

2018 Binational State Attorney General Exchange



2018 Encuentro Binacional de Procuradores y Fiscales Generales

WiFi: CWAGNM

No Password

Sin contraseña



CANNABIS BANKING SAFE HARBOR PRIVATE BANKING



Sundie is the CEO/President of Partner Colorado Credit Union located in Denver Colorado. She has served in the Credit Union industry since 1983 and as CEO since 2001. She holds a Bachelors in Business Management from the University of Maryland and an MBA in Finance from Regis University.

- Instead of heading into retirement at the end of 2014, she designed a full scope Cannabis Banking Program that has withstood the scrutiny of 8 Federal and State Exams and has realized great success in terms of removing cash from the communities, thus making our State safer for the public as well as Federal and local law enforcement. She now banks in excess of a 35% market share of the Colorado compliant cannabis industry that includes both licensed cannabis and ancillary businesses serving the industry.
- To assist other financial institutions interested in serving this emerging market, she authored the book 'Navigating Safe Harbor – Cannabis Banking in Uncertain Times' in 2016, which is available at SafeHarborPrivateBanking.com or Amazon.com. She continues to help other financial institutions avoid the steep learning curve her team endured by packaging their cannabis banking program under their newly launched Service Organization, Safe Harbor Services. Their BETA test of six credit unions and banks launched in first quarter 2018 and they already have a significant waiting list of financial institutions for second and third quarter 2018.

LEGAL DISCLAIMER

As we all know, marijuana remains illegal under the Federal Controlled Substances Act and as such, any information contained herein regarding potential ways of providing financial services to cannabis related businesses (“CRBs”) is based on the guidance issued by the Department of Justice in the Cole Memo, from the guidance provided by the United States Department of Treasury Financial Crimes Enforcement Network (“FinCEN”), and from the unprecedented knowledge that Safe Harbor Private Bank has gained from creating and operating a cannabis banking program that is designed to: 1) provide the transparency that regulators require; 2) keep communities safe and; 3) support a new and growing industry that contributes to the vitality of local, state, and national economies.

Nevertheless, marijuana remains illegal under federal law and the information contained in this presentation does not purport to offer a safe harbor from the current conflict that exists between your state laws and federal law. Because cannabis remains a controlled substance, all assets related to CRBs and the assets of the financial institutions that service CRBs are subject to seizure by federal authorities. Nothing contained in this presentation constitutes legal advice. Safe Harbor Private Banking advises you to work closely with your legal advisors to evaluate all statements contained in this presentation.

Safe Harbor Services seeks to help educate financial institutions about the ways that they might provide much needed practical banking solutions. These solutions help ensure, among other things, that communities are safe, CRBs can more easily account for and pay taxes, and financial institutions can support this group of entrepreneurs in the uncertain legal environment in which they operate. The path is not without risks, but it is a way to move forward alongside this progressive industry that continues to expand despite regulatory challenges.

SAFE HARBOR HAS NO REGULATOR ENDORSEMENTS, EXPRESS OR IMPLIED, RELATED TO THE CONTENTS OF THIS PRESENTATION OR THE SAFE HARBOR PROGRAM. INFORMATION CONTAINED IN THIS PRESENTATION IS NOT INTENDED TO GUARANTEE, EXPRESSLY OR OTHERWISE, ANY TYPE OF RESULT RELATED TO PROVIDING FINANCIAL SERVICES TO CANNABIS RELATED BUSINESSES.

