



COLORADO

Department of
Regulatory Agencies

Division of Securities

Tung Chan, Securities Commissioner

Revised Minutes of the Meeting of the Colorado Securities Board Thursday, December 17, 2020

Due to COVID-19, the meeting was held virtually through Google Meet. The meeting was called to order at 9:00 a.m. by Chairperson Thomas Kenning. Additional Board members in attendance were Nilsa Mahon, Keith Olivia, Lawrence Reifurth and Rikard Lundberg.

Division of Securities members present were Securities Commissioner Tung Chan, Deputy Commissioner David Cheval, Chief Investigator Jonathan Block, Chief Examiner Jeffrey Eaby and Program Assistant Shiela Gowan. First Assistant Attorney General Robert Finke was also present.

Roll call was taken.

The Chair asked for a motion to approve the minutes from the September 24, 2020, meeting. Keith Olivia moved to approve the minutes. Nilsa Mahon seconded the motion. The board voted unanimously to approve the September 24, 2020, meeting minutes.

1. Report on Division Activities

First Assistant Attorney General Robert Finke addressed the board regarding previous board training. Commissioner Chan reported on recent Division activities:

- The Division cohosted the Colorado Financial Industry Symposium along with the U.S. Securities and Exchange Commission (SEC) and Financial Industry Regulatory Authority (FINRA).
- On October 4, 2020, the Division issued a press release regarding annual fee changes.

- The Commissioner gave a general update on the system for furloughs that was implemented by the Colorado Department of Regulatory Agencies (DORA).
- The Commissioner gave an update regarding employees projected return to the office.

2. Enforcement Update

Chief Investigator Jonathan Block provided an update on recent enforcement staff activities:

- The enforcement section is fully staffed.
- The Division referred a case to the Attorney General's Office regarding an individual who failed to respond to a subpoena. Following a hearing on the matter, a judge found the respondent in contempt and sentenced him to 30 days in jail and imposed a \$1,000 fine.
- A case was referred to the Attorney General's Office seeking a civil injunction against an individual who violated the terms of a previously entered cease and desist order.
- Most hearings and trials have been postponed due to COVID-19.

3. Examinations Update

Chief Examiner Jeffrey Eaby provided an update on recent examination staff activities:

- Discussed modernization and improvement of the registrations filing and payment process through the electronic filing depository system.
- The Division continues to process a high number of Reg D and Municipal Bond filings.
- The number of individuals licensed with the state continues to be approximately between 2,000 and 3,000 a month.
- For Fiscal Year 2021 (FY21), the Division closed 46 full examinations and 64 compliance reviews to date.

- The Division will be releasing an investment adviser guide early in Fiscal Year 2022 (FY22). The guide will provide an overview of compliance requirements in Colorado.
- The Division will release 2021 exam priorities in early 2021. The priorities will include a focus on ensuring that firms are adequately prepared to address challenges related to COVID-19.

4. Other Business

- Discussion of a proposed federal exemption for certain finders.
- Vote on a Vice Chairperson. Tom Kenning nominated Nilsa Mahon. Keith Olivia seconded. The board voted unanimously approving Nilsa Mahon as Vice Chair.

5. Schedule Date and Time for Next Meeting

- The next meeting was scheduled for Thursday, March 25, 2021, at 9:00 a.m.

The meeting adjourned at 9:55 a.m.

Chair

Date