

herein, the department will treat cashed out leave on the same basis as the employer has established for using leave.

[Statutory Authority: RCW 41.32.010(11) and 41.32.160. 87-17-060 (Order DRS 87-07), § 415-112-415, filed 8/19/87.]

WAC 415-112-800 Scope. WAC 415-112-800 through 415-112-820 govern the application of RCW 41.32.010 (11)(a)(ii), as amended by section 1, chapter 265, Laws of 1987 and by section 2, chapter 265, Laws of 1987, and shall apply only to persons who became members prior to October 1, 1977.

[Statutory Authority: Chapter 41.32 RCW as amended by 1987 c 265. 87-20-082 (Order 87-09), § 415-112-800, filed 10/7/87.]

WAC 415-112-810 Bona fide employee. The purpose of WAC 415-112-800 through 415-112-820 is to implement the intent of the legislature that section 2, chapter 265, Laws of 1987 not be used to unfairly inflate a member's retirement allowance. The department shall apply section 2, chapter 265, Laws of 1987 only to members who are bona fide part-time employees. A member will be deemed a bona fide part-time employee only if the member is employed less than full time and only as necessary to ensure that a member who receives fractional years of service credit receives benefits proportional to those received by members who have received full time service credit.

[Statutory Authority: Chapter 41.32 RCW as amended by 1987 c 265. 87-20-082 (Order 87-09), § 415-112-810, filed 10/7/87.]

WAC 415-112-820 Bona fide part-time position—How determined. (1) In the case of a member who elects to have earnable compensation defined as provided in section 2, chapter 265, Laws of 1987, the department will determine whether the member held a bona fide part-time position during the years used to compute benefits, and what earnable compensation the member would have received if employed on a regular full-time basis in the same position under section 2, chapter 265, Laws of 1987. The department will consider, but not be limited to considering, the following factors:

(a) The salary schedule and related workload provisions, if any, adopted pursuant to RCW 28A.67.066 by the school district by which the member was employed;

(b) The salary schedule, workload provisions, or related documents, used by the community college district by which the member was employed, including salary schedules or workload provisions contained in a collective bargaining agreement negotiated pursuant to chapter 28B.52 RCW;

(c) Whether the member's position is included on the employing district's salary schedule, in workload provisions, or in a collective bargaining agreement, and whether the member's position has duties, responsibilities, workload requirements, or methods of pay similar to those of positions found in the district's schedule, provisions, or collective bargaining agreement;

(d) When the member's position was created, and how long the position was held by the member;

(e) Whether the member has previously retired under the provisions of chapter 41.32 RCW.

(2) Employers shall provide to the department information addressing the factors listed in subsection (1) of this section and such further information as the department may request.

[Statutory Authority: Chapter 41.32 RCW as amended by 1987 c 265. 87-20-082 (Order 87-09), § 415-112-820, filed 10/7/87.]

Title 419 WAC

SAVINGS AND LOAN ASSOCIATIONS, DIVISION OF (GENERAL ADMINISTRATION, DEPT. OF)

Chapters

- 419-32** Regulations on mobile home lending by savings and loan associations.
419-56 Savings and loan trust powers.
419-60 Foreign association branch application procedures.

Chapter 419-32 WAC

REGULATIONS ON MOBILE HOME LENDING BY SAVINGS AND LOAN ASSOCIATIONS

WAC

419-32-070 through 419-32-170 Repealed.

