

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES ACT OF 1933**  
**Release No. 8680 / April 28, 2006**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12158**

**In the Matter of**  
  
**Axum, Incorporated,**  
  
**Respondent.**

**ORDER MAKING FINDINGS, STAYING  
PROCEEDINGS, SPECIFYING  
PROCEDURES AND DELEGATING  
AUTHORITY**

**I.**

In these proceedings instituted on February 21, 2006, pursuant to Rule 258 of the General Rules and Regulations under the Securities Act of 1933 (“Securities Act”) as to Respondent Axum, Incorporated (“Axum”), Axum has submitted an Offer of Settlement (“Offer”) which the Securities and Exchange Commission (“Commission”) has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Making Findings, Staying Proceedings, Specifying Procedures and Delegating Authority (“Order”), as set forth below.

**II.**

On the basis of this Order and Respondent’s Offer, the Commission finds<sup>1</sup> that:

A. Axum is a Colorado Corporation with its principal office in Broomfield, Colorado.

B. On January 13, 2006, Axum filed with the Commission a document styled “Registration Statement under the Securities Act of 1933” (“Offering Statement”). Although

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<sup>1</sup> The findings herein are made pursuant to Respondent’s Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

labeled a registration statement, Axum's document was apparently intended as an offering statement on Commission Form 1-A (rather than a registration statement) submitted to obtain an exemption from the registration requirements of the Securities Act pursuant to Regulation A. The Offering Statement was submitted for a proposed offering of 5,000,000 shares of Axum Class B common stock.

C. On January 24, 2006, based upon information reported to it by its staff, the Commission entered an order temporarily suspending Axum's Regulation A exemption pursuant to Rule 258 of the General Rules and Regulations under the Securities Act. The Commission's January 24, 2006 order also gave notice that any person having an interest in the matter could file with the Secretary of the Commission a written request for a hearing to determine whether the suspension should be vacated or made permanent.

D. Axum requested a hearing, and on February 21, 2006, the Commission entered an Order Scheduling Hearing Pursuant to Rule 258 of Regulation A under the Securities Act.

### **III.**

#### **Undertakings**

A. Axum has undertaken to file, within twenty-five (25) business days of the date of this Order, an amendment to its Offering Statement ("First Amendment") substantively responding to each of the comments and addressing any deficiencies set forth in the letter from the Division of Corporation Finance to Axum dated January 20, 2006.

B. Axum has undertaken to file the First Amendment and each subsequent amendment of the Offering Statement with the Commission as required by Rule 252 of Regulation A under the Securities Act. In addition to the filing, Axum has undertaken to provide three copies of the Offering Statement, each containing an offering circular marked to show changes from the offering circular contained in the initial Offering Statement or previous amendment. The three copies of the Offering Statement will be accompanied by a cover letter which refers the staff to the location in the Offering Statement where Axum responds to staff comments. The three copies and cover letter will be sent by overnight mail to Assistant Director, Office of Emerging Growth Companies, Division of Corporation Finance, Mail Stop 3516, at the Commission's Washington, DC address, 100 F Street NE, Washington, DC 20549. Upon receipt of the three copies, the Division of Corporation Finance will date stamp the copies. The first business day following receipt by the Division of Corporation Finance of the copies will constitute the first business day of the time period during which the Division of Corporation Finance will review the amendment and issue comments on the amendment.

C. The staff of the Division of Corporation Finance will provide comments upon Axum's First Amendment within twenty-five (25) business days of the date such First Amendment is received by the Division of Corporation Finance.

D. Axum has undertaken to file subsequent amendments of its Offering Statement substantively addressing each of the comments from the Division of Corporation Finance within

twenty-five (25) business days of the date such comments are received by Axum. The date comments are received by Axum will be the date on which the Division of Corporation Finance comments are successfully sent by facsimile to Axum at (303) 410-6534, as evidenced by the successful transmission report produced by the Division of Corporation Finance's facsimile machine. Axum has undertaken to maintain a working facsimile machine capable of receiving facsimile transmissions at the above phone number throughout the comment process.

E. The staff of the Division of Corporation Finance will provide comments upon any subsequent amendment to Axum's Offering Statement (amendments submitted after Axum's First Amendment) to Axum within ten (10) business days of the date such amendment is received by the Division of Corporation Finance.

#### IV.

In view of the foregoing, and based upon Axum's Offer,

It is hereby ORDERED that:

A. This proceeding is stayed until further order of the Commission or the Administrative Law Judge in this proceeding in accordance with the provisions of this Order.

B. The temporary suspension imposed by the Commission pursuant to its January 24, 2006 order in these proceedings ("Temporary Suspension") shall remain in effect until further order of the Commission.

C. Axum shall comply with the undertakings set forth in Section III above. If Axum fails to file its First Amendment or subsequent amendments of its Offering Statement within the time frames provided in Section III of this Order, then an Order Making Findings and Permanently Suspending Regulation A Exemption ("Suspension Order") in the form agreed in the Offer, and attached to the Offer as Exhibit A, shall be entered making the Temporary Suspension permanent. Such Suspension Order will be entered by the Commission upon being notified by the staff of the Division of Enforcement that Axum failed to comply with the time frames provided in Section III of this Order.

D. If the staff of the Division of Corporation Finance fails to provide comments upon Axum's First Amendment or any subsequent amendment to Axum's Offering Statement to Axum within the time frames provided in Section III of this Order, Axum may request that the stay be lifted and a hearing be commenced to determine whether the Temporary Suspension should be vacated or made permanent by filing a written request with the Administrative Law Judge within ten (10) business days of the date such comments were to be provided.

E. In submitting its First Amendment or subsequent amendments of its Offering Statement, Axum shall in good faith attempt to comply with the requirements of Regulation A and Commission Form 1-A under the Securities Act and substantively respond to each of the comments of the Division of Corporation Finance. In the event that the Division of Corporation Finance believes that Axum is not in good faith attempting to comply with the requirements of Regulation A

or Commission Form 1-A or substantively respond to each of the comments of the Division of Corporation Finance, the Division of Enforcement may request that the stay be lifted and a hearing be commenced to determine whether the Temporary Suspension should be vacated or made permanent by filing a written request with the Administrative Law Judge.

F. The Commission hereby delegates to the Director of the Division of Corporation Finance authority, in his discretion, if and when appropriate, to issue an order qualifying Axum's Offering Statement. This function may be performed by the Director of the Division of Corporation Finance or under his direction by the Assistant Director of the Office of Emerging Growth Companies.

G. An order issued pursuant to paragraph IV.F above shall be the only means by which Axum's Offering Statement may be qualified.

H. In the event that the Division of Corporation Finance issues an order qualifying Axum's Offering Statement, the Commission will simultaneously enter an order vacating the Temporary Suspension and dismissing this proceeding without prejudice.

I. Neither an order that Axum's Offering Statement is qualified nor an order that the Temporary Suspension is vacated may be considered or represented to be any statement or representation by the Commission concerning the merits of Axum's securities, the terms of Axum's offering, or the accuracy or completeness of the Offering Statement.

By the Commission.

Nancy M. Morris  
Secretary