

STATEMENT OF BASIS AND PURPOSE

Amendments to Chapters 4 and 4 (IA) of the Rules Under the Colorado Securities Act
Colorado Division of Securities
March 30, 2015

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 adopts the amendments to Rules 51-4.3 and 51-4.4-IA on March 30, 2015.

The general purpose of the amendments to Rules 51-4.3 and 51-4.4-IA is to enhance investor protection by improving the Division of Securities' ability to communicate with its licensees. In general, the underlying purpose of licensure is to enhance investor protection by requiring a certain level of competency of licensees and prohibiting unfair and abusive practices by licensees. While the Division of Securities is charged with overseeing licensed individuals, it makes little sense to impede communication, and thereby decrease investor protection, by not allowing email communications between the Division and its licensees. There are a variety of circumstances where the Division needs to communicate with its licensees in a quick and cost-effective manner. For example, the Division may need to implement an adequate disaster recovery plan, elicit information to gain a better understanding of its licensees, notify stakeholders of proposed statutory changes, or deliver information such as news releases, alerts, Division sponsored events, or regulatory topics. In this technological era, it is in the public interest for the licensing authority to communicate electronically with those individuals who have been granted the privileges associated with a securities license in Colorado.

The Securities Commissioner finds that the adoption of the permanent amendments to Rules 51-4.3 and 51-4.4-IA are necessary and appropriate in the public interest and are consistent with the purposes and provisions of the Act. The Securities Commissioner further finds that the record demonstrates the need for these rules, the rules are clearly and simply stated, proper statutory authority exists for the rules, the rules do not conflict with any other rules or statutes governing the Division of Securities, and the rules are coordinated with the federal acts and statutes and the rules and regulations promulgated thereunder to which references are made to the extent coordination with them is consistent with the purposes and provisions of the Act.

This general statement of basis and purpose is incorporated by reference in the rules adopted by the Securities Commissioner on March 30, 2015. The rules will become effective on June 1, 2015.

DATED this 30th day of March.



Gerald Rome
Securities Commissioner