholders of ~~said savings and loan~~ THE association by giving notice ~~thereof~~ OF THE MEETING for thirty days in one or more newspapers published in the county in which the principal office of the association is located. At ~~such~~ THE meeting, the commissioner shall deliver to ~~such~~ THE stockholders all the property and effects of ~~said~~ THE association remaining in ~~his~~ THE COMMISSIONER'S possession, except its records, which THE COMMISSIONER shall ~~be retained by him as part of the records of his~~

~~office, and, upon~~ RETAIN. AFTER such transfer and delivery, ~~he shall be~~ THE COMMISSIONER IS discharged from any ~~and all~~ further liability to ~~said~~ THE association or its creditors, and ~~thereupon~~ the association ~~shall be~~ IS in the same position ~~as though it~~ THAT IT WOULD BE IN IF IT had never been authorized to transact a savings and loan business.

SECTION 53. In Colorado Revised Statutes, **amend** 11-44-117 as follows:

11-44-117. Setoffs. Credits on loan shares of all persons indebted to any savings and loan association in the possession of the commissioner, whether ~~such~~ THE indebtedness is due or to become due, shall be applied by ~~him~~ THE COMMISSIONER on account of ~~such~~ THE indebtedness.

SECTION 54. In Colorado Revised Statutes, **amend** 11-44-118 as follows:

11-44-118. Commissioner and deputy not to accept gifts. Neither the commissioner nor ~~his~~ THE COMMISSIONER'S deputy shall receive or accept any bribe, gratuity, or reward from any person or association for any purpose ~~whatever~~ or knowingly and willfully make any false or fraudulent report of the condition of any association for any purpose. ~~whatsoever.~~ One or more of the directors of ~~any~~ AN association may be present at ~~any~~ AN examination of the affairs ~~thereof~~ OF AN ASSOCIATION, but the absence of any or all of the officers or directors ~~shall~~ DOES not ~~operate to~~ prevent the commissioner or ~~his~~ THE COMMISSIONER'S deputy from proceeding with ~~such~~ AN examination.

SECTION 55. In Colorado Revised Statutes, 11-44-120, **amend** (1) as follows:

11-44-120. Records of commissioner. (1) The commissioner shall maintain annually revised summaries disclosing:

(a) The names of the officers and directors of all savings and loan associations doing business in the state ~~of Colorado~~ during the preceding year;

(b) The financial condition of ~~such~~ THE savings and loan associations, ~~together with~~ INCLUDING a statement of the assets, liabilities,

and reserves of the associations; and

(c) ~~Such~~ ANY other information concerning the ~~same~~ SAVINGS AND LOAN ASSOCIATIONS as ~~he may see~~ THE COMMISSIONER DEEMS fit TO INCLUDE.

SECTION 56. In Colorado Revised Statutes, **amend** 11-46-106 as follows:

11-46-106. Effect of lessee's death or incompetence. ~~Where~~ IF a lessor, without written notice or actual knowledge of the death or of a determination of legal incompetence of the lessee, deals with ~~said~~ THE lessee or ~~his~~ THE LESSEE'S agent pursuant to a written power of attorney signed by ~~such~~ THE lessee, the transaction binds the lessor and the estate of the lessee.

SECTION 57. In Colorado Revised Statutes, 11-46-108, **amend** (1) introductory portion and (1)(a) as follows:

11-46-108. Adverse claims to contents of safe deposit box. (1) A lessor shall not deny access to a safe deposit box to ~~its~~ A lessee unless the LESSEE'S claim ~~of said lessee~~ is adverse within the terms of this section. A claim ~~shall be considered~~ IS adverse when:

(a) The lessor is directed to deny ~~such~~ access by a court order issued in an action in which the lessee is served with process and named as a party by a name ~~which~~ THAT identified ~~him~~ THE LESSEE with the name in which the safe deposit box is leased; or

SECTION 58. In Colorado Revised Statutes, 11-49-101, **amend** (4), (6), (7), (8), and (10) as follows:

11-49-101. Definitions. As used in this article 49, unless the context otherwise requires:

(4) "Entrance fee" means the total of any initial or deferred transfer to or for the benefit of a provider, ~~of a sum of money or other property~~ WHICH TRANSFER:

(a) IS made or promised to be made as full or partial consideration

for the acceptance or maintenance of a specified individual as a resident in a facility; and

(b) IS IN THE FORM OF:

(I) PROPERTY; OR

(II) A SUM OF MONEY IN AN AMOUNT THAT IS GREATER THAN FOUR TIMES THE AMOUNT OF A REGULAR PERIODIC CHARGE UNDER A LIFE CARE CONTRACT AT THE FACILITY.

