

HOUSE FLOOR AMENDMENT

Second Reading

BY REPRESENTATIVE Gray

- 1 Amend the Finance Committee Report, dated March 4, 2019, page 1, line
2 4, after "(23)" insert "and", and strike "(1.6)," and substitute "(9.5),".
- 3 Page 1, strike line 5, and substitute "(11.5), (19.1), (19.2), (22.7), (23.1),
4 (23.5), and (25.5) as follows:".
- 5 Page 2, line 25, strike "EXECUTIVE OFFICER,".
- 6 Page 2, strike lines 34 through 38.
- 7 Page 3, after line 26, insert:
8 "(9.5) "MANAGER" HAS THE SAME MEANING AS IN SECTION
9 7-90-102 (35.7).".
- 10 Page 4, after line 1, insert:
11 "(19.1) "OWNER'S INTEREST" HAS THE SAME MEANING AS IN
12 SECTION 7-90-102 (44).".
- 13 Page 4, strike lines 5 through 11.
- 14 Page 5, line 3, after "TORONTO STOCK EXCHANGE," insert "TSX VENTURE
15 EXCHANGE,".
- 16 Page 5, strike line 27 and substitute "OF THE FOLLOWING, AND THE
17 PERSON".
- 18 Page 5, line 32, strike "SECTION:" and substitute "SECTION, AND PRIOR TO
19 BECOMING A PUBLICLY TRADED CORPORATION, THE PERSON FOR AT LEAST
20 TWO YEARS WAS LICENSED BY THE STATE LICENSING AUTHORITY AS A
21 MEDICAL MARIJUANA BUSINESS WITH A DEMONSTRATED HISTORY OF
22 OPERATIONS IN THE STATE OF COLORADO, AND DURING SUCH TIME WAS
23 NOT SUBJECT TO SUSPENSION OR REVOCATION OF THE LICENSE:".
- 24 Page 6, after line 38, insert:
25 "(23.1) "QUALIFIED PRIVATE FUND" MEANS AN ISSUER THAT
26 WOULD BE AN INVESTMENT COMPANY, AS DEFINED IN SECTION (3) OF THE
27 FEDERAL "INVESTMENT COMPANY ACT OF 1940", BUT FOR THE
28 EXCLUSIONS PROVIDED UNDER SECTIONS 3(c)(1) OR 3(c)(7) OF THAT ACT,
29 AND THAT:
30 (a) IS ADVISED OR MANAGED BY AN INVESTMENT ADVISER AS
31 DEFINED AND REGISTERED UNDER SECTIONS 80b-1-21, TITLE 15 OF THE

1 FEDERAL "INVESTMENT ADVISERS ACT OF 1940", AND FOR WHICH THE
2 REGISTERED INVESTMENT ADVISER IS CURRENT IN ALL APPLICABLE
3 REPORTING AND RECORD-KEEPING REQUIREMENTS UNDER SUCH ACT AND
4 RULES PROMULGATED THEREUNDER; AND

5 (b) SATISFIES ONE OR MORE OF THE FOLLOWING:

6 (I) IS ORGANIZED UNDER THE LAW OF A STATE OR THE UNITED
7 STATES;

8 (II) IS ORGANIZED, OPERATED, OR SPONSORED BY A U.S. PERSON,
9 AS DEFINED UNDER SUBSECTION 17 CFR 230.902(k), AS AMENDED; OR

10 (III) SELLS SECURITIES TO A U.S. PERSON, AS DEFINED UNDER
11 SUBSECTION 17 CFR 230.902(k), AS AMENDED."

12 Page 6, strike lines 40 and 41, and substitute "GROUNDS BASED IN LAW
13 AND IN FACT TO BELIEVE THAT THE PARTICULAR REQUESTED ACTION
14 FURTHERS THE PURPOSES OF THIS ARTICLE 11 OR PROTECTS".