PROGRAM FOUNDATION

Every Dollar is a Cartel Dollar **UNLESS** We Can Prove Otherwise



EYES on the **OWNERS**



EYES on the **BUSINESS**



EYES on the **MONEY !!!**

OUR PROGRAM — 3 YEARS LATER

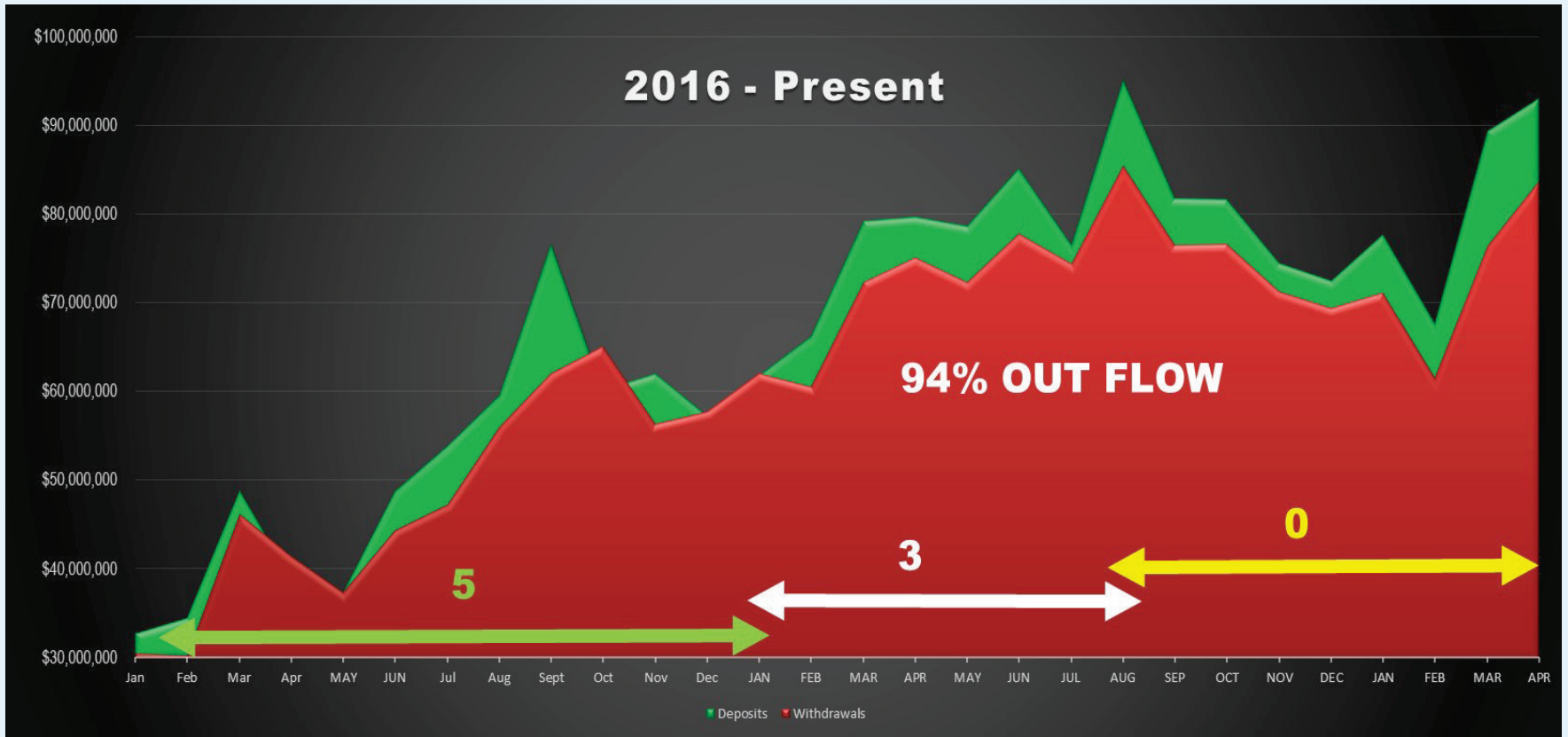
13
Staff

CLIENTS: 160 MJ Licensed, 70 Ancillary

TYPES : 220 Dispensaries, 170 Cultivations, 68 MF

MONEY: \$95-\$100 Million Per Month Cash Flow

CASH FLOW



RISKS & EMERGING RISKS

Complex Corporate Structure

- Following the Money
- Tracking Ownership
- Validation of Multi-State Funds

International Fund Transfers

- International Due Diligence
- Cross Border Returns
- Validation of Funds—both ways