(6) "Life care" means care provided, pursuant to a life care contract, for the life of an aged person, including but not limited to services such as OCCUPANCY OF A LIVING UNIT, health care, NUTRITION ASSISTANCE, medical services, ~~board, lodging, or other necessities~~ AND NURSING SERVICES WITHIN A LIVING UNIT.

(7) "Life care contract" means a written contract to provide life care to a person for the duration of the person's life conditioned upon the transfer of an entrance fee to the provider of the services in addition to or in lieu of the payment of regular periodic charges for the care and services involved. ~~Any~~ A life care contract UNDER WHICH THE ENTRANCE FEE IS payable to or for the provider in four or more installments ~~shall be~~ IS subject to the provisions of the "Uniform Consumer Credit Code", articles 1 to 9 of title 5.

(8) "Living unit" means a room, apartment, or other area THAT IS within a facility AND set aside for the ~~exclusive use or control~~ of one or more identified residents AND WITHIN WHICH LIFE CARE IS PROVIDED BY THE PROVIDER. A RESIDENT'S LIVING UNIT MAY CHANGE BASED ON THE APPROPRIATE CARE NEEDS OF THE RESIDENT.

(10) (a) "Provider" means a person who undertakes to provide services in a facility pursuant to a life care contract.

(b) "PROVIDER" DOES NOT INCLUDE A UNIT OWNERS' ASSOCIATION, AS DEFINED IN SECTION 38-33.3-103 (3).

SECTION 59. In Colorado Revised Statutes, 11-49-102, **amend** (1) introductory portion as follows:

11-49-102. Escrow account for entrance fees. (1) Each provider shall establish an escrow account that provides that all of any entrance fee received by the provider prior to the date the resident is permitted to occupy ~~his or her~~ THE RESIDENT'S living unit in the facility be placed in escrow with a bank, trust company, or other licensed corporate escrow agent located in Colorado and approved by the commissioner, subject to the condition that the ~~funds~~ MONEY may be released only as follows:

SECTION 60. In Colorado Revised Statutes, 11-49-103, **amend** (1) as follows:

11-49-103. Withdrawal or dismissal of person - refund. (1) If ~~the~~ AN agreement permits withdrawal or dismissal of ~~the~~ A resident from ~~the~~ A life care institution prior to the expiration of the agreement, with or without cause, an amount equal to the difference between the amount paid in and the amount used for the care of the resident during the time ~~he or she~~ THE RESIDENT remained in the institution, based upon the per capita cost to the institution as determined in a manner acceptable to the commissioner, shall be refunded to the resident; but in cases where a consideration greater than the minimum charge has been paid for accommodations above standard, a sum equal to the difference between the amount paid in and the ratio of the amount paid to the minimum consideration for standard accommodations times the current per capita cost to the institution applied to the period the resident remained in the institution shall be refunded to the resident. If the per capita cost to the institution during the period cannot be established otherwise, the cost during the period ~~shall be~~ IS deemed to be the cost at the time of the withdrawal or dismissal. AS USED IN THIS SECTION, for refund purposes, "cost" ~~shall include~~ INCLUDES a reasonable profit to the provider.

SECTION 61. In Colorado Revised Statutes, 11-41-112, **amend** (1)(l) and (1)(m) as follows:

11-41-112. Powers of savings and loan associations. (1) Savings and loan associations have the following powers:

(l) To act as a trustee, custodian, or manager, or in any other fiduciary capacity to the same extent authorized and permitted ~~from time to time~~ by the laws and regulations applicable to federal savings and loan associations in Colorado, and, upon specific approval by the commissioner, ~~by permission granted such federal associations by the federal office of~~

