



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (June 2004)
(Implements RCW 34.05.310)
Do **NOT** use for expedited rule making

Agency: Department of Financial Institutions, Securities Division

Subject of possible rule making: The Division is considering amending WAC 460-44A to make ministerial updates to account for changes to Rule 506(b) and the adoption of Rule 506(c). The impacted WAC sections are 460-44A-050, -500, -501, -502, -503, and -506.

Statutes authorizing the agency to adopt rules on this subject: RCW 21.20.450

Reasons why rules on this subject may be needed and what they might accomplish: On July 10, 2013, the Securities and Exchange Commission adopted two final rules through SEC Release Nos. 33-9414 and 33-9415. These rules impact the existing exemption under Federal Rule 506(b) and create a new exemption in federal Rule 506(c). Further, the text of the rules in WAC 460-44A-500 through -508 is largely based upon the text of federal Regulation D, which has been the subject of a number of minor revisions that are not yet reflected in our rules. We are considering amending these rules to reflect the recent amendments to federal Rule 506 and to more closely align our rules with federal Regulation D. By engaging in this rulemaking, the government and the public would be benefited through more uniform and accurate regulation and communication.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: The amendments that the Division is considering affect the regulation of securities and exempt securities transactions. Securities are subject to regulation by the Securities and Exchange Commission under federal law. The amendments under consideration would better coordinate our rules with other federal and state agencies.

Process for developing new rule (check all that apply):

- Negotiated rule making
- Pilot rule making
- Agency study

Other (describe) The Division is soliciting comments from interested persons and will adopt rules only after the consideration of public comments.

How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:

(List names, addresses, telephone, fax numbers, and e-mail of persons to contact; describe meetings, other exchanges of information, etc.)

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DATE
January 2, 2014

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SIGNATURE

TITLE
Director – Securities Division

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STATE OF WASHINGTON
FILED

DATE: January 02, 2014

TIME: 11:31 AM

WSR 14-02-126