

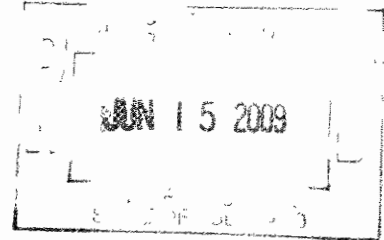


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June 12, 2009

By Federal Express

Mr. Gerald Rome
Deputy Commissioner
Colorado Division of Securities
1560 Broadway, Suite 900
Denver, Colorado 80202

Re: Request for Exemptive Relief from the Sales Representative Licensing Requirements of the Colorado Securities Act

Dear Mr. Rome:

Pursuant to Section 11-51-705 of Colorado Securities Act (the "Act"), we are requesting that the Colorado Division of Securities (the "Securities Division") grant exemptive relief from the sales representative licensing requirements of the Act in connection with the offer and sale of commercial paper by General Electric Company ("GE") and two of its direct and indirect subsidiaries, General Electric Capital Services, Inc. ("GECS") and General Electric Capital Corporation ("GECC" and, together with GE and GECS, the "GE Companies"), as more fully described herein.

I. Background.

While the term "commercial paper" is not defined in the Act, or in the Securities Act of 1933 (the "Securities Act"), it is generally understood to refer to unsecured, short-term promissory notes, typically having a maturity of less than 9 months. The commercial paper market generally serves two distinct purposes: (i) it is a major source of financing for the issuers of the paper who seek to raise capital to fund operations; and (ii) it is an important short-term investment instrument for investors.¹

¹ See generally Kenneth V. Handal, The Commercial Paper Market, 39 U. Chi. L. Rev. 362 (1971-72); see also The Depository Trust & Clearing Corporation, Discussion Paper: Issues and Recommendations Regarding Commercial Paper Settlement Practices, Section

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Most commercial paper is issued pursuant to Section 3(a)(3) of the Securities Act, which provides an exemption from registration for securities with a maturity of less than nine months. The U.S. Securities and Exchange Commission (the "SEC") has set forth additional characteristics that commercial paper must meet in order to qualify for the Section 3(a)(3) exemption from registration. More specifically, the SEC requires that commercial paper satisfy the following characteristics for purposes of the Section 3(a)(3) exemption from registration under the Securities Act:² (i) negotiability;³ (ii) prime quality;⁴ (iii) not ordinarily purchased by

2.2.5 (May 2003) (providing that "[m]oney market mutual funds, commercial bank trust departments, financial corporations such as life insurance companies, securities dealers and private and government pension funds are the major investors in [commercial paper].").

² Exchange Act Release No. 34-4412 (Sept. 20, 1961) (stating that "Section 3(a)(3) [of the Securities Act] applies only to prime quality negotiable commercial paper of a type not ordinarily purchased by the general public, that is, paper issued to facilitate well recognized types of current operational business requirements and of a type eligible for discounting by Federal Reserve banks. The exemption has been interpreted to exclude obligations payable on demand or having provisions for automatic 'roll over.'"). It should be noted that, although the SEC, at one point, required that commercial paper be eligible for discount at federal reserve banks in order to meet the Section 3(a)(3) exemption from registration, this standard is no longer applied by the SEC. (see Louis Loss, Joel Seligman, and Troy Paredes, *Securities Regulation: Short Term Notes (Section 3(a)(3))* (revised November 2007), citing SEC, Div. of Corp. Fin. Training Manual, Securities Act of 1933, 23 n. 69 (1982)).

³ With respect to the "negotiability" condition, the SEC has stated that "[t]his characteristic is self-explanatory and does not pose an interpretative problem." (see Louis Loss, Joel Seligman, and Troy Paredes, *Securities Regulation: Short Term Notes (Section 3(a)(3))* (revised November 2007), citing SEC, Div. of Corp. Fin. Training Manual, Securities Act of 1933, 22 (1982)).