~~thrift supervision or its successor, including specifically, but without limitation, the power to act as the trustee, custodian, or manager of any trust created or organized in the United States and forming a part of a stock bonus, pension, profit-sharing, or retirement plan that is qualified for specific tax treatment under the provisions of the federal "Self-Employed Individuals Tax Retirement Act of 1962", 26 U.S.C. SEC. 401 ET SEQ., as from time to time amended or supplemented, or under the provisions of any other act of congress enacted after June 2, 1971, as a substitute or replacement for the federal "Self-Employed Individuals Tax Retirement Act of 1962" or under the provisions of the federal "Employee Retirement Income Security Act of 1974", 29 U.S.C. sec. 1001 et seq., as from time to time amended or supplemented. The association managing funds of any such plan, trust, or fund shall have HAS, to the extent applicable to federal savings and loan associations in Colorado, all of the rights, powers, privileges, and immunities and shall be IS subject to the same obligations and duties as an individual fiduciary under like circumstances with power to make investments. All funds held in such fiduciary capacity by any association may be commingled for appropriate purposes of investment, but individual records shall be kept by the fiduciary for each participant and shall MUST show in proper detail all transactions engaged in under the authority of this paragraph (†) SUBSECTION (1)(1). An association acting as a trustee may control accounts in or securities of such AN association pursuant to the exercise of its authority as a trustee. The exercise by an association of any authority vested in it shall DOES not affect any other authority of such THE association.~~

(m) To ESTABLISH, subject to the regulations of the ~~United States~~ FEDERAL treasury department, ~~and the federal office of thrift supervision or its successor, establish~~ a tax and loan account and serve as a depository for federal taxes or as a treasury tax and loan depository, and to satisfy any ASSOCIATED requirement; ~~in connection therewith;~~

SECTION 62. In Colorado Revised Statutes, 11-41-113, **amend** (1) as follows:

11-41-113. Federal home loan bank membership. (1) Any savings and loan association organized and incorporated under the laws of this state as a savings and loan association that is eligible to become a member of the federal home loan bank, in accordance with ~~the provisions of the act of congress known and cited as the "Federal Home Loan Bank~~

Act", 12 U.S.C. sec. 1421 et seq., ~~approved July 22, 1932~~ AS AMENDED, is authorized to subscribe for stock of the federal home loan bank for the district in which it is located and to invest its funds in such stock for the purpose and to the extent required and permitted by ~~the provisions of the~~ "Federal Home Loan Bank Act", 12 U.S.C. sec. 1421 et seq., ~~or any amendment thereto~~ AS AMENDED, and is further authorized to furnish to ~~the federal office of thrift supervision or its successor and to the federal home loan bank~~ reports of examinations of ~~such~~ associations made by the commissioner, and is further authorized to consent to an examination to be made by the ~~federal office of thrift supervision or its successor or the federal home loan bank~~, and is further authorized to do all other things as may be required by the "Federal Home Loan Bank Act", 12 U.S.C. sec. 1421 et seq., ~~or any amendment thereto~~ AS AMENDED, necessary to obtain and to continue membership in the federal home loan bank and to obtain advances ~~therefrom~~ FROM THE FEDERAL HOME LOAN BANK or that may be incidental to acquiring or holding membership and to obtaining advances ~~therefrom~~ FROM THE FEDERAL HOME LOAN BANK, and is authorized to assume all the duties, obligations, responsibilities, and liabilities and become entitled to all the benefits provided in the "Federal Home Loan Bank Act", 12 U.S.C. sec. 1421 et seq., AS AMENDED.

SECTION 63. In Colorado Revised Statutes, 11-42-111, **amend** (14) as follows:

11-42-111. Reserves and distribution of earnings. (14) Notwithstanding any ~~other~~ provision of the Colorado "Savings and Loan Association Law", ~~article 40~~ ARTICLES 40 TO 46 of this ~~title~~ TITLE 11, any association may distribute earnings on its shares on ~~such~~ other dates, on ~~such~~ other bases, and in accordance with ~~such~~ other terms and conditions as may ~~from time to time~~ be authorized by regulations made by the ~~federal office of thrift supervision or its successor or the federal deposit insurance corporation or its successor~~ for federal savings and loan associations when ~~such~~ THE regulations are approved by the commissioner.

