



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (June 2004)
(Implements RCW 34.05.310)
Do NOT use for expedited rule making

Agency: Department of Financial Institutions, Securities Division

Subject of possible rule making: The Securities Division is considering revising WAC 460-80-140 to correct a reference to the Federal Trade Commission's franchise disclosure rule concerning financial statements.

Statutes authorizing the agency to adopt rules on this subject: RCW 19.100.250,19.100.040

Reasons why rules on this subject may be needed and what they might accomplish: WAC 460-80-140 contains an incorrect citation to the financial statement requirements in the Federal Trade Commission's franchise rule. The citation to 16 C.F.R. § 465.5(u) should be changed to 16 C.F.R. § 436.5.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: The amendments under consideration by the Securities Division affect the regulation of franchise offerings. Franchise offerings are also subject to regulation by the Federal Trade Commission under federal law, and subject to regulation by other jurisdictions that have adopted the FTC rules. As the amendments considered by the Division would correct a reference to Federal Trade Commission rules, the amendments under consideration would better coordinate the Securities Division's rules with other federal and state agencies.

Process for developing new rule (check all that apply):

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe)

The Division is soliciting comments from interested persons and will adopt rules only after the consideration of public comments.

How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:

(List names, addresses, telephone, fax numbers, and e-mail of persons to contact; describe meetings, other exchanges of information, etc.)

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DATE
March 17, 2015

NAME (TYPE OR PRINT)
William M. Beatty

SIGNATURE

TITLE
Securities Administrator

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: March 17, 2015
TIME: 8:16 AM

WSR 15-07-070



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