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

- 419-32-070 Flooring loans—Maximum amount. [Statutory Authority: RCW 33.04.020. 78-12-016 (Order 78-1), § 419-32-070, filed 11/13/78.] Repealed by 88-17-032 (Order 88-2), filed 8/12/88. Statutory Authority: RCW 33.04.025.
- 419-32-080 Flooring loans—Maximum term. [Statutory Authority: RCW 33.04.020. 78-12-016 (Order 78-1), § 419-32-080, filed 11/13/78.] Repealed by 88-17-032 (Order 88-2), filed 8/12/88. Statutory Authority: RCW 33.04.025.
- 419-32-090 Retail loans. [Statutory Authority: RCW 33.04.020. 78-12-016 (Order 78-1), § 419-32-090, filed 11/13/78.] Repealed by 88-17-032 (Order 88-2), filed 8/12/88. Statutory Authority: RCW 33.04.025.
- 419-32-100 Retail loans—Maximum amount. [Statutory Authority: RCW 33.04.020. 78-12-016 (Order 78-1), § 419-32-100, filed 11/13/78.] Repealed by 88-17-032 (Order 88-2), filed 8/12/88. Statutory Authority: RCW 33.04.025.
- 419-32-110 Retail loans—Maximum term. [Statutory Authority: RCW 33.04.020. 78-12-016 (Order 78-1), § 419-32-110, filed 11/13/78.] Repealed by 88-17-032 (Order 88-2), filed 8/12/88. Statutory Authority: RCW 33.04.025.
- 419-32-120 Retail loans—Appraisal. [Statutory Authority: RCW 33.04.020. 78-12-016 (Order 78-1), § 419-32-120, filed 11/13/78.] Repealed by 88-17-032 (Order 88-2), filed 8/12/88. Statutory Authority: RCW 33.04.025.
- 419-32-130 Mobile home loans—Secondary market. [Statutory Authority: RCW 33.04.020. 78-12-016 (Order 78-1), § 419-32-130, filed 11/13/78.] Repealed by 88-17-032 (Order 88-2), filed 8/12/88. Statutory Authority: RCW 33.04.025.

- 419-32-140 Retail loans—Security agreement. [Statutory Authority: RCW 33.04.020. 78-12-016 (Order 78-1), § 419-32-140, filed 11/13/78.] Repealed by 88-17-032 (Order 88-2), filed 8/12/88. Statutory Authority: RCW 33.04.025.
- 419-32-150 Retail mobile home loans—Application. [Statutory Authority: RCW 33.04.020. 78-12-016 (Order 78-1), § 419-32-150, filed 11/13/78.] Repealed by 88-17-032 (Order 88-2), filed 8/12/88. Statutory Authority: RCW 33.04.025.
- 419-32-160 Mobile home loans—Insurance coverage. [Statutory Authority: RCW 33.04.020. 78-12-016 (Order 78-1), § 419-32-160, filed 11/13/78.] Repealed by 88-17-032 (Order 88-2), filed 8/12/88. Statutory Authority: RCW 33.04.025.
- 419-32-170 Mobile home loans—Accounting principles. [Statutory Authority: RCW 33.04.020. 78-12-016 (Order 78-1), § 419-32-170, filed 11/13/78.] Repealed by 88-17-032 (Order 88-2), filed 8/12/88. Statutory Authority: RCW 33.04.025.

WAC 419-32-070 through 419-32-170 Repealed.
See Disposition Table at beginning of this chapter.

Chapter 419-56 WAC SAVINGS AND LOAN TRUST POWERS

WAC

- 419-56-010 Definitions.
- 419-56-020 Administration of fiduciary powers.
- 419-56-030 Application process.
- 419-56-040 Supervisor action on application.
- 419-56-050 Engagement in unauthorized trust business prohibited.
- 419-56-060 Modification or revocation of investment practices previously authorized.
- 419-56-070 Investigation fee for new trust applications.
- 419-56-080 Audit of the trust department.
- 419-56-090 Examinations and fees.

WAC 419-56-010 Definitions. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Agency" means the fiduciary relationship in which title to the property constituting the agency does not pass to the trust department but remains in the owner of the property, who is known as the principal, and in which the agent is charged with certain specific duties with respect to the property.

(2) "Agency coupled with an interest" means an agency in which the agent has a legal interest in the subject matter. Such an agency is not terminated automatically, as are other agencies, by the death of the principal but continue in effect until the agent can realize upon its legal interest.