SECTION 64. In Colorado Revised Statutes, 11-44-107, **amend** (1)(c) and (1)(f) as follows:

11-44-107. Confidentiality. (1) Neither the commissioner, the commissioner's deputy, nor any other person appointed by the commissioner shall divulge any information acquired in the discharge of the person's

duties; except that:

(c) The commissioner may furnish information as to the condition of a savings and loan association to ~~the federal office of thrift supervision or its successors~~, a federal home loan bank, the savings and loan departments of other states, an insurer authorized to insure obligations or accounts pursuant to articles 40 to 47 of this ~~title~~ TITLE 11, the executive director of the department of regulatory agencies, ~~or~~ AND the division of banking;

(f) Notwithstanding any provision contained in this ~~article~~ ARTICLE 44 to the contrary, the commissioner, the commissioner's deputies, or other persons appointed by the commissioner may disclose any information in the records of the division ~~of financial services~~ or acquired in the discharge of the person's duties ~~that is available from the federal office of thrift supervision or its successors or~~ IF the disclosure of ~~which~~ THE INFORMATION has been specifically authorized by the board of directors of the association to which ~~such~~ THE information relates. Nothing in this section shall be construed to authorize the board of directors of an association to waive any privileges that belong solely to the financial services board ~~OR TO~~ the division ~~of financial services~~, or its employees.

SECTION 65. In Colorado Revised Statutes, 11-45-101, **amend** (1) introductory portion and (1)(c) as follows:

11-45-101. Conversion into federal association. (1) Any savings and loan association or other home-financing organization, by whatever name or style it may be designated, ~~which~~ THAT is eligible to become a federal savings and loan association may convert itself into a federal savings and loan association by the following procedure:

(c) Within a reasonable time and without any unnecessary delay after the adjournment of ~~such~~ THE meeting of shareholders, the association shall take ~~such~~ ANY action ~~as~~ THAT may be necessary to make it a federal savings and loan association. ~~and, within ten days after receipt of the federal charter, there shall be filed in the office or division of this state having supervision of such association a copy of said charter issued to such association by the office of thrift supervision or its successor or a certificate showing the organization of such association as a federal savings and loan association certified by, or on behalf of, the office of thrift supervision or~~

~~its successor. Upon the filing of such instrument, such association shall cease to be a state association and shall thereafter be a federal savings and loan association.~~

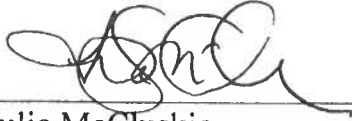
SECTION 66. In Colorado Revised Statutes, 11-45-103, **amend** (1) as follows:

11-45-103. Conversion into state association. (1) Any federal savings and loan association may convert itself into an association under articles 40 to 46 of this ~~title~~ TITLE 11 by the majority vote of all members present in person or by proxy at an annual meeting or at any special meeting called to consider ~~such~~ THE action. Copies of the minutes of the proceedings of ~~such~~ THE meeting of members, verified by the affidavit of the secretary or an assistant secretary, shall be filed in the office of the commissioner ~~and mailed to the office of thrift supervision, or its successor,~~ within ten days after ~~such~~ THE meeting. ~~Such~~ THE verified copies of the proceedings of the meeting when ~~so~~ filed ~~shall be~~ ARE prima facie evidence of the holding and action of ~~such~~ THE meeting.

SECTION 67. Act subject to petition - effective date - applicability. (1) This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) This act applies to the operations of the division of financial services, the commissioner of financial services, the financial services board, credit unions, savings and loan associations, and life care institutions on or after the applicable effective date of this act, including the imposition

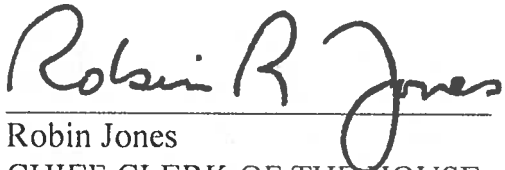
of fines by the commissioner of financial services against a person who violates a cease-and-desist order or a suspension or removal order.



Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES



Steve Fenberg
PRESIDENT OF
THE SENATE

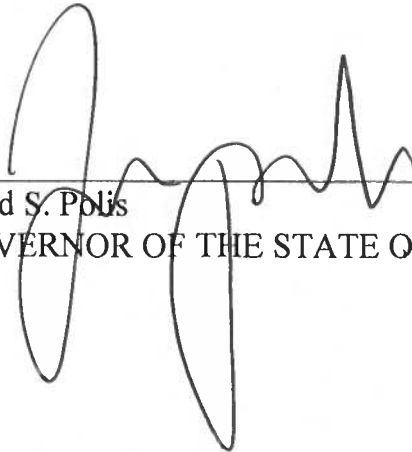


Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES



Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED Monday June 3rd 2024 at 1:00 pm
(Date and Time)



Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO