

CHAPTER 353

**FINANCIAL INSTITUTIONS**

**HOUSE BILL 14-1398**

BY REPRESENTATIVE(S) Singer, Becker, Duran, Ginal, Hamner, Hullinghorst, Labuda, Lebsack, McCann, Melton, Moreno, Rosenthal, Williams, Ferrandino, Fields, Fischer, Kagan; also SENATOR(S) Steadman and Balmer, Guzman, Schwartz.

**AN ACT**

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

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

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

**ARTICLE 33  
Marijuana Financial Services Cooperatives**

**11-33-101. Short title.** THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS THE "MARIJUANA FINANCIAL SERVICES COOPERATIVES ACT".

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

(a) FINDS THAT:

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

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

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

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

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

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

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

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

**11-33-103. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

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

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

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

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

(5) "MEMBER" MEANS A LICENSED MARIJUANA BUSINESS, INDUSTRIAL HEMP BUSINESS, OR AN ENTITY THAT PROVIDES GOODS OR SERVICES TO A LICENSED MARIJUANA BUSINESS AND THAT PROVIDES DOCUMENTATION TO THE CO-OP OF AN INABILITY TO GET COMPARABLE SERVICES FROM A BANK OR CREDIT UNION, ACTING THROUGH ONE OR MORE OF ITS CURRENT PARTNERS, EXECUTIVE OFFICERS, OR DIRECTORS.

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

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

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

BE PERPETUAL.

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

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

(c) THE PROPOSED BYLAWS MUST SET FORTH:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2)(a) CO-OP MEMBERSHIP IS LIMITED TO ONLY ENTITIES THAT OWN, OPERATE, OR ARE LICENSED MARIJUANA BUSINESSES IN GOOD STANDING WITH THE EXECUTIVE DIRECTOR OF THE STATE LICENSING AUTHORITY CREATED IN SECTION 12-43.3-201, C.R.S., INDUSTRIAL HEMP BUSINESSES, AND ENTITIES THAT PROVIDE GOODS OR SERVICES TO LICENSED MARIJUANA BUSINESSES AND THAT PROVIDE DOCUMENTATION TO THE CO-OP OF AN INABILITY TO GET COMPARABLE SERVICES FROM A BANK OR CREDIT UNION.

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

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

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

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

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

(A) SUBJECT TO SEIZURE BY THE FEDERAL GOVERNMENT;

(B) NOT FEDERALLY INSURED;

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

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

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

(I) ON ITS WEB SITE;

(II) IN EACH ADVERTISEMENT OR OFFER OF SERVICES;

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

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

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

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

(b) MAKE LOANS TO ITS MEMBERS;

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

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

(e) INVEST IN ANY OF THE FOLLOWING:

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

(II) OBLIGATIONS OF ANY STATE OR TERRITORY OF THE UNITED STATES, OR OF ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF, EXCEPT REVENUE OBLIGATIONS ISSUED TO PROVIDE, ENLARGE, OR IMPROVE ELECTRIC POWER, GAS,

WATER, OR SEWER FACILITIES, OR ANY COMBINATION THEREOF, ISSUED BY ANY CITY OR TOWN, OR OTHER SIMILAR MUNICIPAL CORPORATION HAVING A POPULATION OF FEWER THAN FIVE THOUSAND PERSONS, AS DETERMINED BY THE LATEST FEDERAL DECENNIAL CENSUS; AND

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

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

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

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

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

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

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

(b) SHALL USE:

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

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

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

(2) (a) A CO-OP ORGANIZED IN ACCORDANCE WITH THIS ARTICLE HAS THE EXCLUSIVE RIGHT TO USE THE PHRASES "CANNABIS CREDIT COOPERATIVE", "MARIJUANA CREDIT COOPERATIVE", "CANNABIS CREDIT CO-OP", "MARIJUANA CREDIT CO-OP", "CANNABIS FINANCIAL SERVICES COOPERATIVE", "MARIJUANA

FINANCIAL SERVICES COOPERATIVE", "CANNABIS FINANCIAL SERVICES CO-OP", AND "MARIJUANA FINANCIAL SERVICES CO-OP" IN ITS NAME, TITLE, AND ADVERTISEMENTS OR OFFERS OF SERVICES; BUT AN ASSOCIATION COMPOSED OF CO-OPS TRANSACTING BUSINESS IN THIS STATE MAY USE THOSE PHRASES IN ITS NAME, TITLE, AND ADVERTISEMENTS OR OFFERS OF SERVICES.

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

**11-33-109. Examinations - reports - powers of commissioner - rules - fund created.** (1) (a) CANNABIS CREDIT CO-OPS ARE UNDER THE SUPERVISION OF THE COMMISSIONER. THE COMMISSIONER SHALL EXAMINE EVERY CO-OP AT LEAST ONCE DURING ANY SIX-MONTH PERIOD. THE COMMISSIONER SHALL ASSESS EACH CO-OP AN AMOUNT TO COVER THE EXPENSES OF THE DIVISION ATTRIBUTABLE TO THE SUPERVISION OF CO-OPS. THE COMMISSIONER SHALL DETERMINE THE AMOUNT ASSESSED ACCORDING TO A SCHEDULE OR SCHEDULES OR ANY OTHER METHOD ESTABLISHED BY THE COMMISSIONER TO BE APPROPRIATE, BUT THE ASSESSMENT MUST BE AT THE SAME RATE FOR ALL CO-OPS. THE COMMISSIONER MAY WAIVE THE PAYMENT OF ALL OR A PORTION OF THE ASSESSMENT WITH RESPECT TO A YEAR IN WHICH A CHARTER IS ISSUED OR CANCELLED OR IN WHICH A FINAL DISTRIBUTION IS MADE IN LIQUIDATION.

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

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

(A) REVENUES APPROPRIATED TO THE FUND; AND

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

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

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

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

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

(5) THE COMMISSIONER MAY CHARGE OFF THE WHOLE OR ANY PART OF ANY ASSET OF ANY CO-OP THAT COULD NOT BE LAWFULLY ACQUIRED BY IT AND TO REDUCE THE VALUE OF ANY ASSET OF A CO-OP TO ITS MARKET VALUE OR TO A REASONABLE VALUE, IF NO MARKET VALUE CAN BE ESTABLISHED. IF THE LOSSES OF A CO-OP EXCEED ITS UNDIVIDED EARNINGS AND RESERVE FUNDS SO THAT THE REASONABLE VALUE OF ITS ASSETS IS LESS THAN THE TOTAL AMOUNT DUE THE SHAREHOLDERS, THE COMMISSIONER MAY ORDER A REDUCTION IN THE LIABILITY TO EACH SHAREHOLDER, DIVIDING THE LOSS PROPORTIONATELY AMONG ALL SHAREHOLDERS. ANY REDUCTION FROM EACH SHARE ACCOUNT MUST BE A SPECIFIED PERCENTAGE SUFFICIENT TO CORRECT THE IMPAIRED CONDITION AND PRESERVE THE SOLVENCY OF THE CO-OP. IF THEREAFTER THE CO-OP REALIZES FROM THE ASSETS A GREATER AMOUNT THAN THAT FIXED BY THE ORDER OF REDUCTION, THE COMMISSIONER SHALL DIVIDE THE EXCESS PROPORTIONATELY AMONG THE SHAREHOLDERS TO WHOM LIABILITY WAS PREVIOUSLY REDUCED, BUT ONLY TO THE EXTENT OF THE REDUCTION.

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

(7) THE COMMISSIONER MAY ISSUE CEASE-AND-DESIST ORDERS IF THE COMMISSIONER DETERMINES FROM COMPETENT AND SUBSTANTIAL EVIDENCE THAT A CO-OP IS ENGAGED OR HAS ENGAGED, OR WHEN THE COMMISSIONER HAS REASONABLE CAUSE TO BELIEVE THE CO-OP IS ABOUT TO ENGAGE, IN AN UNSAFE OR UNSOUND PRACTICE OR IS VIOLATING OR HAS VIOLATED, OR WHEN THE COMMISSIONER HAS REASONABLE CAUSE TO BELIEVE THE CO-OP IS ABOUT TO

VIOLATE, A MATERIAL PROVISION OF ANY LAW OR RULE OR ANY CONDITION IMPOSED IN WRITING BY THE COMMISSIONER OR ANY WRITTEN AGREEMENT MADE WITH THE COMMISSIONER.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) IN EXTRAORDINARY CIRCUMSTANCES, UPON ORDER OF THE COMMISSIONER,

A REHEARING CONDUCTED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2) IS EXEMPT FROM ANY PROVISION OF LAW REQUIRING THAT PROCEEDINGS OF THE COMMISSIONER BE CONDUCTED PUBLICLY. EXTRAORDINARY CIRCUMSTANCES OCCUR WHEN SPECIFIC CONCERN ARISES ABOUT PROMPT WITHDRAWAL OF MONEYS FROM A CO-OP.

(3) IN DETERMINING THE AMOUNT OF THE CIVIL FINE TO BE ASSESSED, THE COMMISSIONER SHALL CONSIDER THE GOOD FAITH OF THE PERSON ASSESSED, THE GRAVITY OF THE VIOLATION, ANY PREVIOUS VIOLATIONS BY THE PERSON ASSESSED, AND SUCH OTHER MATTERS AS THE COMMISSIONER DEEMS APPROPRIATE; EXCEPT THAT THE CIVIL FINE MUST BE NOT MORE THAN ONE 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 FINE FOR THE VIOLATION IN A LUMP SUM AMOUNT NOT TO EXCEED FIFTY THOUSAND DOLLARS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(II) A CHIEF FINANCIAL OFFICER;

(f) DETERMINING THE MAXIMUM INDIVIDUAL SHARE HOLDINGS IN THE CO-OP AND

THE MAXIMUM AMOUNT OF INDIVIDUAL LOANS THAT CAN BE MADE EITHER WITH OR WITHOUT SECURITY;

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

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

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

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

**11-33-114. Credit committee - credit officer.** THE CREDIT COMMITTEE OR CREDIT OFFICER IS RESPONSIBLE FOR THE GENERAL SUPERVISION OF ALL LOANS TO MEMBERS. APPLICATIONS FOR LOANS 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 MUST APPROVE OR DISAPPROVE ALL LOANS; EXCEPT THAT THE CREDIT COMMITTEE OR THE CREDIT OFFICER MAY APPOINT ONE OR MORE LOAN OFFICERS AND DELEGATE TO THE LOAN OFFICER THE POWER TO APPROVE OR DISAPPROVE LOANS 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 THE LOAN OFFICER WITHIN SEVEN DAYS AFTER THE DATE OF FILING OF THE APPLICATION. THE CREDIT COMMITTEE OR THE CREDIT OFFICE MAY CONSIDER ALL LOANS NOT APPROVED BY A LOAN OFFICER. A MEMBER OF THE CREDIT COMMITTEE SHALL NOT RECEIVE ANY COMPENSATION AS A LOAN OFFICER OR BE EMPLOYED BY THE CANNABIS CREDIT CO-OP IN ANY OTHER CAPACITY. A CREDIT OFFICER MAY RECEIVE COMPENSATION IN CONNECTION WITH THE PERFORMANCE OF HIS OR HER DUTIES. THE CREDIT COMMITTEE SHALL MEET AS OFTEN AS NECESSARY AFTER DUE NOTICE TO EACH MEMBER. VACANCIES IN THE CREDIT COMMITTEE SHALL BE FILLED PURSUANT TO SECTION 11-33-113 (1) (e).

