

WAC 460-17A-070 Application of chapter 460-16A WAC to registrations under this chapter. The provisions of chapter 460-16A WAC shall not apply to registrations under this chapter except:

(1) The promotional shares rules adopted in WAC 460-16A-205 (1)(p) shall apply except that promotional shares need be escrowed only to the extent that such shares exceed sixty percent of the shares to be outstanding upon the completion of the offering;

(2) The loan and material affiliated transaction provisions of WAC 460-16A-205 (1)(g) shall apply except that the independent director requirements may be waived;

(3) The options and warrants provisions of WAC 460-16A-205 (1)(h) shall apply;

(4) WAC 460-16A-205 (1)(t), concerning selling and underwriting expenses, shall apply;

(5) The impoundment of proceeds provisions of WAC 460-16A-205 (1)(n) shall apply;

(6) WAC 460-16A-205 (1)(s), concerning specificity in the use of proceeds, shall apply;

(7) WAC 460-16A-205 (1)(u) may be applied to issuers in unsound financial condition;

(8) The preferred stock provisions of WAC 460-16A-205 (1)(o) shall apply;

(9) WAC 460-16A-205 (1)(v), concerning unequal voting rights, shall apply; and

(10) The administrator reserves the right to apply chapter 460-16A WAC (or any provision therein) to offerings under this chapter if the administrator determines that such application, even in the small business offering context, is necessary for the protection of investors.

[Statutory Authority: RCW 21.20.450. WSR 98-17-013, § 460-17A-070, filed 8/10/98, effective 9/10/98; WSR 96-11-027, § 460-17A-070, filed 5/6/96, effective 6/6/96; WSR 91-04-009, § 460-17A-070, filed 1/25/91, effective 2/25/91. Statutory Authority: RCW 21.20.210, 21.20.240, 21.20.250 and 21.20.450. WSR 88-17-012 (Order SDO-048-88), § 460-17A-070, filed 8/8/88.]