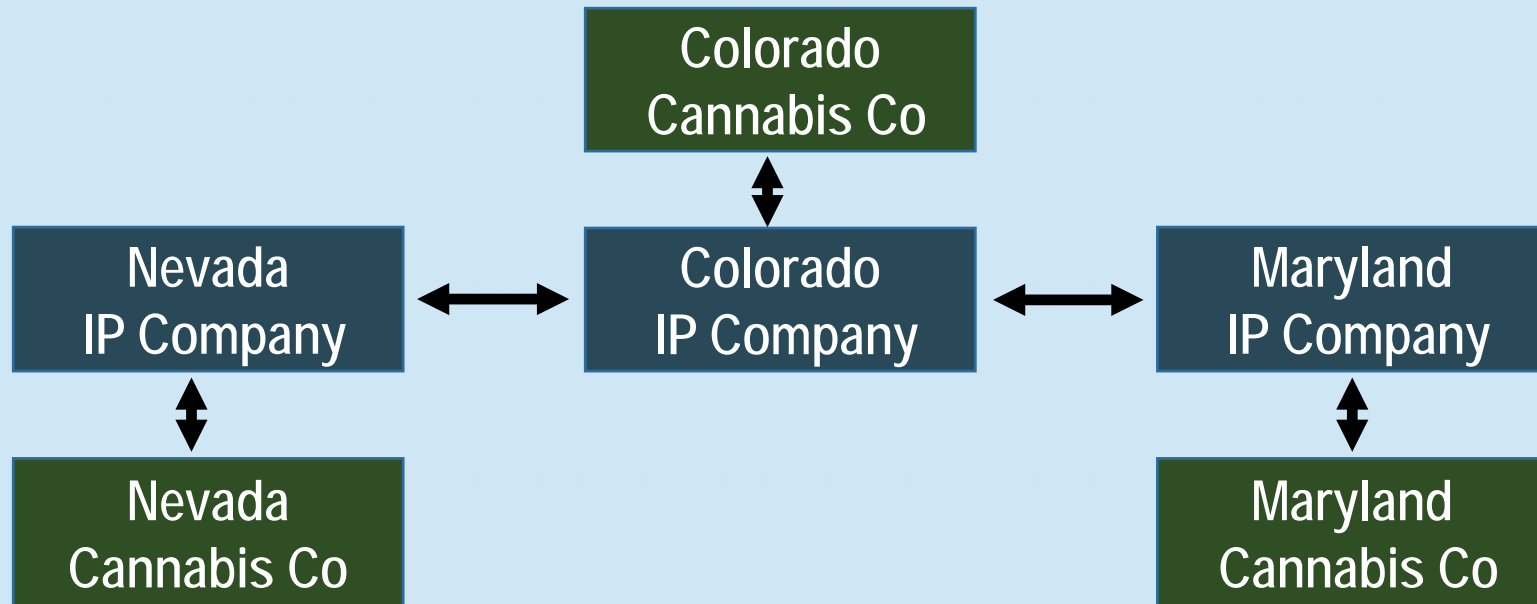
Pooled Investor FUNDS

- International Investors
- Cross Border Returns
- Validation of Funds Returned

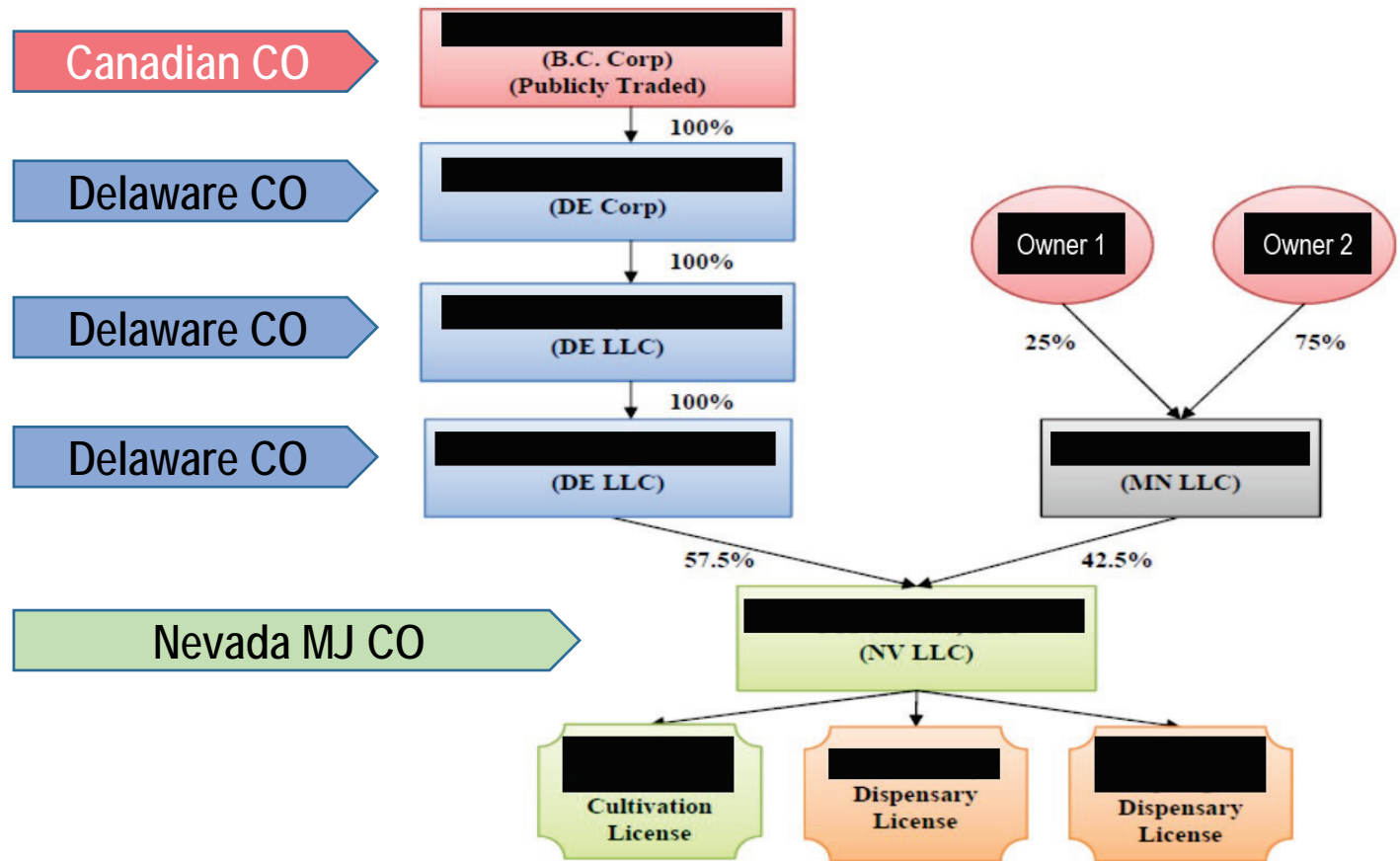
FinTech & Shadow Ops

- Unregulated
- Off Shore Operations
- Gouging

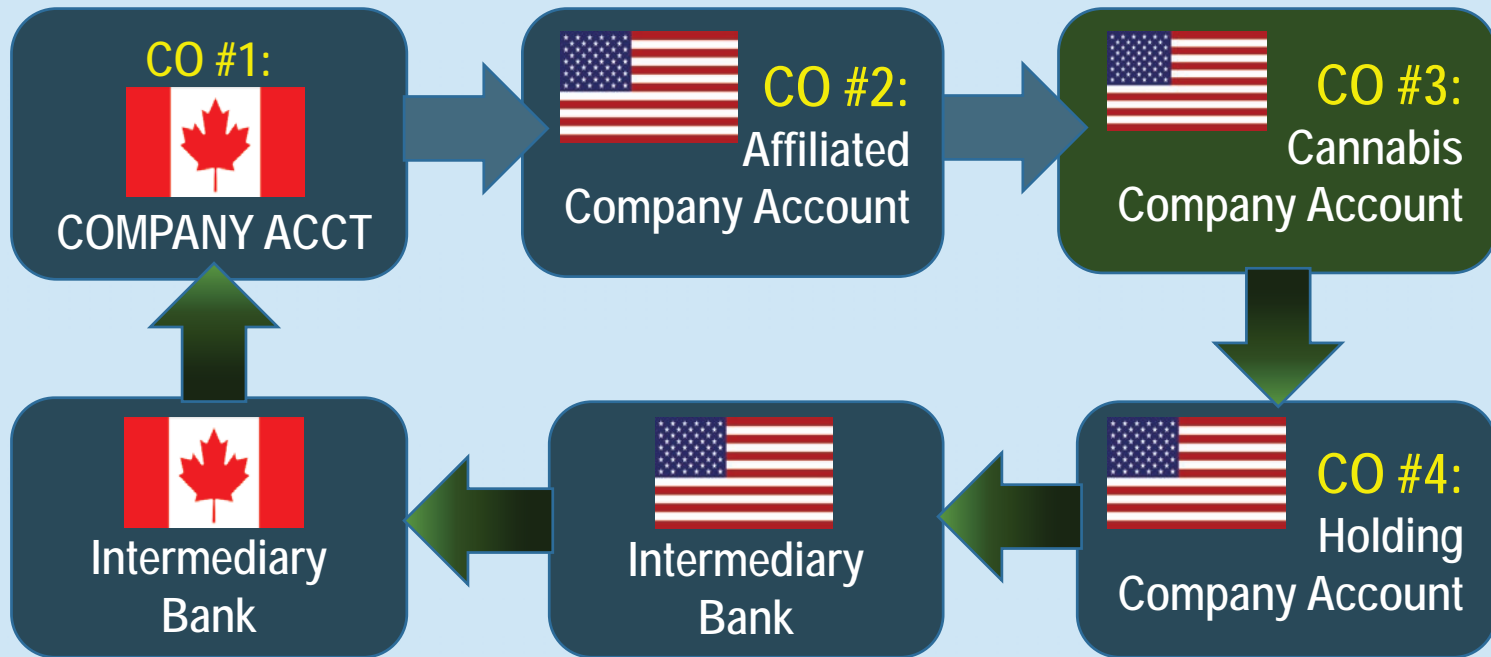