15 Page 7, strike lines 4 and 5.

16 Page 7, lines 29 and 30, strike "EMPLOYED BY,".

17 Page 9, line 26, strike "(1)(c.1), (1)(c.2),".

18 Page 9, strike lines 35 through 41.

19 Page 10, strike line 1.

20 Page 12, strike lines 8 through 12 and substitute:

21 ~~"(b) On and after January 1, 2017, a medical marijuana business~~
22 ~~that is composed of one or more direct beneficial interest owners who~~
23 ~~have not been Colorado residents for at least one year prior to application~~
24 ~~shall have at least one officer who has been a Colorado resident for at~~
25 ~~least one year prior to application, and All".~~

26 Page 14, line 5, strike "EXECUTIVE OFFICERS, MEMBERS OF ITS" and
27 substitute "MANAGERS".

28 Page 14, line 6, strike "BOARD OF DIRECTORS,".

29 Page 14, strike line 8, and substitute "IN THE CONTROLLING BENEFICIAL
30 OWNER;".

31 Page 14, strike line 12 and substitute "MANAGERS".

- 1 Page 14, line 14, strike "A" and substitute "THE CONTROLLING BENEFICIAL
2 OWNER;"
- 3 Page 14, strike line 15.
- 4 Page 14, strike lines 20 and 21 and substitute "QUALIFIED PRIVATE FUND'S
5 MANAGERS, INVESTMENT ADVISERS, INVESTMENT ADVISER"
- 6 Page 14, strike line 32, and substitute "BUSINESS OR THAT IS
7 CONTRIBUTING OVER FIFTY PERCENT OF THE OPERATING CAPITAL OF THE
8 MEDICAL MARIJUANA BUSINESS."
- 9 Page 15, lines 16 through 18, strike "PERSON, THE MEMBERS OF THE
10 BOARD OF DIRECTORS, GENERAL PARTNERS, MANAGING MEMBERS, OR
11 MANAGERS OR EXECUTIVE OFFICERS" and substitute "PERSON".
- 12 Page 17, line 9, strike "SUBSTANTIAL JUSTIFICATION," and substitute
13 "REASONABLE CAUSE,"
- 14 Page 20, line 21, strike "**repeal** (17);".
- 15 Page 20, strike line 22, and substitute "(1.4), (1.5), (11.5), (16.1), (16.5),
16 (19.5),(20.3), (20.5), (32.5), and (34) as follows:"
- 17 Page 21, line 25, strike "EXECUTIVE OFFICER,"
- 18 Page 21, strike lines 34 through 38.
- 19 Page 22, after line 26, insert:
20 "(11.5) "MANAGER" HAS THE SAME MEANING AS IN SECTION
21 7-90-102 (35.7).
22 (16.1) "OWNER'S INTEREST" HAS THE SAME MEANING AS IN
23 SECTION 7-90-102 (44)."
- 24 Page 22, strike lines 30 through 36.
- 25 Page 23, line 28, after "TORONTO STOCK EXCHANGE," insert "TSX
26 VENTURE EXCHANGE,"
- 27 Page 24, strike line 11 and substitute "OF THE FOLLOWING, AND THE
28 PERSON".
- 29 Page 24, line 16, strike "SECTION:" and substitute "SECTION, AND PRIOR TO

1 BECOMING A PUBLICLY TRADED CORPORATION, THE PERSON FOR AT LEAST
2 TWO YEARS WAS LICENSED BY THE STATE LICENSING AUTHORITY AS A
3 RETAIL MARIJUANA ESTABLISHMENT WITH A DEMONSTRATED HISTORY OF
4 OPERATIONS IN THE STATE OF COLORADO, AND DURING SUCH TIME WAS
5 NOT SUBJECT TO SUSPENSION OR REVOCATION OF THE LICENSE:".

