

**MO5** ~~CHANGE OF CONTROL~~ Change of Control [Section 11-110-103(3) and 11-110-112, C.R.S.]

~~A. A person has control over a licensee if:~~

- ~~1. The person directly or indirectly or acting through one or more other persons owns, controls, or has power to vote 25 percent or more of any class of voting securities of the licensee; or~~
- ~~2. The Banking Board determines, after notice and opportunity for hearing, that the person directly or indirectly exercises a controlling influence over the activities of the licensee.~~

B.A. In any case in which a person or a group of persons, directly or indirectly or acting by or through one or more persons (applicant), proposes to purchase or acquire a controlling interest in a licensee, and thereby to change the control of that licensee, each applicant ~~person or group of persons~~ shall provide ~~written notice to the Commissioner.~~ the following:

1. ~~An applicant licensee, which is a publicly traded corporation or the stock of which is traded on an organized stock exchange and a licensee which is a direct or indirect subsidiary of a publicly traded corporation,~~ shall provide the Commissioner with written notice within 15 days after knowledge of such change in control.
2. ~~An applicant licensee which is not a corporation, or a corporation the stock of which is not a publicly traded corporation,~~ shall provide ~~the Commissioner with not less than 30 days prior written notice of such proposed change in control.~~ through the NMLS portal all the required information, which at a minimum, includes:
  - a. A detailed description of the proposed transaction.
  - b. The name, business and residence address, personal financial statement, and employment history, for the past five (5) years of any new executive officers and any new officers or manager who will be in charge of the applicant's activities.
  - c. The name, business and residence address and employment history for the period of five (5) years prior to the date of any key shareholder.
  - a-d. A copy of the applicant's most recent audited financial statement (including balance sheet, state of income or loss, statement or changes in shareholder equity and statement of changes in financial position) and, if available, the applicant's audited financial statements for the immediately preceding two (2) year period. However, if the applicant is a wholly-owned subsidiary of another corporation, the applicant may submit either the parent corporation's consolidated audited financial statements for the current year and for the immediately preceding two (2) year period or the parent corporation's form 10K reports filed with the United States Securities and Exchange Commission for the prior three (3) years in lieu of the applicant's financial statements. If the applicant is a wholly-owned subsidiary of a corporation having its principal place of business outside the United States, similar documentation filed with the parent corporation's non-United States regulator may be submitted to satisfy this provision.
  - b-e. Any other information the Banking Board deems relevant, but not more than required of the licensee or persons in control of the licensee as part of its original license application.

~~C.B. After a review of the written notification, the Commissioner may require the licensee to provide additional information relating to other and former addresses, and the reputation, character, responsibility, and business affiliations of the proposed new owner or each of the proposed new owners of the licensee.~~ The Banking Board may deny the person or group of persons proposing to purchase or who have acquired control of, a licensee if, after investigation, the Banking Board

determines that the person or persons are not qualified to command the confidence of the public or have the necessary experience or financial responsibility to control or operate the licensee in a legal and proper manner or if the interests of the other stockholders, if any, or the interests of the public generally may be jeopardized by the proposed change in ownership, controlling interest, or management.

D.C. The Banking Board may disapprove any person who has a history of material litigation, criminal convictions, or pleas of nolo contendere.

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~~2. The Banking Board may disapprove any person who has a history of material litigation, criminal convictions, or pleas of nolo contendere.~~