

NOTICE OF PROPOSED RULEMAKING **COLORADO DIVISION OF SECURITIES**

Notice is given that Fred J. Joseph, Securities Commissioner, Colorado Division of Securities, Department of Regulatory Agencies, will hold a public hearing. The hearing, which was originally scheduled for August 10, 2004, will now be held at **9:00 a.m. on Tuesday, October 5, 2004**, at the following location:

**Conference Room
Colorado Division of Banking
1560 Broadway, Suite 1175
Denver, Colorado 80202**

(NOTE: The public hearing will be held at the Colorado Division of Banking Conference Room in order to accommodate a larger number of attendees).

The public hearing is being held to consider repeal of a current Division rule regarding registration by filing and promulgation of a permanent rule to provide guidance for registration by coordination. At the hearing, consideration will also be given to amending the current Division rule regarding the conduct of proceedings for cease and desist orders, consent orders, and summary orders. Consideration at the hearing will also be given to the promulgation of a permanent rule to provide for an exemption from registration for municipal bonds and amending the current Division rule regarding the types of examinations given for sales representatives of non-NASD broker-dealers.

At the public hearing, interested parties will be afforded an opportunity to be heard and submit written data, views and arguments. The Commissioner may also allow oral presentations of such data, views, or arguments unless he deems such presentation unnecessary. Information and materials relating to the proposed rules will be available to any person at the Colorado Division of Securities, 1580 Lincoln, Suite 420, Denver, Colorado 80203, and the Division's website, <http://www.dora.state.co.us/securities> at least five (5) days prior to the public hearing.

Reasonable accommodation will be provided upon request for persons with disabilities. If you are a person with a disability who requires an accommodation to participate in this public hearing, please notify Gerald Rome at (303) 894-2320 by July 30, 2004.

The Securities Commissioner's authority to rescind and promulgate such rules is found in sections 11-51-606.5 and 704 of the Colorado Securities Act.

The Securities Commissioner has reviewed House Bill 04-1109 and the amendments contained therein to the Colorado Securities Act, and has determined that the newly enacted laws require the promulgation of new rules and the repeal or amendment of current rules.

Specifically, the new law has replaced registration of securities by filing with registration of securities by coordination. The Securities Commissioner is considering repealing Division Rule 51-3.1 dealing with registration by filing and promulgating a permanent rule outlining the procedures for registration by coordination. Further, sections 11-51-303(6) and 11-51-606(6), C.R.S. contained in House Bill 04-1109, require new rules be adopted concerning prompt filing and notification requirements. And, section 11-51-606(1.5), C.R.S., sets out the process for show cause and cease and desist proceedings for which rules need to be updated to include the ability to delegate matters to an administrative law judge as well as adjust some of the time periods for these processes.

The Securities Commissioner is also considering promulgating a permanent rule under the Colorado Municipal Bond Supervision Act to provide for an additional exemption from registration for municipal bonds initially issued under Rule 59-10.3 or section 11-59-110(1)(g), C.R.S.

The Securities Commissioner is also considering amending current Rule 51-4.3.F to delete the requirement of a Series 64 examination for sales representative licensing for non-NASD individuals, and amending Rule 51-4.6.D.6.a to correct a typographical error.