



THE STATE  
*of* **ALASKA**  
GOVERNOR BILL WALKER

# DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT

## Marijuana Discussion: Banking and Securities Perspective presented to Senate State Affairs

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February 26, 2015



# Current Options

## Raising Capital

### **Equity and debt securities offerings that comply with:**

- Securities and Exchange Commission (SEC)
- Alaska Securities Act

Primarily disclosure and filing requirements

Typically no general solicitation for investors

## **Banking Services (loans/deposits/money transmission)**

- Banks, Credit Union, and Money Service Businesses (MSB)



# Business Considerations

## Compliance with Federal Law

- Federal insurers assert that following the Cole Memo instructions and timely filing of Suspicious Activity Reports (SAR) will assist compliance.
- FDIC, NCUA, and SOA will continue to look at the institution as a whole, including risk and all of the other elements that support a sound and competitive banking system, security of deposits and customers, appropriate liquidity and prevention of injurious credit expansions and contractions.



# Business Considerations

**Banks, CUs and MSBs are independent businesses that may need to answer to shareholders, directors, or owners:**

- Do the decision makers want to participate in this industry?
- Are any reputational risks acceptable?
- What are the additional costs?
  - Staff and physical location security
  - Additional cash handling time/facilities needed
- Does the financial institution have a need/use for more cash?
  - Can the money be put to use, or does it just increase the cash available and not yet working for the institution?



## Business Considerations

**In addition to the considerations noted, Money Service Businesses (MSB) need access to the banking system to transmit cash or load it on to pre-paid cards.**



## What's happening in other states?

**Some credit unions and some banks are working with the marijuana industry, accepting the cash, and in some instances providing loans on property, equipment, or other hard assets.**

**Anecdotaly, some MSBs have a banking relationship that supports working with marijuana businesses.**



# New ideas for Alaska?

- **Encourage new banks and credit unions**
- **Allow branches from banks outside Alaska**

**Division staff will be prepared to examine and appropriately regulate businesses that elect to bank the marijuana industry. We are in close contact with other state regulators as well as federal counterparts as new issues arise and methods of review and regulation are developed.**



# Questions?