



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: The Securities Division is adopting amendments to its franchise registration rules set forth in chapter 460-80 WAC in light of the amended franchise disclosure rules adopted by the Federal Trade Commission in 2007 and their preemptive effect on state laws, as well as to better coordinate our rules with other states that regulate the offer and sale of franchises through the adoption of the instructions for the preparation of the Franchise Disclosure Document in the 2008 Franchise Registration and Disclosure Guidelines promulgated by the North American Securities Administrators Association, Inc. The Securities Division is also codifying several interpretive and policy statements. The amendments include:

- Adoption of the FTC Franchise Disclosure Document as the required format for disclosure;
- Update of the franchise registration application requirements;
- Adoption of new sections to specify franchise registration amendment and renewal requirements; franchise agreement addendum requirement; and the acceptability of guarantees of performance, surety bonds, deferrals and other arrangements in lieu of an impound;
- Repeal of outdated sections on franchise offering circulars and purchase receipts;
- Update of financial statement and franchise disclosure document receipt requirements;
- Codification of interpretive and policy statements concerning the determination of the filing date, the requirements for requesting interpretive and no-action letters, and franchise advertising via the internet; and
- Other minor updates and corrections.

The text of WAC 460-80 marked to show the amendments is filed with this notice.

Citation of existing rules affected by this order:

Repealed: WAC 460-80-310 and -430
 Amended: WAC 460-80-100, -108, -110, -125, -140, -195, -300, -315, -400, -410, -440, -450, and -500
 Suspended: None

Statutory authority for adoption: RCW 19.100

Other authority : RCW 19.100.250, 19.100.010, 19.100.030, 19.100.040, 19.100.050, 19.100.070, 19.100.080, 19.100.100, 19.100.110

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR 09-19-065 on September 14, 2009 (date).

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

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting: Not applicable.

Name: _____ phone () _____
 Address: _____ fax () _____
 e-mail _____

Date adopted: October 29, 2009

NAME (TYPE OR PRINT)

Scott Jarvis

SIGNATURE

TITLE

Director

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: October 29, 2009

TIME: 12:35 PM

WSR 09-22-050

**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	<u>4</u>	Repealed	<u>1</u>
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	<u>9</u>	Amended	<u>13</u>	Repealed	<u>2</u>
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	<u>6</u>	Amended	5	Repealed	<u>2</u>
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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	<u>9</u>	Amended	<u>13</u>	Repealed	<u>2</u>