



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 14-21-092 ; 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:

The Securities Division is proposing to amend WAC 460-42A-081 to update the list of securities exchanges for which securities listed thereon qualify as "investment grade securities" and are thus exempt from registration under RCW 21.20.310(8).

Hearing location(s):

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

Date: 2/24/2015 Time: 10:00 AM

Date of intended adoption: 3/24/2015
(Note: This is NOT the effective date)

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): 2/24/2015

Assistance for persons with disabilities: Contact

Carolyn Hawkey, PO Box 9033, Olympia, WA 98507
by 2/24/2015

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

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

RCW 21.20.310(8) provides an exemption from securities registration for "any security which meets the criteria for investment grade securities that the director may adopt by rule." In furtherance of this statute, WAC 460-42A-081 provides an exemption for securities listed on specified national securities exchanges.

This rule was last amended in 1996 and since that time, a number of national securities exchanges specified in this rule have undergone name changes, have restructured, or no longer exist. The proposed rule seeks to identify the current exchange-listed securities recognized in Section 18 of the Securities Act of 1933 and federal Rule 146 adopted thereunder.

Reasons supporting proposal:

The proposed amendments to WAC 460-42A-081 clarify the availability of the exemption from registration requirements for securities that are deemed "covered securities" under federal law and that the Securities Division is thus otherwise preempted from requiring registration thereof. As this rule was last amended in 1996, the proposed updates will better coordinate this rule with existing federal law enforced by the Securities and Exchange Commission.

Statutory authority for adoption: RCW 21.20.450; RCW 21.20.310(8)

Statute being implemented: RCW 21.20.310(8)

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; 17 C.F.R. 230.146

DATE
1/14/15

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: January 14, 2015
TIME: 3:01 PM

WSR 15-03-053

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..... 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) 902-8760

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.

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 current securities listed on exchanges recognized in Section 18 of the Securities Act of 1933 and amended federal Rule 146 adopted thereunder.

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.