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

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

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

(c) BY UNANIMOUS VOTE OF THE COMMITTEE IF IT DEEMS THE ACTION TO BE

NECESSARY FOR THE PROPER CONDUCT OF THE CO-OP, TEMPORARILY SUSPEND AN OFFICER OR DIRECTOR OF THE CO-OP OR A MEMBER OF THE CREDIT COMMITTEE, AND CALL A SPECIAL MEETING OF THE MEMBERS OF THE CO-OP NOT LESS THAN SEVEN NOR MORE THAN FOURTEEN DAYS AFTER THE SUSPENSION TO TAKE FINAL ACTION ON THE SUSPENSION. THE MEMBERS AT THE MEETING MAY SUSTAIN THE SUSPENSION AND REMOVE THE OFFICER, DIRECTOR, OR MEMBER OF THE CREDIT COMMITTEE PERMANENTLY AND ELECT A SUCCESSOR THERETO FOR THE UNEXPIRED TERM OF OFFICE OR MAY REINSTATE THE PERSON.

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

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

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

**11-33-116. Capital - no full faith and credit.** (1) THE CAPITAL OF A CANNABIS CREDIT CO-OP CONSISTS OF THE PAYMENTS THAT HAVE BEEN MADE TO IT IN SHARES BY ITS MEMBERS. THE CO-OP HAS A LIEN ON THE SHARES AND DEPOSITS OF A MEMBER FOR ANY SUM DUE TO THE CO-OP FROM A MEMBER OR FOR ANY LOAN ENDORSED BY A MEMBER. A CO-OP MAY CHARGE AN ENTRANCE FEE AND AN ANNUAL MEMBERSHIP FEE, BUT THE FEES MUST BE UNIFORM TO ALL MEMBERS.

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

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

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

**11-33-119. 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:

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

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

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

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

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

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

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

**11-33-121. Expulsion or withdrawal of members.** (1) A MEMBER MAY WITHDRAW FROM A CANNABIS CREDIT CO-OP AT ANY TIME, BUT THE BYLAWS MAY REQUIRE ADVANCE NOTICE OF THE WITHDRAWAL. THE BOARD OF DIRECTORS MAY EXPEL A MEMBER FROM MEMBERSHIP IN A CO-OP IF THE MEMBER FAILS TO COMPLY

WITH THE WRITTEN RULES AND POLICIES OF THE CO-OP AS ADOPTED AND MADE AVAILABLE TO THE MEMBERSHIP.

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

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

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

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

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

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

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

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

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

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

(A) INCLUDE WITH ITS ANSWER OR PRESENT AT A HEARING RESULTING FROM THE

ORDER ITS PROPOSED PLAN TO CONTINUE OPERATIONS AND RECTIFY THE INSOLVENCY, VIOLATION, OR MANNER OF OPERATION SPECIFIED IN THE ORDER; OR

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

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

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

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

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

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

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

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

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

(b) THE COMMISSIONER MAY APPOINT A CONSERVATOR AND TAKE IMMEDIATE POSSESSION OF THE CO-OP WITHOUT PRIOR NOTICE OR A HEARING; EXCEPT THAT,

WITHIN TEN DAYS AFTER THE CONSERVATOR IS APPOINTED, THE CO-OP MAY FILE AN APPEAL WITH THE COURT OF APPEALS REQUESTING THE COMMISSIONER TO RESCIND THE COMMISSIONER'S APPOINTMENT OF A CONSERVATOR. THE FILING OF AN APPEAL DOES NOT STAY THE COMMISSIONER'S ACTION. IF THE COURT FINDS THE COMMISSIONER'S ACTION WAS UNAUTHORIZED, THE COMMISSIONER SHALL RESTORE CONTROL OF THE CO-OP TO ITS BOARD OF DIRECTORS. IF NO APPEAL IS FILED WITHIN TEN DAYS AFTER THE COMMISSIONER'S APPOINTMENT OF A CONSERVATOR, THE ACTION TAKEN BY THE COMMISSIONER BECOMES FINAL.

