



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

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Notice of Proposed Rule Amendments Concerning Electronic Delivery of Franchise Disclosure Documents

February 4, 2015

We are writing to inform you that the Securities Division is proposing amendments to WAC 460-80-300 to explicitly allow for delivery of Franchise Disclosure Documents over the Internet or by other electronic means, or in machine-readable media.

The Washington Franchise Investment Protection Act requires delivery of a franchise disclosure document at least fourteen calendar days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least fourteen calendar days before the prospective franchisee signs a binding agreement with, or makes any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. To better coordinate the Securities Division's rules with other federal and state laws that regulate the offer and sale of franchises, the Securities Division is now proposing to adopt the Statement of Policy Regarding Electronic Delivery of Franchise Disclosure Documents promulgated by the North American Securities Administrators Association on September 14, 2003, in order to explicitly allow electronic delivery of Franchise Disclosure Documents. The proposed amended rule also reflects franchisors' practices in delivering electronic disclosure in reliance on the federal E-SIGN Act.

The Securities Division has now filed a notice of Proposed Rule Making (Form CR-102) and the text of the proposed rules (OTS-6085). The materials are available on our website at: <http://www.dfi.wa.gov/securities/rulemaking>.

If you have comments on the proposed rules, we would like to hear from you. Comments will be accepted through March 25, 2015 and may be submitted to Michelle Webster at michelle.webster@dfi.wa.gov, or you may mail your comments to the following address:

Michelle Webster, Esq.
Securities Division
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A public hearing on the proposed rules is scheduled for March 25, 2015. Further details concerning the hearing are included in the accompanying notice of Proposed Rule Making.