



# 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 Securities Division is considering the creation of a new rule to clarify that securities issuers and salespersons for issuers must notify the Securities Division of the termination of salespersons for the issuer (as required pursuant to RCW 21.20.080) by filing Form U5 with the Division.

**Statutes authorizing the agency to adopt rules on this subject:** RCW 21.20.070, RCW 21.20.080, and RCW 21.20.450.

**Reasons why rules on this subject may be needed and what they might accomplish:** RCW 21.20.080 states that if the employment or association of a salesperson for an issuer is terminated, the salesperson and the issuer must notify the Securities Division of the termination. However, RCW 21.20.080 does not specify how to make this notification. The Securities Division is considering adopting a rule to specify that the required notification shall be made by filing Form U5 with the Division. The rule would clarify how issuers and salespersons for issuers should comply with the existing statute.

**Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:** The new rule that the Securities Division is considering will affect the regulation of securities salespersons of issuers. Securities salespersons of issuers are not generally required to register as such with either the U.S. Securities and Exchange Commission or FINRA, the self-regulatory organization for broker-dealers and securities salespersons. The rule we are considering proposing, however, would require the same form and termination notice as required at the federal level for a securities salesperson that is associated with a broker-dealer.

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

- Negotiated rule making
- Pilot rule making
- Agency study

Other (describe) The Securities 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**  
6/12/14

**NAME (TYPE OR PRINT)**  
William M. Beatty

**SIGNATURE**

**TITLE**  
Director, Securities Division

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FILED

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**TIME: 1:21 PM**

**WSR 14-13-058**