



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 Division is commencing the rule-making process to adopt rules for crowdfunding for small business capital as required under ESHB 2023. The public is welcome to submit comments to be considered by the Division in the drafting of rules to be proposed at a later date.

Statutes authorizing the agency to adopt rules on this subject: ESHB 2023; RCW 21.20.450

Reasons why rules on this subject may be needed and what they might accomplish: The Division is required to adopt rules under ESHB 2023 to establish filing requirements under the new crowdfunding exemption, to establish filing and transaction fees, and to adopt any other rules necessary to implement the bill.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: The federal Securities and Exchange Commission regulates the offer and sale of securities under the Securities Act of 1933. The crowdfunding exemption established by ESHB is designed to coordinate with a federal exemption from securities registration for purely intrastate offers and sales of securities. Thus, the exemption established in the bill already addresses coordination issues.

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

- Negotiated rule making
- Pilot rule making
- Agency study

Other (describe) The Securities 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.)

Interested parties can participate in the decision to adopt new rules by contacting:

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DATE
March 13, 2014

NAME (TYPE OR PRINT)
William M Beatty

SIGNATURE

TITLE
Securities Administrator

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STATE OF WASHINGTON
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