



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

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Notice of Preproposal Statement of Inquiry Concerning Investment Grade Securities

October 14, 2014

To Interested Persons:

We are writing to inform you that the Securities Division is considering updating the exemption from securities registration for investment grade securities set forth in WAC 460-42A-081 to more closely align with Section 18 of the Securities Act of 1933 and federal Rule 146 adopted thereunder.

RCW 21.20.310(8) provides an exemption from securities registration for “any security which meets the criteria for investment grade securities that the director may adopt by rule.” In furtherance of this statute, WAC 460-42A-081 provides an exemption for securities listed on specified national securities exchanges. This rule was last amended in 1996 and since that time, a number of the exchanges specified in this rule have undergone name changes, have restructured, or no longer exist. The Securities Division is now considering updating WAC 460-42A-081 to specify that this exemption applies to securities listed on exchanges recognized in Section 18 of the Securities Act of 1933 and federal Rule 146 adopted thereunder.

In order to commence the rule making process, the Securities Division has filed the accompanying Preproposal Statement of Inquiry (Form CR-101) with the Office of the Code Reviser for publication in the Washington State Register on November 5, 2014 (Issue #14-21). Please note that once the amendments have been drafted, a Notice of Proposed Rules on Form CR-102 and the text of the proposed rules will likewise be published in the Washington State Register and sent to those on our interested persons list. If you wish to make comments at this time, however, you may do so by submitting those comments to the address set forth in the accompanying notice.

If you have any questions, please contact the undersigned by telephone at (360) 902-8736 or by e-mail at michelle.webster@dfi.wa.gov.

Sincerely,

Michelle Webster, Esq.