(3) "Fiduciary powers" means the power to act in any fiduciary capacity authorized by the state of Washington including, but not limited to; trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, agent, custodian, escrow agent, corporate bond paying and transfer agent, escrow holder, managing agent, depository, committee of estates of incompetents.

(4) "Managing agent" means the fiduciary relationship assumed by a trust department upon the creation of

an account which names the association as agent and confers investment discretion upon the association.

(5) "Supervisor" means the supervisor of savings and loan associations, department of general administration.

(6) "Trust business" means the business of doing any or all of the activities specified in RCW 30.08.150 (2) through (11).

(7) "Trust department" means that group or groups of officers and employees of a savings and loan association to whom are designated by the board of directors the performance of the fiduciary responsibilities of the association, whether or not the groups or groups are so named.

[Statutory Authority: RCW 33.12.010(24). 88-02-068 (Order 87-2), § 419-56-010, filed 1/6/88.]

WAC 419-56-020 Administration of fiduciary powers. (1)(a) The board of directors of the savings and loan association is responsible for the proper exercise of fiduciary powers by the trust department. All matters pertinent thereto, including the determination of policies, the investment and disposition of property held in a fiduciary capacity, and the direction and review of the actions of all officers, employees, and committees utilized by the savings and loan association in the exercise of its fiduciary powers, are the responsibility of the board. In discharging this responsibility, the board of directors may assign, by action duly entered in the minutes, the administration of such of the association's fiduciary powers as it may consider proper to assign to such director(s), officer(s), employee(s), or committee(s) as it may designate.

(b) No fiduciary account shall be accepted without the prior approval of the board, or of the director(s), officer(s), or committee(s) to whom the board may have designated the performance of that responsibility. A written record shall be made of such acceptances and of the relinquishment or closing out of all fiduciary accounts. Upon the acceptance of an account for which the trust company has investment responsibilities a prompt review of the assets shall be made. The board shall also ensure that at least once during every calendar year thereafter, and within fifteen months of the last review, all the assets held in or for each fiduciary account where the association has investment responsibilities are reviewed to determine the advisability of retaining or disposing of such assets.

(2) All officers and employees taking part in the operation of the trust department shall be adequately bonded.

(3) Every qualified fiduciary subject to this chapter and exercising fiduciary powers in this state shall designate, employ, or retain legal counsel who shall be readily available to pass upon fiduciary matters and to advise the savings and loan association and its trust department.

(4) The trust department may utilize personnel and facilities of other departments of the savings and loan association, and other departments of the savings and loan association may utilize the personnel and facilities of the trust department only to the extent not prohibited

by law and as long as the separate identity of the trust department is preserved.

(5) Fiduciary records shall be kept separate and distinct from other records of the savings and loan association and maintained in compliance with the provisions of RCW 30.04.240. All fiduciary records shall be kept and retained for such time as to enable the fiduciary to furnish such information or reports with respect thereto as may be required by the supervisor of savings and loan associations.

(6) Every such fiduciary shall keep an adequate record of all pending litigation to which it is a party in connection with its exercise of fiduciary powers.

[Statutory Authority: RCW 33.12.010(24). 88-02-068 (Order 87-2), § 419-56-020, filed 1/6/88.]

WAC 419-56-030 Application process. Associations desiring to establish trust departments shall complete an application establishing the scope of the intended operation. Upon receiving an application from an association to engage in trust business pursuant to this chapter, the supervisor may request such additional information as he deems necessary for the informed disposition of the application. If supplementary information is requested by the supervisor, the application will not be complete until the supplementary information is supplied.

[Statutory Authority: RCW 33.12.010(24). 88-02-068 (Order 87-2), § 419-56-030, filed 1/6/88.]

WAC 419-56-040 Supervisor action on application. After receiving an application from a savings and loan association to engage in trust business and after having considered it, the supervisor shall grant, grant conditionally, grant in modified form, or deny the application and shall inform the applicant in writing of his action and of the reasons therefor. Any application not acted upon within six months after its receipt by the supervisor shall be deemed denied unless the supervisor, in writing, informs the applicant that he is holding the application for further review.