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

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

(e) IF A CONSERVATOR IS APPOINTED, AND IS OTHER THAN AN EMPLOYEE OF THE DIVISION, THE CONSERVATOR AND ANY ASSISTANTS SHALL PROVIDE A BOND, PAYABLE TO THE CO-OP AND EXECUTED BY A SURETY COMPANY AUTHORIZED TO DO BUSINESS IN THIS STATE, THAT MEETS WITH THE APPROVAL OF THE COMMISSIONER, FOR THE FAITHFUL DISCHARGE OF THEIR DUTIES IN CONNECTION WITH THE CONSERVATORSHIP AND THE ACCOUNTING FOR ALL MONEYS COMING INTO THEIR HANDS. THE COST OF THE BOND SHALL BE PAID FROM THE ASSETS OF THE CO-OP. SUIT MAY BE MAINTAINED ON THE BOND BY A PERSON INJURED BY A BREACH OF THE CONDITIONS OF THE BOND. THIS REQUIREMENT MAY BE DEEMED MET IF THE COMMISSIONER DETERMINES THAT THE CO-OP'S FIDELITY BOND COVERS THE CONSERVATOR AND ANY ASSISTANTS.

(3) A CO-OP MAY BE VOLUNTARILY DISSOLVED AND LIQUIDATED UPON MAJORITY VOTE OF THE ENTIRE MEMBERSHIP OF THE CO-OP AT A MEETING SPECIALLY CALLED FOR THE PURPOSE OR AT THE ANNUAL MEETING WHERE NOTICE OF THE PROPOSED ACTION IS MAILED TO THE MEMBERS AT LEAST THIRTY DAYS BEFORE THE MEETING. IN EITHER EVENT, A COPY OF THE NOTICE SHALL BE DELIVERED TO THE COMMISSIONER NOT LESS THAN TEN DAYS BEFORE THE MEETING. A MEMBER OF A CO-OP MAY CAST A BALLOT FOR OR AGAINST THE DISSOLUTION AND LIQUIDATION BY MAIL WITHIN TWENTY DAYS AFTER THE MEETING. IF A MAJORITY OF THE MEMBERS VOTE IN FAVOR OF DISSOLUTION AND LIQUIDATION, THE BOARD OF DIRECTORS, WITHIN FIVE DAYS AFTER THE CLOSE OF VOTING, SHALL NOTIFY THE COMMISSIONER OF THE ACTION AND SPECIFY THE NAMES AND ADDRESSES OF THE DIRECTORS AND

OFFICERS OF THE CO-OP WHO WILL CONDUCT THE DISSOLUTION AND LIQUIDATION OF THE CO-OP. UPON A FAVORABLE VOTE, THE CO-OP SHALL CEASE TO DO BUSINESS EXCEPT FOR THE COLLECTION OF PAYMENTS ON OUTSTANDING LOANS OR OTHER OBLIGATIONS DUE THE CO-OP.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) EACH CO-OP SHALL:

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

(I) THE DISTRIBUTION OF MARIJUANA TO MINORS;

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

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

(IV) STATE-AUTHORIZED MARIJUANA ACTIVITY FROM BEING USED AS A COVER OR PRETEXT FOR THE TRAFFICKING OF OTHER ILLEGAL DRUGS OR OTHER ILLEGAL ACTIVITY;

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

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

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

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

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

(3) THE COMMISSIONER SHALL REVOKE THE CHARTER OF A CO-OP THAT VIOLATES

ANY OF THE LAWS OR DUE DILIGENCE REQUIREMENTS SPECIFIED IN THIS SECTION.

