**Notice of Expedited Rule Making to conform “accredited investor” standards to federal law**

March 5, 2012

The Securities Division is proposing to amend the “accredited investor” definition contained in its rules to conform to federal law.

On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”) was signed into law. As mandated by the Act, the Securities and Exchange Commission (“SEC”) recently amended its net worth standards used to determine whether an individual is an accredited investor. Accredited investor status is used to determine the availability of certain exemptions to securities registration under the Securities Act of 1933. The amendments, as adopted by the SEC, exclude the value of a person’s primary residence and clarify the treatment of any indebtedness secured by the residence in calculating net worth. *See* Securities and Exchange Commission Release No. 33-9287, available at: <http://www.sec.gov/rules/final/2011/33-9287.pdf>.

The Securities Division is now proposing to amend the definition of “accredited investor” contained in its rules to conform to federal standards. A copy of the Expedited Rule Making notice (Form CR-105) and marked copies of the affected rules are attached to this message. Questions concerning this rule making notice may be directed to Michelle Webster at [michelle.webster@dfi.wa.gov](mailto:michelle.webster@dfi.wa.gov) or (360) 902-8736.

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