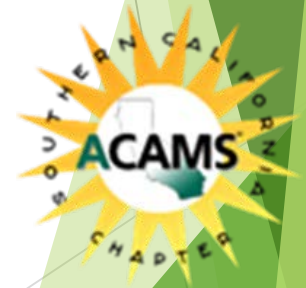


Banking Cannabis



- Maleka Ali
- Keith Forrester
- Tom Fleming
- John Vardaman
- Matt Newman



The Dilemma

- ▶ Traditional depository financial institutions are facing a dilemma:
 - ▶ If they service the needs of the community will they risk regulatory enforcement actions by banking regulators or worse, criminal indictments by federal law enforcement.



MODERATOR:

- ▶ Maleka Ali, CAMS-Audit
President, Arc-Serv, LLC

PANEL SPEAKERS:

- ▶ Keith R. Forrester, Esq.
Principal, Aldrich & Bonnefin, PLC
- ▶ Tom Fleming, CAMS,
Chairman & Co-Founder, Link to Banking
- ▶ John Vardaman,
Executive Vice President/General Counsel,
Hypur, Inc
- ▶ Matt Newman, Assistant Deputy Commissioner,
California Department of Business Oversight



Reluctance to Bank MRBs

- ▶ Rationale for reluctance
- ▶ Internal Bank struggles despite state legalization and lack of federal enforcement



Keith R. Forrester, Esq.
Principal, Aldrich & Bonnefin, PLC

What Financial Institutions are asking.....

- ▶ Can we Bank the marijuana industry in light of the differences between state and federal law?



Tom Fleming, CAMS,
Chairman & Co-Founder, Link to Banking ⁵



Federal Policy Paves the Way for Marijuana Banking

- ▶ Why the federal government decided to facilitate marijuana banking and continues to allow it today



John Vardaman,
Executive Vice President/General Counsel,
Hypur, Inc



California DBO Position

- ▶ We neither encourage nor discourage our licensees to engage the cannabis industry.



Matt Newman, Assistant Deputy Commissioner,
California Department of Business Oversight





Audience Participation



Take-Aways

- ▶ Banks can confidently offer services to marijuana related businesses using the current memos and guidelines and discussions with their regulators.
- ▶ Appropriate risk assessment, mitigation and management must be practiced.



Take-Aways

- ▶ It is possible to provide banking services to MRBs but financial institutions need to be able to recognize and mitigate the relatively high risk in doing so, including the need for devoting significant resources.
- ▶ Keep in mind that the lack of federal enforcement could change at any time.



Take-Aways

- ▶ Current market and regulatory conditions give banks leverage to maximize transparency and profit
- ▶ Technology is critical



Take-Aways

- ▶ Cannabis is moving from the fringes to mainstream
- ▶ It's a large and rapidly growing industry that is used to operating in the dark with little to no transparency.
- ▶ A legitimate player is going to bend over backwards to provide the type and level of information you need to Bank them and stay on the right side of your state and federal regulators.
- ▶ FinCEN 2014-G001 remains applicable so continue to file your Limited, Priority and Termination SARs.



THANK YOU QUESTIONS?

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