**11-33-127. Reports - suspicious transactions. (1) General. (a) (I)** EVERY CO-OP SHALL FILE WITH THE COMMISSIONER, TO THE EXTENT AND IN THE MANNER REQUIRED BY THIS SECTION, A REPORT OF ANY SUSPICIOUS TRANSACTION RELEVANT TO A POSSIBLE VIOLATION OF LAW, RULE, OR FEDERAL REGULATION.

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

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

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

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

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

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

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

(3) **Exceptions.** A CO-OP IS NOT REQUIRED TO FILE AN STR FOR A ROBBERY OR

BURGLARY COMMITTED OR ATTEMPTED THAT IS REPORTED TO APPROPRIATE LAW ENFORCEMENT AUTHORITIES OR FOR LOST, MISSING, COUNTERFEIT, OR STOLEN SECURITIES WITH RESPECT TO WHICH THE CO-OP FILES A REPORT PURSUANT TO THE REPORTING REQUIREMENTS OF 17 CFR 240.17f-1.

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

(a) THE COMMISSIONER;

(b) ANY FEDERAL, STATE, OR LOCAL LAW ENFORCEMENT AGENCY;

(c) ANY FEDERAL REGULATORY AUTHORITY THAT EXAMINES THE CO-OP FOR COMPLIANCE WITH THE FEDERAL "BANK SECRECY ACT"; OR

(d) ANY STATE REGULATORY AUTHORITY ADMINISTERING A STATE LAW THAT REQUIRES THE CO-OP TO COMPLY WITH THE FEDERAL "BANK SECRECY ACT" OR OTHERWISE AUTHORIZES THE STATE AUTHORITY TO ENSURE THAT THE CO-OP COMPLIES WITH THE FEDERAL "BANK SECRECY ACT".

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

**(b) Prohibition on disclosures by co-ops. (I) General rule.** A CO-OP AND A DIRECTOR, OFFICER, EMPLOYEE, OR AGENT OF ANY CO-OP SHALL NOT DISCLOSE AN STR OR ANY INFORMATION THAT WOULD REVEAL THE EXISTENCE OF AN STR. ANY CO-OP, AND ANY DIRECTOR, OFFICER, EMPLOYEE, OR AGENT OF ANY CO-OP THAT IS SUBPOENAED OR OTHERWISE REQUESTED TO DISCLOSE AN STR OR ANY INFORMATION THAT WOULD REVEAL THE EXISTENCE OF AN STR, SHALL DECLINE TO PRODUCE THE STR OR SUCH INFORMATION, CITING THIS SECTION, 31 U.S.C. SEC. 5318 (g) (2) (A) (i), AND 31 CFR 1020.320, AND SHALL NOTIFY THE COMMISSIONER OF ANY SUCH REQUEST AND THE RESPONSE THERETO.

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

(A) TO THE FULL EXTENT AUTHORIZED IN 31 U.S.C. SEC. 5318 (g) (2) (B), THE DISCLOSURE BY A CO-OP OR BY A DIRECTOR, OFFICER, EMPLOYEE, OR AGENT OF A CO-OP, OF AN STR OR ANY INFORMATION THAT WOULD REVEAL THE EXISTENCE OF AN STR, TO: THE COMMISSIONER OR ANY FEDERAL, STATE, OR LOCAL LAW

ENFORCEMENT AGENCY; A FEDERAL REGULATORY AUTHORITY THAT EXAMINES THE CO-OP FOR COMPLIANCE WITH THE FEDERAL "BANK SECRECY ACT"; OR A STATE REGULATORY AUTHORITY ADMINISTERING A STATE LAW THAT REQUIRES THE CO-OP TO COMPLY WITH THE FEDERAL "BANK SECRECY ACT" OR OTHERWISE AUTHORIZES THE STATE AUTHORITY TO ENSURE THAT THE CO-OP COMPLIES WITH THE "BANK SECRECY ACT". IN ADDITION, THE CO-OP AND ITS OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS MAY DISCLOSE THE UNDERLYING FACTS, TRANSACTIONS, AND DOCUMENTS UPON WHICH AN STR IS BASED TO ANOTHER FINANCIAL INSTITUTION, OR A DIRECTOR, OFFICER, EMPLOYEE, OR AGENT OF A FINANCIAL INSTITUTION, FOR THE PREPARATION OF A JOINT STR OR IN CONNECTION WITH CERTAIN EMPLOYMENT REFERENCES OR TERMINATION NOTICES, TO THE FULL EXTENT AUTHORIZED IN 31 U.S.C. SEC. 5318 (g) (2) (B).