[Statutory Authority: RCW 33.12.010(24). 88-02-068 (Order 87-2), § 419-56-040, filed 1/6/88.]

WAC 419-56-050 Engagement in unauthorized trust business prohibited. No savings and loan association shall engage in any trust business not authorized in advance by the supervisor in accordance with this rule, unless the supervisor informs an applicant in writing that it may engage in a trust business provisionally while he reviews the application. Failure of a savings and loan association to comply with the terms of this chapter may be grounds for supervisory action against the savings and loan, its directors, or officers.

[Statutory Authority: RCW 33.12.010(24). 88-02-068 (Order 87-2), § 419-56-050, filed 1/6/88.]

WAC 419-56-060 Modification or revocation of investment practices previously authorized. The supervisor may find that a trust business previously authorized by him is no longer a safe and prudent practice for savings

and loan associations generally to engage in, or has become inconsistent with applicable state or federal law, or has ceased to be a safe and prudent practice in one or more particular savings and loan associations in light of their financial condition or management. Upon such a finding, the supervisor may in writing inform the board of directors of any or all of the associations engaging in such a trust business that the authority to engage in the activity has been revoked or modified. When the supervisor so notifies any savings and loan association, its directors and officers shall forthwith take steps to cease the trust business (if authority to engage in the activity has been revoked) or to make such modifications as the supervisor requires. The supervisor may for cause shown grant a savings and loan association some definite period of time within in which to arrange its affairs to comply with the supervisor's orders. Savings and loan associations which continue to engage in a trust business where their authority to do so has been revoked or modified will be treated as if the authority to engage in the practice had never been granted, and their actions may be grounds for supervisory action against the association, its directors, or officers.

[Statutory Authority: RCW 33.12.010(24). 88-02-068 (Order 87-2), § 419-56-060, filed 1/6/88.]

WAC 419-56-070 Investigation fee for new trust applications. The investigation fee charged under RCW 33.28.020 in connection with applications to establish a new savings and loan trust department shall be one thousand dollars. In the event the actual costs of the investigation conducted with respect to a particular application are less than the amount of the fee, such difference between the fee and the actual costs submitted shall be refunded, provided that in no event shall more than five hundred dollars be refunded. Expansion of the originally approved scope of trust business must also be approved by the supervisor by additional application and fee. In the event that actual costs of processing additional applications are less than the amount of the fee, such difference between the fee and the actual cost shall be refunded, provided that in no event shall more than seven hundred dollars be refunded. For the purposes of this section, actual costs include travel and per diem expenses paid to division personnel in connection with the investigation.

[Statutory Authority: RCW 33.12.010(24). 88-02-068 (Order 87-2), § 419-56-070, filed 1/6/88.]

WAC 419-56-080 Audit of the trust department. A committee of directors, exclusive of any active officers of the savings and loan association shall at least once during each calendar year and within fifteen months of the last such audit, make suitable audits of the trust department or cause suitable audits to be made by auditors responsible only to the board of directors, and at such time shall ascertain whether the department has been administered in accordance with law, this rule, and sound fiduciary principles. The board of directors may elect, in

lieu of such periodic audits, to adopt an adequate continuous audit system. A report of the audits and examination required under this section, together with the action taken thereon, shall be noted in the minutes of the board of directors.

[Statutory Authority: RCW 33.12.010(24), 88-02-068 (Order 87-2), § 419-56-080, filed 1/6/88.]

WAC 419-56-090 Examinations and fees. The supervisor shall have the power to examine the affairs of a trust department of a state-chartered savings and loan association under the same general powers as outlined in RCW 33.04.020. The report of examination of any trust department will be subject to the same restrictions as those of the parent association as outlined in RCW 33.04.110. Fees for such examinations will be charged on the same hourly basis as those for the parent association as established by administrative rule.