⁴ The SEC has stated that it "will decline to express a view concerning the availability of Section 3(a)(3) unless [the SEC] is persuaded that there is either adequate information concerning the issuer available to purchasers of the commercial paper, or the sales will be made under conditions providing a reasonable assurance as to the quality of the issuer or the sophistication of the purchaser." (see Louis Loss, Joel Seligman, and Troy Paredes, *Securities Regulation: Short Term Notes (Section 3(a)(3))* (revised November 2007), citing SEC, Div. of Corp. Fin. Training Manual, Securities Act of 1933, 22 (1982)). Agencies, like Standard & Poor's, Moody's, and Fitch, rate commercial paper, providing investors of commercial paper with a source of information as to the quality of the issuer.

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the general public;⁵ (iv) the proceeds of the commercial paper offering must be used to facilitate current transactions; and (v) the commercial paper must have a maturity of nine months or less with no automatic roll over.⁶

With respect to the requirement that 3(a)(3) commercial paper be used to facilitate "current transactions", the SEC has generally interpreted this requirement to permit issuers to use the proceeds of commercial paper sales for the following purposes: (i) the making of loans or the purchasing of notes, installment contracts, or other evidence of indebtedness in the usual course of business;⁷ (ii) the payment of outstanding notes that are exempt from registration under Section 3(a)(3) of the Securities Act;⁸ (iii) interim financing of permanent or fixed investments;⁹ and (iv) financing of current operating expenses.¹⁰

Section 3(a)(3) commercial paper is sold to investors in either one of two ways: (i) the issuer sells the 3(a)(3) paper directly to investors through its own personnel; or (ii) the issuer places the paper with investors through the use of a dealer, who in most cases acts as a principal.¹¹ For large issuers with well-recognized names and the requisite resources and sophistication, conducting a "direct issuance" program and avoiding the use of a securities dealer intermediary can provide meaningful benefits to the issuer, including monetary savings.

⁵ To reduce the risk that commercial paper will be sold to the general public, the SEC generally requires that commercial paper be sold in minimum denominations of at least \$25,000. (*see* Louis Loss, Joel Seligman, and Troy Paredes, Securities Regulation: Short Term Notes (Section 3(a)(3)) (revised November 2007), citing SEC, Div. of Corp. Fin. Training Manual, Securities Act of 1933, 23 (1982)).

⁶ The SEC allows issuers to rollover the commercial paper at its own discretion without rendering the commercial paper ineligible for the Section 3(a)(3) exemption for failing to satisfy the "nine months maturity" limit standard. (*see* Louis Loss, Joel Seligman, and Troy Paredes, Securities Regulation: Short Term Notes (Section 3(a)(3)) (revised November 2007)).

⁷ Exchange Act Release No. 34-4412 (Sept. 20, 1961).

⁸ *Id.*

⁹ Louis Loss, Joel Seligman, and Troy Paredes, Securities Regulation: Short Term Notes (Section 3(a)(3)) (revised November 2007).

¹⁰ *Id.*

¹¹ Handal, 39 U. Chi. L. Rev. at 364; *see also* The Depository Trust & Clearing Corporation, Discussion Paper: Issues and Recommendations Regarding Commercial Paper Settlement Practices, Section 2.2.1 (May 2003)

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II. **Facts.**

Our client, GE, is a major U.S. conglomerate that directly, and/or through its various subsidiaries, engages in a variety of business activities and operates in numerous industries/sectors, including the areas of technology, media, and financial services. GE directly, wholly-owns GECS, which offers financial services and products on a global basis generally through its primary and wholly-owned subsidiary, GECC. Among its many services, GECS, through GECC, extends loans, leases, and other financial services to manufacturers and distributors for equipment financing, provides capital and investment solutions, offers personal loans and credit cards, and provides aviation financial services.

To finance their respective working capital requirements, each of the GE Companies issues short-term, highly-rated commercial paper that is exempt from registration under the Securities Act pursuant to Section 3(a)(3) thereof and applicable SEC interpretations related thereto (with respect to each such issuer, the "GE 3(a)(3) CP").¹² GE 3(a)(3) CP is offered and sold directly by the GE Companies through certain of their respective officers and employees (collectively, "Employees"). GE 3(a)(3) CP is issued in minimum denominations of either \$100,000 with maturities ranging from 7 to 270 days or \$500,000 with maturities ranging from 1 to 6 days and carries the highest rating for commercial paper by each of Moody's Investors Service and Standard and Poor's, each of which is a nationally recognized statistical rating organization. In accordance with applicable interpretations of the SEC and its staff relating to Section 3(a)(3) of the Securities Act, the GE 3(a)(3) CP is offered and sold only to sophisticated, institutional investors.

With respect to GE 3(a)(3) CP issued by any of the GE Companies, each such issuer would offer and sell its GE 3(a)(3) CP in the State of Colorado to institutional investors through certain of such issuer's Employees. Employees would receive, accept and effect orders for GE 3(a)(3) CP on a regular basis and might also, at times, solicit orders from institutional investors with respect to GE 3(a)(3) CP. None of the Employees would be physically located in the State of Colorado. While Employees may perform other functions from time to time on behalf of the GE Companies, the Employees' primary job responsibility will relate to the operation of the GE 3(a)(3) CP program. In this regard, however, and as noted above, corporate issuers which regularly issue commercial paper, such as the GE Companies, may choose to place

¹² As previously noted, Section 3(a)(3) requires that proceeds from the sale of 3(a)(3) paper only be used to finance current transactions, as such requirement is further interpreted by the SEC and its staff. The GE 3(a)(3) CP program is conducted in a manner designed to satisfy this requirement, as well as other relevant SEC interpretations relating to the criteria necessary to claiming the Section 3(a)(3) exemption.

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their commercial paper directly with institutional investors to facilitate a direct and ongoing funding relationship and avoid the additional cost of an investment bank-dealer.

Each Employee receives a fixed salary, in addition to health, retirement and other similar benefits, as compensation for its services. Each Employee is also eligible to receive a discretionary bonus at the end of each calendar year, the amount of which is not based upon the amount of GE 3(a)(3) CP sold by such Employee. Employees do not receive any commission or other remuneration based upon, tied to, or otherwise calculated from, the dollar amount of GE 3(a)(3) CP sold thereby.

At the federal level, the Employees are not required to be registered with the SEC as brokers and/or dealers in connection with their role in offering and selling GE 3(a)(3) CP. In particular, Section 15(a)(1) of the Securities Exchange Act of 1934 (the "Exchange Act") expressly exempts from registration brokers and dealers who only effect transactions involving "commercial paper" and certain other specified instruments.¹³ Although the term "commercial paper" is not defined in the Exchange Act, or the rules or regulations thereunder, it has been construed by the SEC, for the purposes of Section 15(a)(1) of the Exchange Act, to be consistent with the exemption from registration set forth in Section 3(a)(3) of the Securities Act.¹⁴ Moreover, the Exchange Act's definition of the term "security", including for purposes of the broker-dealer registration requirements of Section 15(a)(1) of the Exchange Act, expressly excludes, among other things, "any note, draft...which has a maturity at the time of issuance of not exceeding nine months, exclusive of days of grace, or any renewal thereof the maturity of which is likewise limited."¹⁵ Accordingly, because the GE 3(a)(3) CP program is structured to comply with the exemption set forth in Section 3(a)(3) of the Securities Act, the Employees are

¹³ Specifically, Section 15(a)(1) provides, in relevant part, that "[i]t shall be unlawful for any broker or dealer...to make use of the mails or any means or instrumentality of interstate commerce to effect any transactions in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) unless such broker or dealer is registered in accordance with subsection (b) of this section." 15 U.S.C. § 78o(a)(1).

¹⁴ See Exchange Act Release No. 34-27017 (July 11, 1989) (stating that the "Commission notes that the definition of 'security' in section 3(a)(10) of the Exchange Act generally is understood to exclude instruments exempt from registration under section 3(a)(3) of the Securities Act by virtue of their classification as commercial paper.").

¹⁵ 15 U.S.C. § 78c(a)(10).

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not required to be registered as brokers and/or dealers pursuant to Section 15(a)(1) of the Exchange Act in connection with their role in offering and selling GE 3(a)(3) CP.¹⁶

III. **Relief Requested.**

Based upon certain letters issued by the Securities Division, as published in the CCH Blue Sky Law Reporter, with respect to the marketing of commercial paper by entities, and their employees, without having to secure either broker-dealer or sales representative licensing under the Act, as more fully described herein, and which letters describe similar offerings to the offer and sale of GE 3(a)(3) CP directly by the issuers thereof, we are requesting that the Securities Division provide similar exemptive relief with respect to the offer and sale of GE 3(a)(3) CP, as described above.

IV. **Discussion and Analysis.**

Pursuant to Section 11-51-401(1) of the Act, no person shall transact business in the State of Colorado as a "broker-dealer" or as a "sales representative" unless such person is either (i) licensed under the Act or (ii) exempt from such licensing. The term "broker-dealer" is generally defined in Section 11-51-201(2) of the Act to mean "a person engaged in the business of effecting purchases or sales of securities for the accounts of others or in the business of purchasing and selling securities for the person's own account" and, thus, is consistent with the combined definitions of "broker" and "dealer" under the Exchange Act. Similarly, Section 11-51-201(2)(b) of the Act excludes from the definition of broker-dealer an issuer selling its own securities. As the GE Companies propose to offer and sell GE 3(a)(3) CP directly, through the Employees, to sophisticated, institutional investors in the State of Colorado, the GE Companies would like the ability to engage in such activity in the State of Colorado without having to either:

¹⁶ Pursuant to Sections 3(a)(4) and 3(a)(5) of the Exchange Act, an issuer of securities is neither a "broker" nor a "dealer" by reason of issuing securities on the grounds that: (i) in the case of a "broker," an issuer is not engaged in the business of effecting transactions in such issued securities for the account of other persons but rather is effecting such transactions for the issuer's own account; and (ii) in the case of a "dealer," an issuer is not engaged in the business of both buying and selling such issued securities. See Exchange Act Release No. 13195 (stating that "where an issuer of securities elects not to use a registered broker or dealer to effect a distribution of securities and instead effects the distribution through its own regular officers and employees, the [Exchange] Act has customarily been interpreted not to require the issuer itself to register as either a broker or a dealer; the issuer would not be effecting transactions for the accounts of others nor, generally, would it be engaged in the business of both buying and selling securities for its own account").

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(i) incur the additional cost of employing a broker-dealer registered under the Act; or (ii) incur the cost of registering the Employees as "sales representatives" of the GE Companies under the Act.

Section 11-51-201(14) of the Act defines a "sales representative," in part, to mean:

[A]n individual, other than a broker-dealer, either authorized to act and acting for a broker-dealer in effecting or attempting to effect purchases or sales of securities or authorized to act and acting for an issuer in effecting or attempting to effect purchases or sales of the issuer's own securities. An individual so acting for an issuer is not a sales representative if the individual primarily performs, or is intended primarily to perform upon completion of an offering of the issuer's own securities, substantial duties for or on behalf of the issuer otherwise than in connection with transactions in the issuer's own securities and the individual's compensation is not based, in whole or in part, upon the amount of purchases or sales of the issuer's own securities effected for the issuer.

Because the Employees' primary job function could be deemed to be the offer and sale of GE 3(a)(3) CP on behalf of the GE Companies, it could be argued that the Employees fall within the definition of "sales representative", as set forth above. In this regard, although the Employees may perform other functions from time to time in connection with their employment, such functions might not constitute "substantial [other] duties" for purposes of the exclusion set forth in Section 11-51-201(14) of the Act. Furthermore, although the Employees do not receive a commission or other similar transaction-based remuneration tied to, or in connection with, the sale of GE 3(a)(3) CP, as described above, the Employees do receive a salary and benefits, and are eligible for a discretionary year-end bonus with respect to their employment services, which services, as noted above, could be deemed to involve, primarily, the offer and sale of GE 3(a)(3) CP.

