



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 amending WAC 460-44A-502(4)(d) regarding the legend disclosure requirements for certificates documenting restricted securities to update an outdated reference to a NASAA guideline.

Statutes authorizing the agency to adopt rules on this subject: RCW 21.20.450; 21.20.320(9) and (17)

Reasons why rules on this subject may be needed and what they might accomplish: Since the adoption of the current rule, the North American Securities Administrators Association ("NASAA") has updated its guidelines regarding cover legends for securities. The Securities Division is considering amending the rule to remove a reference to the prior, outdated NASAA guideline regarding cover legends.

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 ("SEC") regulates the offer and sale of securities under the Securities Act of 1933. However, this rule deals with state specific exemptions from registration designed to coordinate with currently existing federal exemptions (the Rule 147 intrastate offering exemption, as well as Rules 504 and 505 of Regulation D), and will not require any additional coordination with the SEC, or its rules

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.)

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DATE
November 25, 2014

NAME (TYPE OR PRINT)
William M. Beatty

SIGNATURE

TITLE
Securities Administrator

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STATE OF WASHINGTON
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