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

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

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

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

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

(2) PRIOR TO THE REPEAL OF THIS ARTICLE, THE DEPARTMENT OF REGULATORY

AGENCIES SHALL CONDUCT A SUNSET REVIEW OF THE COMMISSIONER'S REGULATION OF CANNABIS CREDIT CO-OPS AS DESCRIBED IN SECTION 24-34-104 (8), C.R.S.

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

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

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

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

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

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

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

**24-34-104. General assembly review of regulatory agencies and functions for termination, continuation, or reestablishment.** (51.5) The following agencies, functions, or both, terminate on September 1, 2020:

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

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

**39-28.8-501. Marijuana tax cash fund - creation - distribution.** (2) (b) Subject to the limitations in subsection (5) of this section, any moneys in the fund that are not appropriated to the department of revenue pursuant to paragraph (a) of this subsection (2) are subject to annual appropriation by the general assembly for any fiscal year following the fiscal year in which they were received by the state. The general assembly shall initially appropriate moneys in the fund based on the most recent estimate of revenue prepared by the staff of the legislative council or the department of revenue for the applicable fiscal year. The general assembly may appropriate moneys in the fund for the following purposes:

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

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

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

**SECTION 6. Appropriation.** (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the marijuana tax cash fund created in section 39-28.8-501, Colorado Revised Statutes, not otherwise appropriated, to the department of regulatory agencies, for the fiscal year beginning July 1, 2014, the sum of \$50,000, or so much thereof as may be necessary, to be allocated for the implementation of this act as follows:

(a) \$35,427 to the division of financial services for stakeholder workgroup expenses; and

(b) \$14,573 to the executive director's office and administrative services for the purchase of legal services.

(2) In addition to any other appropriation, there is hereby appropriated to the department of law, for the fiscal year beginning July 1, 2014, the sum of \$14,573, or so much thereof as may be necessary, for the provision of legal services for the department of regulatory agencies related to the implementation of this act. Said sum is from reappropriated funds received from the department of regulatory agencies out of the appropriation made in paragraph (b) of subsection (1) of this section.

**SECTION 7. Appropriation.** (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the general fund not otherwise appropriated, to the department of regulatory agencies, for the fiscal year beginning July 1, 2014, the sum of \$50,000, or so much thereof as may be necessary, to be allocated for the implementation of this act as follows:

(a) \$35,427 to the division of financial services for stakeholder workgroup expenses; and

(b) \$14,573 to the executive director's office and administrative services for the purchase of legal services.

(2) In addition to any other appropriation, there is hereby appropriated to the department of law, for the fiscal year beginning July 1, 2014, the sum of \$14,573, or so much thereof as may be necessary, for the provision of legal services for the department of regulatory agencies related to the implementation of this act. Said sum is from reappropriated funds received from the department of regulatory agencies out of the appropriation made in paragraph (b) of subsection (1) of this section.

**SECTION 8. Effective date - applicability.** (1) This act takes effect upon passage, except that:

(a) Sections 5 and 6 of this act take effect only if Senate Bill 14-215 becomes law and sections 5 and 6 take effect on the effective date of this act or Senate Bill 14-215, whichever is later;

(b) Section 7 of this act takes effect only if Senate Bill 14-215 does not become law and section 7 takes effect on the effective date of this act; and

(2) This act applies to conduct occurring on or after said date.

**SECTION 9. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: June 6, 2014