[Statutory Authority: RCW 33.12.010(24), 88-02-068 (Order 87-2), § 419-56-090, filed 1/6/88.]

Chapter 419-60 WAC

FOREIGN ASSOCIATION BRANCH APPLICATION PROCEDURES

WAC

419-60-010	Application procedures.
419-60-020	Information to be included in the application.
419-60-030	Approval to conduct the business of an association in Washington.

WAC 419-60-010 Application procedures. RCW 33.32.030 provides for regulatory authority by the supervisor over the activities of foreign associations within the state of Washington, and requires that such associations conduct their business in accordance with the appropriate statutes and under the requirements set forth by the supervisor in various rules. In order to conduct the business of a savings and loan in Washington, a foreign association must formally apply for the approval of the supervisor. Procedures for application are as follows:

(1) The application must be filed with the supervisor at the offices of the Division of Savings and Loan, Room 217C, General Administration Building, Olympia, Washington 98504.

(2) The application shall be filed in duplicate and shall be accompanied by a filing fee of five thousand dollars. In the event the actual costs of investigating the application exceed this amount, such difference between the fee and the actual costs shall be paid by the applicant. For the purposes of this section, actual costs shall include but not be limited to travel and per diem expense paid to division personnel in connection with the investigation.

[Statutory Authority: RCW 33.32.030, 88-02-067 (Order 87-1), § 419-60-010, filed 1/6/88.]

WAC 419-60-020 Information to be included in the application. An application shall include at least the following information:

(1) Name, address, and telephone number of the applicant.

(2) Name, address, and telephone number of the person to be contacted concerning the application.

(3) A summary of the applicant's history, which should include as a minimum the date and place of incorporation, the date and nature of any mergers or acquisitions, and certified current copies of the applicant's articles of incorporation and bylaws.

(4) A description of the applicant's business and corporate structure, including a listing of all branches or similar offices, and each majority owned subsidiary, and the nature and extent of the business activities of each.

(5) A business plan describing the applicant's proposed business activities in this state.

(6) A copy of the independent auditor's report for the applicant's most recent fiscal year and comparative financial statements for the prior fiscal year.

(7) The name, address, professional experience, and financial statement of the chief executive officer and principal operating officers.

(8) The name, address, and principal occupation of each director of applicant, and completed biographical and financial statements on each.

(9) A copy of the last two examination reports prepared by the applicable Federal Home Loan Bank, the last two state examination reports, any correspondence from the relevant regulator to the board of directors discussing each report, and the board's responses thereto.

(10) A statement as to the presence or absence of any supervisory agreement or regulatory order that may be in effect or may have been in effect in the last five years, and, if so, a copy of each such order or agreement.

(11) An opinion from the applicant's state regulatory agency which describes the conditions under which Washington associations may conduct business in such state.

(12) A statement of total shares outstanding and total number of stockholders if the applicant is a stock association. Additionally, provide a breakdown of stock ownership by officers and directors and any other entities owning five percent or more of the association's stock.

(13) A copy of the association's bond and its riders/ attachments.

(14) Any additional information that may be required by the supervisor or deemed appropriate by the applicant.

[Statutory Authority: RCW 33.32.030, 88-02-067 (Order 87-1), § 419-60-020, filed 1/6/88.]

WAC 419-60-030 Approval to conduct the business of an association in Washington. The information required by WAC 419-60-020 must demonstrate to the satisfaction of the supervisor:

(1) That the applicant, the directors of the applicant, and the chief officers of the applicant are each of good character and sound financial standing.

(2) That the financial history and condition of the applicant are satisfactory.

(3) That the applicant's plan to conduct the business of an association in Washington affords a reasonable promise of success.

(4) That the state in which the home office of the applicant is located permits Washington associations to conduct the business of an association in such state in substantially the same manner as the applicant proposes in this state.

