



JOHN CHIANG  
TREASURER  
STATE OF CALIFORNIA

March 29, 2018

The Honorable Jeff Sessions  
Attorney General  
U.S. Department of Justice  
950 Pennsylvania Avenue NW  
Washington, D.C. 20530-0001

Dear Attorney General Sessions:

On January 1, 2018, recreational cannabis became legal in California. In doing so, California joined eight other states (including the District of Columbia) that have now legalized recreational cannabis. In addition, more states have legalized medical cannabis, bringing the total of states that have legalized either medical cannabis, recreational cannabis, or both to twenty-nine. These states represent a true cross-section of America. This is not just a blue state phenomenon, but includes purple and red states in every corner of our country. A majority of Americans now live in states where they have decided to legalize cannabis.

On January 4, 2018, your office issued a memo rescinding what are commonly referred to as the Cole Memos. As you know, one of the most significant issues confronting cannabis businesses that want to operate in compliance with their state laws is the lack of banking and other financial services. This is brought about by the dichotomy between federal law, which still outlaws cannabis, and the legalization movement that continues to grow at the state level. The Cole Memos provided needed guidance to some financial institutions that were willing to provide banking services to those businesses operating in compliance with state law.

The rescission of the Cole Memos adds yet more uncertainty to the issue at a time when financial institutions and cannabis businesses need greater clarity on how federal law enforcement and regulatory agencies will respond to the growing legalization of cannabis at the state level. Whether cannabis should be legal is not relevant to the simple fact that it now is in more than half of the states. With legalization taking place, there are sound public policy reasons for providing financial institutions and other entities that do business with the cannabis industry some comfort that they will not be prosecuted, or lose access to customer assets, simply for banking this industry. Among the policy positives that could result is greater public safety and more efficient collection of tax revenues.

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For some banks, the Cole Memos provided that comfort, by providing a roadmap to follow to ensure compliance with the rules related to banking, such as those related to money laundering and know your customer requirements. The Cole Memos also provided for protection of federal law enforcement priorities, such as ensuring that minors do not have access to cannabis and keeping cannabis cash out of the hands of cartels or drug gangs. The absence of the Cole Memos now leaves the industry and financial institutions in the dark.

For these reasons, the undersigned request a meeting with you and your staff. In this incredibly divisive time, the issues surrounding the legalization of cannabis provide a unique opportunity for policymakers, regulators, and law enforcement officials from all sides to meet and reach a consensus. We believe we can work together and achieve a solution that recognizes that more and more Americans are living in states where they have decided to legalize cannabis while balancing the important law enforcement issues the Cole Memos tried to account for.

If you are interested in such a dialogue, please contact Tim Schaefer, Deputy Treasurer, or Mark Paxson, General Counsel, at 916-653-2995, and we can work to schedule a meeting between your office and representatives of the undersigned.

Sincerely,



JOHN CHIANG  
California State Treasurer

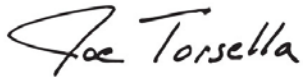


MICHAEL FREICHS  
Illinois State Treasurer



TOBIAS READ  
Oregon State Treasurer

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JOE TORSELLA  
Pennsylvania State Treasurer



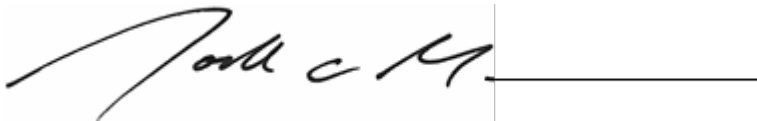
HEZEKIAH ALLEN  
Executive Director  
California Growers Association



LARA KAMINSKY  
Executive Director  
The Cannabis Alliance

/ s /

KRISTI KNOBLICH  
Board President  
California Cannabis Industry Association



TODD MASON  
President / CEO  
Maine Credit Union League

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SHANITA PENNY  
President  
Minority Cannabis Business Association



MICHAEL CORREIA  
Director of Government Relations  
National Cannabis Industry Association