

STATEMENT OF BASIS AND PURPOSE

Amendment to Chapter 8 of the Rules Under the Colorado Securities Act
Colorado Division of Securities
December 3, 2014

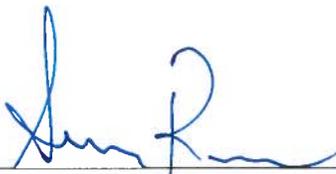
Pursuant to the authority found in the Colorado Securities Act (the "Act"), sections 11-51-101, *et seq.*, C.R.S., including part 7 of the Act, the Securities Commissioner repeals Rule 51-8.1 on December 3, 2014.

The general purpose of repealing Rule 51-8.1 is to simplify the Rules Under the Colorado Securities Act and avoid unreasonable burdens on participants in capital markets. Rule 51-8.1 is no longer necessary. The rule was adopted to clarify the phrase "an offering begun in good faith before July 1, 1990" in section 11-51-802(3), C.R.S. That section states that articles 51 and 52, as they existed prior to July 1, 1990, apply to any offer to sell or sale made on or before January 1, 1991, in an offering that began in good faith before July 1, 1990, on the basis of an exemption available under the prior law. Since January 1, 1991, has passed and the current versions of articles 51 and 52 now apply to any offer to sell or sale, Rule 51-8.1 is no longer necessary and repealing it avoids unreasonable burdens on market participants.

The Securities Commissioner finds that repealing Rule 51-8.1 is necessary and appropriate in the public interest and is consistent with the purposes and provisions of the Act. The Securities Commissioner further finds that the record demonstrates that the rule is no longer necessary.

This general statement of basis and purpose is incorporated by reference in the repeal of the rule adopted by the Securities Commissioner on December 3, 2014. The rule will be effectively repealed approximately 20 days after the repealed rule is published in the Colorado Register.

DATED this 3rd day of December.



Gerald Rome
Securities Commissioner