COMPLEX CORPORATE STRUCTURE



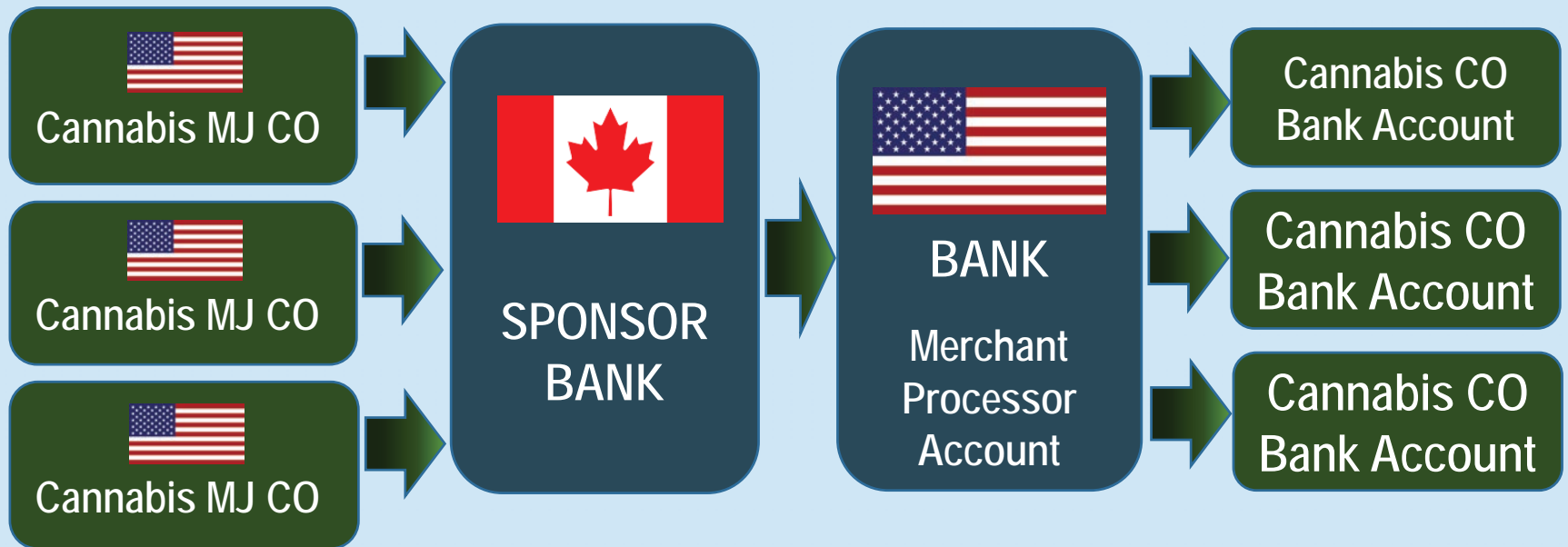
CANADIAN EXAMPLE



INTERNATIONAL FUND TRANSFERS



EXAMPLE 2 – MERCHANT PROCESSING FLOW



FINTECH & SHADOW OPERATIONS

- MUST Have Bank Accounts
- Don't Properly Disclose
- Claim Full Compliance With What?
- Lead Business Into Questionable Territory
- Off Shore Activities
- Opportunists Existing In The Absence Of Banking

A stylized blue bird logo with its wings spread, positioned behind the text. The bird is centered horizontally and partially obscured by the text.

QUESTIONS

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