Although Sections 11-51-402(2)(a) through (c) of the Act provide certain exemptions for sales representatives from the licensing requirements of the Act, the Employees would be unlikely to satisfy the criteria for such exemptions.¹⁷ As such, the Employees could be

¹⁷ For instance, pursuant to Section 11-51-402(2)(c) of the Act, a sales representative is exempt from the licensing requirements of the Act if employed by an issuer to effect transactions only with employees, officers, or directors of the issuer or with a parent or a subsidiary of the issuer. As the Employees intend to exclusively sell GE 3(a)(3) CP to institutional investors, as opposed to the employees, officers, or directors of the GE Companies, this exemption would be inapplicable to the Employees. Pursuant to Section 11-51-402(2)(b) of the Act, a sales representative is exempt from the licensing

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required to register as sales representatives in order to engage in the offer and sale of GE 3(a)(3) CP on behalf of the GE Companies, as described above.

Notwithstanding the foregoing, however, pursuant to Section 11-51-101(3) of the Act, "[t]he provisions of this article and rules made under this article shall be coordinated with the federal acts and statutes to which references are made in this article and rules and regulations promulgated under those federal acts and statutes, to the extent coordination is consistent with both the purposes and the provisions of this article."

Because, as described above, the Employees are not subject to broker-dealer registration under the Exchange Act in connection with their involvement in the offer and sale the GE 3(a)(3) CP directly on behalf of the GE Companies, and in light of the fact that they would offer and sell the GE 3(a)(3) CP in the State of Colorado only to sophisticated, institutional investors (as in other States) and sales representative registration would not be required in any other State, we believe that it would be inconsistent with the stated policy of the Act, as memorialized in Section 11-51-101(3) thereof, to not permit a comparable exemption, as under the Exchange Act, for the Employees with respect to the sales representative licensing requirements of the Act in connection with their involvement in offering and selling GE 3(a)(3) CP.

Finally, the Securities Division has previously issued exemptive relief from the sales representative licensing requirements of the Act in connection with the sale of commercial paper that is exempt from registration under the Securities Act, such as GE 3(a)(3) CP. For instance, in 1995, 1999 and 2000, the Securities Division issued similar relief, through exemptive orders or no-action letters, from the sales representative, and in certain cases, the

requirements of the Act if employed, or otherwise engaged, by an issuer in effecting transactions in securities exempted by Sections 11-51-307(1)(a) to (1)(d) or (1)(j) of the Act. Although GE 3(a)(3) CP is an exempt security pursuant to Section 11-51-307(1)(h) of the Act, the exemption set forth in Section 11-51-402(2)(b) of the Act would be inapplicable, as GE 3(a)(3) CP does not specifically qualify as one of the exempted securities provided for by Section 11-51-402(2)(b) of the Act. Furthermore, while Section 11-51-402(2)(a) of the Act provides an exemption from the licensing requirements of the Act for a sales representative employed by a broker-dealer exempt under Section 11-51-402(1) of the Act, this exemption is also inapplicable. Section 11-51-402(1)(a) of the Act exempts a broker-dealer from registration if such broker-dealer is registered under the Exchange Act, has no place of business in the State of Colorado, and transacts business exclusively with certain persons, as enumerated in Section 11-51-402(1)(a) of the Act. Since none of the GE Companies are registered as broker-dealers, the Employees could not rely on the Section 11-51-402(2)(a) exemption.

