



PROPOSED RULE MAKING

CR-102 (June 2004)
(Implements RCW 34.05.320)
Do NOT use for expedited rule making

Agency: Department of Financial Institutions, Securities Division

<input checked="" type="checkbox"/> Preproposal Statement of Inquiry was filed as WSR <u>07-23-073</u> ; or	<input checked="" type="checkbox"/> Original Notice
<input type="checkbox"/> Expedited Rule Making--Proposed notice was filed as WSR _____; or	<input type="checkbox"/> Supplemental Notice to WSR _____
<input type="checkbox"/> Proposal is exempt under RCW 34.05.310(4).	<input type="checkbox"/> Continuance of WSR _____

Title of rule and other identifying information: (Describe Subject) The Securities Division is proposing to amend its rules in light of amendments by the Securities and Exchange Commission to related rules concerning the filing of notices of sales of securities in private and limited transactions that are exempt from registration. In particular, the Securities Division is considering amending the rules set forth in WAC 460-44A-500 and 460-44A-502 through WAC 460-44A-506 to permit the filing of the newly adopted Temporary Form D as well as copies of the Form D to be filed electronically with the SEC. In addition, the Securities Division is proposing amendments to allow for the electronic filing of Form D through a designee of the Securities Administrator.

Hearing location(s):
State of Washington
Department of Financial Institutions
150 Israel Rd. SW, Room 220
Tumwater, WA 98501

Submit written comments to:
Name: Faith L. Anderson, Associate General Counsel
Address: Department of Financial Institutions – Securities Division; P.O. Box 9033; Olympia, WA 98507-9033
e-mail Anderson@dfi.wa.gov
fax (360) 704-6480 by (date) April 8, 2008

Date: April 9, 2008 Time: 1:00 P.M.

Assistance for persons with disabilities: Contact
Carolyn Hawkey; P.O. Box 9033; Olympia, WA 98507-9033 by April 2, 2008
TTY (360) 664-8126 or (360) 902-8774

Date of intended adoption: April 10, 2008
(Note: This is NOT the effective date)

Purpose of the proposal and its anticipated effects, including any changes in existing rules:
The Securities and Exchange Commission ("SEC") has adopted amendments to Form D and has adopted rules to require the electronic filing of Form D through its Electronic Data Gathering, Analysis, and Retrieval System ("EDGAR") as set forth in Securities Act Release No. 33-8891 (Feb. 6, 2008), available at <http://www.sec.gov/rules/final/2008/33-8891.pdf>. Because the Securities Division has adopted the filing of Form D as the method for providing notification of a claim of exemption in connection with the exemptions from securities registration set forth in WAC 460-44A-500 through WAC 460-44A-508, the Division is now proposing to amend its rules to permit the filing of both the temporary and final Forms D as recently adopted by the SEC. In addition, in order to further coordinate its rules with related federal rules, the Securities Division is proposing to:

- Adopt the text of the new federal safe harbor from general solicitation or general advertising necessitated by the availability of Forms D on the SEC website as set forth in 17 CFR 230.502(c) (eff. Sept. 15, 2008);
- Adopt the filing extension set forth in 17 CFR 230.503(a)(1) (eff. Sept. 15, 2008) for Forms D filed in reliance on WAC 460-44A-505 and -506 where the filing deadline falls on a Saturday, Sunday or holiday, in which case the due date would be the first business day following;
- Adopt the text of the amendments to the SEC rules setting forth the requirements for filing amendments to previously filed Forms D and for making annual filings. See 17 CFR 230.503(a)(2) and (3) (eff. Sept. 15, 2008); and
- Amend its rules to provide for the future electronic filing of Form D through a designee of the Administrator once an electronic filing system acceptable to the Administrator has been implemented.

The text of WAC 460-44A-500 and 460-44A-502 through -506 marked to show the proposed amendments is filed with this notice.

Reasons supporting proposal: These rules should be amended as proposed to maintain their uniformity with those of the federal Securities and Exchange Commission.

Statutory authority for adoption: RCW 21.20.450, 21.20.320(1), 21.20.320(9), 21.20.320(17)

Statute being implemented: RCW 21.20

Is rule necessary because of a:

Federal Law?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Federal Court Decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
State Court Decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

If yes, CITATION:
17 CFR Parts 230, 232 and 239

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STATE OF WASHINGTON
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FEB 28 2008

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NO. 08-06-049

DATE
February 26, 2008

NAME (type or print)
Scott Jarvis

SIGNATURE

TITLE
Director

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:

None

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..... Faith L. Anderson	150 Israel Road SW; Olympia, WA 98501	(360) 725-7825
Implementation.... Scott Jarvis	150 Israel Road SW; Olympia, WA 98501	(360) 902-8700
Enforcement..... Michael E. Stevenson	150 Israel Road SW; Olympia, WA 98501	(360) 902-8824

Has a small business economic impact statement been prepared under chapter 19.85 RCW?

Yes. Attach copy of small business economic 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.

The agency believes that the amendments will lower the cost of compliance to small business. If any costs are borne by businesses in connection with the proposed rules, these costs will be no more than minor. As such, the agency is not required to prepare a small business economic impact statement under RCW 19.85.030.

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.