COLORADO
Department of Revenue
Enforcement Division - Marijuana
455 Sherman Street, Suite 390
Denver, CO 80203

October 16, 2015

SENT VIA E-MAIL to: jeff@gardlawfirm.com

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RE: Response to Request for Position Statement

Dear Mr. Gard:

This letter is in response to your Petition for a Statement of Position pursuant to Rules M 104(A), 1 CCR 212-1 and R 104(A), 1 CCR 212-2, received September 16, 2015.

Questions:

"Given the above services, would this ancillary service business need to be disclosed for ownership or financial interest? If so, what specific services set forth above create this ownership or financial interest relationship?"

Division's Response:

While the Division cannot determine its position with respect to the applicability of Rule M 204, 1 CCR 212-1 and Rule R 204, 1 CCR 212-2, based upon the limited facts set forth in the hypothetical, it appears likely that the unidentified ancillary service businesses would be considered owners and/or will be deemed to have direct or indirect financial interests that must be disclosed.

Rules M 204, 1 CCR 212-1 and R 204, 1 CCR 212-2 provide a non-exhaustive list of the factors to be considered when evaluating ownership of a license. Determining the extent to which such ancillary service businesses should be considered owners or as having direct or indirect financial interests depends on the totality of the circumstances surrounding each application submitted to the Division, the relationships between the ancillary service business and any applicant or licensee, and would require a review of all relevant documents as part of the applicant or licensees' background investigation.

Where there is any doubt, a complete disclosure should be made regarding any such ancillary service businesses so that the Division can evaluate the extent to which such ancillary service businesses are owners or have direct or indirect financial interests.

Thank you for your inquiry. If you have additional information or questions, please contact Jim Burack, MED's Chief of Investigations, at jim.burack@state.co.us.

Sincerely,

W. Lewis Koski, Director