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broker-dealer, registration requirements of the Act to the employees of various issuers in connection with the sale of commercial paper and/or short term notes.¹⁸

In 1995, the Securities Division granted exemptive relief from the sales representative licensing requirements of the Act to the employees of Corp. E., Credit Corporation ("Credit") and Asset Management Company ("Management") in connection with the sale of commercial paper and short term notes issued by each of such entities.¹⁹ Like GE 3(a)(3) CP, the commercial paper and short-term notes issued by Corp E., Credit, and Management were exempt from registration under the Securities Act. The employees of the issuers were primarily responsible for the sale of the commercial paper and short term notes to institutional investors as part of a financing program to raise capital for the three issuers. The employees would, in return for their services, receive a regular salary, but were not to receive any "commissions or other compensation specifically related to the securities sales" in connection with the offer and sale of the commercial paper and short term notes. As such, the Securities Division granted the employees relief from the sales representative licensing requirements of the Act. Furthermore, the Securities Division granted relief to Credit from the broker-dealer registration provisions of the Act in connection with the sale of commercial paper issued by its affiliates that, due to foreign tax constraints, could not have its own officers or employees in the United States to directly engage in the sale of its commercial paper.

In 1999, the Securities Division issued an exemptive order to the employees of Exxon Project Investment Corporation ("EPIC") in connection with the sale of short term notes exempt from registration under the Securities Act.²⁰ Like the sale of GE 3(a)(3) CP, EPIC

¹⁸ Exemptive Request – Broker-dealer and sales representative registration were not required for a company's wholly owned subsidiary and employees who sold the parent company's commercial paper solely to institutional investors, Commerce Clearing House, Inc. Blue Sky Law Reporter, Colorado ¶13,665U; Exemptive Request - Oil and natural gas corporation employees who sell the company's commercial paper to institutional investors are exempt for sales representative licensing requirements, Commerce Clearing House, Inc. Blue Sky Law Reporter, Colorado ¶13,614; Exemptive Request – A corporation's officers selling short term promissory notes for the corporation were exempt from sales representative registration, Commerce Clearing House, Inc. Blue Sky Law Reporter, Colorado ¶13,665I.

¹⁹ Exemptive Request - Oil and natural gas corporation employees who sell the company's commercial paper to institutional investors are exempt for sales representative licensing requirements, Commerce Clearing House, Inc. Blue Sky Law Reporter, Colorado ¶13,614.

²⁰ Exemptive Request – A corporation's officers selling short term promissory notes for the corporation were exempt from sales representative registration, Commerce Clearing

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represented that its employees would be principally engaged in the offer and sale of short term notes to institutional investors for the sole purpose of raising capital for its parent company, Exxon Corporation. In return for their services, the employees were to receive a regular salary, but were not to receive any "commissions or other compensation specifically related to securities sales" linked to the offer or sale of the securities. Based upon the foregoing, the Securities Division granted EPIC's employees relief from the sales representative licensing requirements of the Act.

In February 2000, the Securities Division issued a no-action letter granting the sales personnel of DaimlerChrysler North America Holding Corporation ("DCNAH") relief from the sales representative licensing requirements of the Act in connection with the sale of DCNAH's commercial paper, which, like GE 3(a)(3) CP, was exempt from registration under the Securities Act.²¹ In the request letter, DCNAH noted that, while DCNAH issued its own commercial paper, the offer and sale of such commercial paper was made by employees of DCNAH's principal operating subsidiary, Daimler Chrysler Corporation ("DCC"). Like the sale of GE 3(a)(3) CP, DCNAH represented that the DCC employees' exclusive job responsibility was to engage in the offer and sale of DCNAH's commercial paper for the purpose of raising capital for DCNAH. In return for their services, the sales personnel were to receive a regular salary, but were not to receive any "special compensation tied to sales of the commercial paper."

Based on the foregoing, the Securities Division stated that it would not recommend action against DCNAH's sales personnel that engaged in the offer and sale of commercial paper, if such sales personnel did not register, or become licensed, as sales representatives under the Act. Furthermore, although not formally requested in the relief letter, the Securities Division extended exemptive relief to DCC from the broker-dealer registration requirements of the Act in connection with the sale of DCNAH's commercial paper by DCC's employees, indicating that the Act additionally exempts non-issuer affiliates that employ personnel to market commercial paper on behalf of an affiliated issuer.²²

House, Inc. Blue Sky Law Reporter, Colorado ¶13,665I.

