



RULE-MAKING ORDER

CR-103P (May 2009)
(Implements RCW 34.05.360)

Agency: Department of Financial Institutions, Securities Division

Permanent Rule Only

Effective date of rule:

Permanent Rules

31 days after filing.

Other (specify) _____ (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

Yes No If Yes, explain:

Purpose: 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 to 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 adopting a rule 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.

Citation of existing rules affected by this order:

Repealed:

Amended:

Suspended:

Statutory authority for adoption: RCW 21.20.327; 21.20.340; 21.20.450

Other authority :

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR 16-10-032 on 4/26/2016 (date).

Describe any changes other than editing from proposed to adopted version:

In response to comments received in response to the Notice of Proposed Rule Making, the text of the proposed rule was revised to more closely align with NASAA's Proposed Model Rule for Crowdfunding Offerings and to clearly identify to which issuers the filing requirements apply.

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

Name: _____ phone () _____

Address: _____ fax () _____

e-mail _____

Date adopted: 6/15/16

NAME (TYPE OR PRINT)

Scott Jarvis

SIGNATURE

TITLE

Director

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: June 15, 2016

TIME: 12:36 PM

WSR 16-13-085

(COMPLETE REVERSE SIDE)

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.**

The number of sections adopted in order to comply with:

Federal statute:	New	_____	Amended	_____	Repealed	_____
Federal rules or standards:	New	<u>1</u>	Amended	_____	Repealed	_____
Recently enacted state statutes:	New	_____	Amended	_____	Repealed	_____

The number of sections adopted at the request of a nongovernmental entity:

New	_____	Amended	_____	Repealed	_____
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The number of sections adopted in the agency's own initiative:

New	_____	Amended	_____	Repealed	_____
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	_____	Amended	_____	Repealed	_____
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The number of sections adopted using:

Negotiated rule making:	New	_____	Amended	_____	Repealed	_____
Pilot rule making:	New	_____	Amended	_____	Repealed	_____
Other alternative rule making:	New	_____	Amended	_____	Repealed	_____