

MEMO# 2001

June 29, 1990

COLORADO ISSUES ADOPTS FORMS AND SETS FEES

June 29, 1990 TO: STATE SECURITIES MEMBERS NO. 20-90 UNIT INVESTMENT TRUST MEMBERS NO. 42-90 RE: COLORADO ISSUES ADOPTS FORMS AND SETS FEES

As we previously informed you, legislation was enacted in Colorado that completely revises the Colorado Securities Act. Such revisions are effective as of July 1, 1990 and include a "blue chip exemption" from registration for qualified mutual funds and unit trusts. (See Memorandum to State Securities Members No. 18-90, Unit Investment Trust Members No. 37-90, dated June 13, 1990.) Mutual funds and unit trusts that are unable to claim the blue chip exemption must comply with the procedure for registration by filing. You should be aware that the staff of the Division has stated that although the new provisions of the Act are effective as of July 1, 1990, mutual funds and unit trusts currently being offered and sold in Colorado will have until August 15, 1990 to submit the appropriate documentation to claim the blue chip exemption or register by filing. Filings received by August 15, 1990 will be retroactively granted an effective date of July 1, 1990; thereafter, the anniversary date will be July 1. Applications or notices of new mutual funds or unit trusts, i.e., funds or trusts that have not gone effective with the Securities and Exchange Commission and are not currently being offered and sold in Colorado, will be effective on the date that the SEC declares the registration statement effective, or the date the application for registration or notice of claim of exemption is received by the Division. Procedure to Claim Blue Chip Exemption A mutual fund is exempt from registration if its investment adviser or an affiliate of its investment adviser has been registered under the Investment Advisers Act of 1940 for at least three years. If qualified, a mutual fund may claim the exemption by submitting annually to the Colorado Securities Division a completed copy of Colorado Form IC and a check made payable to the "Colorado State Treasurer" in the amount of \$60.00. A unit trust is exempt from registration if its principal underwriter has been the principal underwriter for registered investment companies with aggregate total assets in excess of \$100 million for at least three years. If qualified, a unit trust may claim the exemption by submitting to the Colorado Securities Division a completed copy of Colorado Form IC and a check made payable to the "Colorado State Treasurer" in the amount of \$60.00. Section 11-51-308(IV) of the Act exempts a nonissuer distribution of an outstanding security if the issuer is registered under the Investment Company Act of 1940. Registration by Filing Mutual funds and unit trusts unable to claim the blue chip exemption, must register by filing pursuant to Section 11-51-303 of the Act. Mutual funds or unit trusts that register their securities must submit a completed application on Colorado Form RF or the uniform form for registration of securities (Form U-1), uniform consent to service of process (Form U-2), and uniform corporate resolution (Form U-2A), and a check made payable to the "Colorado State Treasurer" in the amount of \$75.00. * * * A complete copy of the revised Colorado

Securities Act is attached, as well as the schedule of fees and Colorado Forms IC and RF.
Patricia Louie Assistant General Counsel Attachments

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