²¹ Exemptive Request – Broker-dealer and sales representative registration were not required for a company's wholly owned subsidiary and employees who sold the parent company's commercial paper solely to institutional investors, Commerce Clearing House, Inc. Blue Sky Law Reporter, Colorado ¶13,665U.

²² Unlike the 1995 exemptive order issued to Corp. E., Credit, and Management discussed above, the relief extended to DCC from the broker-dealer registration requirements of the Act was not premised upon any representation that the issuers of the commercial paper would be prohibited from directly selling their commercial paper in the U.S. due to tax constraints.

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V. Conclusion.

For the reasons set forth below, the sales representative registration requirements of the Act should not apply to the Employees of GE, GECS and GECC in connection with their offer and sale of such issuers' GE 3(a)(3) CP in the State of Colorado:

- Many issuers directly sell their commercial paper through their employees to sophisticated, institutional investors. As previously noted, direct issuance programs reduce costs by avoiding the use of a broker-dealer, intermediary in connection with the placement of commercial paper. To impose additional costs/expenses on the GE Companies with respect to their ability to offer and sell GE 3(a)(3) CP directly, through the Employees, would place the GE Companies at an economic disadvantage relative to other direct issuers in the commercial paper market, including the issuers who are the beneficiaries of the exemptive and no-action relief discussed above. The latter could also prejudice Colorado institutional investors who may be denied a source of viable investment options.

- The Act, pursuant to Section 11-51-101(3) thereunder, explicitly provides that the implementation of the Act shall be coordinated with the federal acts and statutes to the extent that coordination is consistent with both the purposes and provisions of the Act. In light of (i) the fact that GE 3(a)(3) CP is highly rated, short-term commercial paper exempt from registration pursuant to Section 3(a)(3) of the Securities Act (in addition to being exempt from securities registration under the Act itself), (ii) the fact that the Employees who engage in the offer and sale of GE 3(a)(3) CP are not required to be registered as brokers and/or dealers under the Exchange Act in connection with their involvement in offering and selling GE 3(a)(3) CP on behalf of the GE Companies, (iii) the Employees are not required to be registered as sales representatives under the Blue Sky law of any other State; and (iv) the sophisticated, institutional market for GE 3(a)(3) CP, we believe that it is consistent with the policy of the Act to exempt the Employees from the sales representative licensing requirements of the Act in connection with the offer and sale of GE 3(a)(3) CP, or otherwise not require the Employees to be so licensed.

- Employees will only sell GE 3(a)(3) CP to sophisticated, institutional investors, who, arguably, possess the ability and financial resources to adequately understand the nature of their purchase. These sophisticated, institutional investors likely do not require the type of protections that the sales representative licensing requirements of the Act were designed to provide.

- Although Employees may be primarily involved in the offer and sale of GE 3(a)(3) CP on behalf of the GE Companies, none of such persons would receive any transaction-based compensation, but would only receive a fixed salary, with "standard" benefits, and a non-discretionary bonus which is not tied to, or based upon, sales amounts of GE CP.

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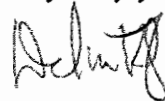
- The offer and sale of GE 3(a)(3) CP by the Employees is for the sole purpose of providing financing to the GE Companies' current transactions. Given that all other States provide an exemption from the broker-dealer and agent/salesman registration requirements for persons who represent an issuer in financing programs marketed to institutional investors either by virtue of the fact that such persons are only effecting transactions in exempted securities or by virtue of the fact that such transactions are effected only with institutional investors, imposing a sales representative licensing requirement on the Employees in the State of Colorado would impose an unfair burden on the ability of the GE Companies to raise capital.

- The Securities Division has previously issued relief to employees who engage in the offer or sale of commercial paper or notes on behalf of an issuer under circumstances similar to the facts described with respect to the offer and sale of GE 3(a)(3) CP. In those letters, as described above, the relief was premised upon the representations that the commercial paper or notes were exempt from registration under the Securities Act and that such commercial paper was sold only to sophisticated, institutional investors as part of a financing program to raise capital for the issuer. In each of such letters, the employees or sales personnel who engaged in the offer or sale of the commercial paper would, like the Employees, receive a fixed salary, with benefits, and would not receive any other compensation or commissions based upon, or calculated from, the dollar amount of commercial paper sold thereby. Given the similarities between these letters and the facts set forth above regarding the offer and sale of GE 3(a)(3) CP, we believe that the Securities Division should extend comparable relief to the Employees in respect of the sales representative licensing requirements of the Act.