6 Page 25, after line 22, insert:

7 "(20.3) "QUALIFIED PRIVATE FUND" MEANS AN ISSUER THAT
8 WOULD BE AN INVESTMENT COMPANY, AS DEFINED IN SECTION (3) OF THE
9 FEDERAL "INVESTMENT COMPANY ACT OF 1940", BUT FOR THE
10 EXCLUSIONS PROVIDED UNDER SECTIONS 3(c)(1) OR 3(c)(7) OF THAT ACT,
11 AND THAT:

12 (a) IS ADVISED OR MANAGED BY AN INVESTMENT ADVISER AS
13 DEFINED AND REGISTERED UNDER SECTIONS 80b-1-21, TITLE 15 OF THE
14 FEDERAL "INVESTMENT ADVISERS ACT OF 1940", AND FOR WHICH THE
15 REGISTERED INVESTMENT ADVISER IS CURRENT IN ALL APPLICABLE
16 REPORTING AND RECORD-KEEPING REQUIREMENTS UNDER SUCH ACT AND
17 RULES PROMULGATED THEREUNDER; AND

18 (b) SATISFIES ONE OR MORE OF THE FOLLOWING:

19 (I) IS ORGANIZED UNDER THE LAW OF A STATE OR THE UNITED
20 STATES;

21 (II) IS ORGANIZED, OPERATED, OR SPONSORED BY A U.S. PERSON,
22 AS DEFINED UNDER SUBSECTION 17 CFR 230.902(k), AS AMENDED; OR

23 (III) SELLS SECURITIES TO A U.S. PERSON, AS DEFINED UNDER
24 SUBSECTION 17 CFR 230.902(k), AS AMENDED."

25 Page 25, strike lines 24 and 25, and substitute "GROUNDS BASED IN LAW
26 AND IN FACT TO BELIEVE THAT THE PARTICULAR REQUESTED ACTION
27 FURTHERS THE PURPOSES OF THIS ARTICLE 12 OR PROTECTS".

28 Page 26, lines 27 and 28, strike "EMPLOYED BY,".

29 Page 28, line 19, strike "(1)(c.1), (1)(c.2),".

30 Page 28, strike lines 28 through 35.

31 Page 30, strike lines 36 through 41 and substitute:

32 "(b) ~~On and after January 1, 2017, a retail marijuana business that~~
33 ~~is composed of one or more direct beneficial interest owners who have~~
34 ~~not been Colorado residents for at least one year prior to application shall~~
35 ~~have at least one officer who has been a Colorado resident for at least one~~
36 ~~year prior to application, and All officers~~ NATURAL PERSONS with
37 day-to-day".

- 1 Page 32, line 32, strike "EXECUTIVE OFFICERS, MEMBERS OF ITS" and
2 substitute "MANAGERS,".
- 3 Page 32, line 33, strike "BOARD OF DIRECTORS,".
- 4 Page 32, strike line 35, and substitute "IN THE CONTROLLING BENEFICIAL
5 OWNER;".
- 6 Page 32, strike line 39 and substitute "MANAGERS".
- 7 Page 32, line 41, strike "A RETAIL" and substitute "THE CONTROLLING
8 BENEFICIAL OWNER;".
- 9 Page 33, strike line 1.
- 10 Page 33, strike lines 6 and 7 and substitute "QUALIFIED PRIVATE FUND'S
11 MANAGERS, INVESTMENT ADVISERS, INVESTMENT ADVISER".
- 12 Page 33, strike line 19, and substitute "ESTABLISHMENT OR THAT IS
13 CONTRIBUTING OVER FIFTY PERCENT OF THE OPERATING CAPITAL OF THE
14 RETAIL MARIJUANA ESTABLISHMENT."
- 15 Page 34, lines 3 through 5, strike "PERSON, THE MEMBERS OF THE BOARD
16 OF DIRECTORS, GENERAL PARTNERS, MANAGING MEMBERS, MANAGERS OR
17 EXECUTIVE OFFICERS" and substitute "PERSON".
- 18 Page 35, line 37, strike "SUBSTANTIAL JUSTIFICATION," and substitute
19 "REASONABLE CAUSE,".

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