



PROPOSED RULE MAKING

CR-102 (June 2012)

(Implements RCW 34.05.320)

Do NOT use for expedited rule making

Agency: Department of Financial Institutions, Securities Division

- | | |
|---|---|
| <input checked="" type="checkbox"/> Preproposal Statement of Inquiry was filed as WSR 15-07-070; or | <input type="checkbox"/> Original Notice |
| <input type="checkbox"/> Expedited Rule Making--Proposed notice was filed as WSR _____; or | <input type="checkbox"/> Supplemental Notice to WSR _____ |
| <input type="checkbox"/> Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1). | <input type="checkbox"/> Continuance of WSR _____ |

Title of rule and other identifying information:

The Securities Division is proposing to amend WAC 460-80-140, titled "Financial statements," to correct a reference to the Federal Trade Commission's franchise disclosure rule concerning financial statements.

Hearing location(s):

Department of Financial Institutions
150 Israel Road SW
Tumwater, WA 98501

Date: June 23, 2015 Time: 9:30 AM

Submit written comments to:

Name: Michelle Webster
Address:
Securities Division
PO Box 9033
Olympia, WA 98507-9033

e-mail michelle.webster@dfi.wa.gov
fax (360)704-6491 by (date) June 23, 2015

Assistance for persons with disabilities: Contact

Carolyn Hawkey by June 16, 2015
TTY: (360) 664-8126 or (360) 902-8760

Date of intended adoption: June 24, 2015

(Note: This is **NOT** the **effective** date)

Purpose of the proposal and its anticipated effects, including any changes in existing rules:

WAC 460-80-140 contains an incorrect citation to the financial statement requirements contained in the Federal Trade Commission's franchise rule. The proposed amendment would change the citation from 16 C.F.R. § 465.5(u) to 16 C.F.R. § 436.5. The proposed amendment would better coordinate the Securities Division's rules with other federal and state agencies.

Reasons supporting proposal:

The proposed amendment affects 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 Federal Trade Commission rules. As the amendments proposed by the Division would correct a reference to Federal Trade Commission rules governing financial statement requirements, the amendments under consideration would better coordinate the Securities Division's rules with other federal and state agencies.

Statutory authority for adoption: RCW 19.100.250; 19.100.040

Statute being implemented: RCW 19.100.040

Is rule necessary because of a:

- | | | |
|-------------------------|---|--|
| Federal Law? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Federal Court Decision? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| State Court Decision? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
- If yes, CITATION:
16 C.F.R. § 436.5

DATE
May 7, 2015

NAME (type or print)
Scott Jarvis

SIGNATURE

TITLE
Director, Department of Financial Institutions

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: May 07, 2015

TIME: 4:23 PM

WSR 15-11-011

(COMPLETE REVERSE SIDE)

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:

Name of proponent: (person or organization) Department of Financial Institutions

- Private
 Public
 Governmental

Name of agency personnel responsible for:

Name	Office Location	Phone
Drafting.....Michelle Webster	150 Israel Road SW, Tumwater, WA 98501	(360) 902-8736
Implementation...Scott Jarvis, Director, DFI	150 Israel Road SW, Tumwater, WA 98501	(360) 902-8760
Enforcement.....William Beatty, Director, Securities	150 Israel Road SW, Tumwater, WA 98501	(360) 902-8736

Has a small business economic impact statement been prepared under chapter 19.85 RCW or has a school district fiscal impact statement been prepared under section 1, chapter 210, Laws of 2012?

Yes. Attach copy of small business economic impact statement or school district fiscal impact statement.

A copy of the statement may be obtained by contacting:

Name:

Address:

phone () _____

fax () _____

e-mail _____

No. Explain why no statement was prepared.

RCW 19.85.061 of the Regulatory Fairness Act provides that unless requested by a majority vote of the joint administrative rules committee under RCW 19.85.030, an agency is not required to prepare a small business economic impact statement when adopting any rule solely for the purpose of conformity or compliance, or both, with federal statutes or regulations. The proposed updates merely seek to better coordinate the amended proposed rule with existing federal law by identifying the correct federal regulation promulgated by the Federal Trade Commission.

Is a cost-benefit analysis required under RCW 34.05.328?

Yes A preliminary cost-benefit analysis may be obtained by contacting:

Name:

Address:

phone () _____

fax () _____

e-mail _____

No: Please explain: The Department of Financial Institutions is not an agency identified in RCW 34.05.328.