* * *

Thank you for your attention to the matters discussed herein. Should you have any questions or require any additional information, please feel free to contact either the undersigned at 212-839-7386 or Benjamin L. Nager at (212) 839-8755.

Very truly yours,



David M. Katz



Dora
Department of Regulatory Agencies

Division of Securities
Fred J. Joseph
Securities Commissioner

Bill Ritter, Jr.
Governor

D. Rico Munn
Executive
Director

July 8, 2009

David M. Katz, Esq.
Sidley Austin LLP
787 Seventh Avenue
New York, New York 10019

Re: General Electric Company
Our File No. B-09-006

Dear Mr. Katz:

We are in receipt of your letter dated June 12, 2009, in connection with the above referenced matter. On behalf of General Electric Company ("GE"), and two of its subsidiaries, General Electric Capital Services, Inc., ("GECS") and General Electric Capital Corporation ("GECC" and collectively with GE and GECS, the "Companies"), you have requested an exemption from the staff of the Colorado Division of Securities ("Staff") from the licensing requirements for broker-dealers and securities sales representatives under § 11-51-401, C.R.S., regarding the offer and sale of Company issued commercial paper by persons employed with each respective company.

Based on the facts and representations in your letter, we understand that GE directly, wholly-owns GECS, which offers financial services and products on a global basis generally through its primary and wholly-owned subsidiary, GECC. GECS, through GECC, extends loans, leases, and other financial services to manufacturers and distributors for equipment financing, provides capital and investment solutions, offers personal loans and credit cards, and provides aviation financial services. To finance their working capital requirements, each Company issues short-term, highly-rated commercial paper that is exempt from registration under Section 3(a)(3) of the federal Securities Act of 1933. The commercial paper is issued in minimum denominations of either \$100,000 with maturities ranging from 7 to 270 days or \$500,000 with maturities ranging from 1 to 6 days and carries the highest rating for commercial paper by Moody's Investors Service and Standard and Poor's.

You further represent that sales of the Companies' commercial paper is made solely to sophisticated, institutional investors. While the Companies issue their own commercial

paper, offers and sales of such paper are made by employees of each respective Company. The primary responsibility of these employees is the operation of the commercial paper program. These employees receive fixed salaries, standard benefits, and are eligible for discretionary bonuses, the amount of which is not based upon the amount of paper sold by such employee. The employees do not receive any sort of transaction based compensation or remuneration.

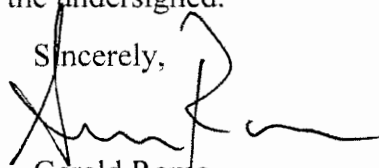
As you note in your request, because the employees' primary job function could be viewed as the offer and sale of commercial paper on behalf of the Companies, and because the exemptions listed under §§ 11-51-402(2)(a) through (c) do not apply to this fact situation, the employees may necessarily be required to be licensed as securities sales representatives in Colorado.

Based upon the facts set forth in your letter, the Staff will not recommend formal enforcement proceedings be initiated by the Securities Commissioner against the Companies or its employees who offer and sell the Companies' commercial paper for violation of the broker-dealer or securities sales representative licensing provisions of the Colorado Securities Act found at § 11-51-401, C.R.S.

It should be noted that by this letter, the Staff only expresses its position as to the recommendation of formal enforcement proceedings under the Act and does not purport to express any formal opinion or conclusion. Also, it should be noted that the position taken is done so based on the facts and representations in your letter. Any change in those facts or circumstances described might require a different response.

If there are any questions, please contact the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gerald Romje', written over the word 'Sincerely,'.

Gerald Romje
Deputy Securities Commissioner