



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

- Preproposal Statement of Inquiry was filed as WSR 16-01-118 ; or
- Expedited Rule Making--Proposed notice was filed as WSR _____ ; or
- Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1).

- Original Notice
- Supplemental Notice to WSR _____
- Continuance of WSR _____

Title of rule and other identifying information: (Describe Subject) The Securities Division is proposing rules to preserve filing requirements in connection with offerings conducted under newly adopted federal crowdfunding rules so that it may provide oversight of these offerings in the interest of investor protection. The proposed rules would be codified at WAC 460-18A-210.

Hearing location(s):

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

Date: June 7, 2016 Time: 10:00 am

Submit written comments to:

Name: Nathan Quigley
Address: Department of Financial Institutions, Securities Division
P.O. Box 9033, Olympia, WA 98507-9033
e-mail Nathan.Quigley@dfi.wa.gov
fax (360) 704-6463 by (date) June 7, 2016

Assistance for persons with disabilities: Contact

Carolyn Hawkey by May 31, 2016

TTY (360) 664-8126 or (360) 902-8760

Date of intended adoption: June 8, 2016

(Note: This is NOT the effective date)

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

Title III of the Jumpstart Our Business Startups (JOBS) Act amended Section 4 of the Securities Act of 1933 to create a new federal exemption for offerings of securities in crowdfunding campaigns. On October 30, 2015, the Securities and Exchange Commission adopted final rules that will implement this new exemption. See Regulation Crowdfunding, Release Nos. 33-9974; 34-76324, available at <http://www.sec.gov/rules/final/2015/33-9974.pdf>. The JOBS Act further amended Securities Act Section 18(b)(4) to preempt the ability of states to require registration of crowdfunding offerings conducted pursuant to federal law. However, states retain the authority to require notice filings of crowdfunding offerings if a state is the principal place of business of the issuer or if a state is home to purchasers of 50% or more of the aggregate value of the securities offered in the crowdfunding campaign. The Securities Division is now proposing rules to require the filing of a notice filing form, a consent to service of process, and the fees that would otherwise be required in connection with the registration of these securities offerings but for preemption by the Securities and Exchange Commission. The proposed notice filing form is available on the Division's website at: <http://www.dfi.wa.gov/rulemaking/notice-filing-requirements-connection-federal-crowdfunding-rules>.

Statutory authority for adoption: RCW 21.20.327; 21.20.340; 21.20.450

Statute being implemented: RCW 21.20

Is rule necessary because of a:

- Federal Law? Yes No
 - Federal Court Decision? Yes No
 - State Court Decision? Yes No
- If yes, CITATION:
15 U.S.C. § 77r

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: **April 26, 2016**
TIME: **2:46 PM**

WSR 16-10-032

DATE

4/26/16

NAME (type or print)

Scott Jarvis

SIGNATURE

TITLE

Director

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, Securities Division

- Private
- Public
- Governmental

Name of agency personnel responsible for:

Name	Office Location	Phone
Drafting..... Nathan Quigley	150 Israel Road SW, Tumwater, WA 98501	(360) 902-8760
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) 902-8760

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.

A small business economic impact statement is not required under RCW 19.85.025(3) as the proposed rules would adopt, amend, or repeal a filing or related process requirement for applying to an agency for a license or permit.

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 one of the agencies listed in RCW 34.05.328.