[Statutory Authority: RCW 33.32.030. 88-02-067 (Order 87-1), § 419-60-030, filed 1/6/88.]

Title 434 WAC SECRETARY OF STATE

Chapters

434-09	Selection and notification of persons by secretary of state for citizens' commission for salaries of elected officials.
434-19	Charitable solicitations.
434-40	Absentee voting.
434-55	Limited partnership filings--Centralized system.

Chapter 434-09 WAC

SELECTION AND NOTIFICATION OF PERSONS BY SECRETARY OF STATE FOR CITIZENS' COMMISSION FOR SALARIES OF ELECTED OFFICIALS

WAC

434-09-010	Statement of purpose.
434-09-020	Definitions.
434-09-030	Qualification requirements.
434-09-040	Transmitting and compiling the data file of records of registered voters.
434-09-050	Conducting the selection of names by lot.
434-09-060	Notifying persons selected by lot.
434-09-070	Determination of commission appointees from congressional districts.
434-09-080	Names of selected persons to governor.
434-09-090	Vacancy on the commission.

WAC 434-09-010 Statement of purpose. The purpose of this chapter is to provide uniform procedures under RCW 43.03.305(1) for the selection and notification by the secretary of state of persons to be appointed to the Washington Citizens' Commission on Salaries for Elected Officials.

[Statutory Authority: RCW 43.03.305. 87-06-009 (Order 87-02), § 434-09-010, filed 2/19/87.]

WAC 434-09-020 Definitions. As used in these regulations:

(1) "Public employee" includes all persons who, at the time of selection, are officers or employees of any governmental body or political subdivision including, but not limited to the agencies of the federal, state or county government or any other municipal corporation operating under federal or state law or local ordinance.

(2) "Lobbyist" is a person required to be registered as such by the provisions of chapter 42.17 RCW.

(3) "Immediate family" means the parents, spouse, siblings, children, or dependent relative of the official, employee, or lobbyist whether or not living in the household of the official, employee, or lobbyist.

[Statutory Authority: RCW 43.03.305. 87-06-009 (Order 87-02), § 434-09-020, filed 2/19/87.]

WAC 434-09-030 Qualification requirements.

Qualification requirements for the citizen members selected in accordance with this chapter to serve on the commission shall be as required by the state constitution and RCW 43.03.305: 1) Any person selected under section 7 of this chapter to serve must have been a registered voter and eligible to vote at the previous state general election in the even-numbered year in the congressional district from which that person was selected; 2) Any person selected under section 9 of this chapter to serve must have been a registered voter and eligible to vote at the time of selection; 3) No state official, public employee or lobbyist or immediate family member of such official, public employee or lobbyist shall be eligible to serve.

[Statutory Authority: RCW 43.03.305. 87-06-009 (Order 87-02), § 434-09-030, filed 2/19/87.]

WAC 434-09-040 Transmitting and compiling the data file of records of registered voters. No later than January 1, 1987 and every four years thereafter, each county auditor shall submit to the secretary of state a data file of records of all registered voters eligible to vote at the previous state general election. The file shall contain the registration number, if available, name, address and congressional district for each registered voter. The secretary of state shall compile a separate list of the file for each congressional district.

[Statutory Authority: RCW 43.03.305. 87-06-009 (Order 87-02), § 434-09-040, filed 2/19/87.]

WAC 434-09-050 Conducting the selection of names by lot. No later than January 15, 1987 and every four years thereafter, the secretary of state shall arrange for the random selection of approximately an equal number of names of registered voters from each congressional district in substantially the same manner as prescribed in RCW 2.36.063 for jury selection. The secretary of state may employ a properly programmed electronic data processing system or device to make the random selection of registered voters as required by this section. The secretary of state shall request a separate list of registered voters for each congressional district to be selected by an unrestricted random sample from the lists compiled under section 4 of this chapter.

[Statutory Authority: RCW 43.03.305. 87-06-009 (Order 87-02), § 434-09-050, filed 2/19/87.]

WAC 434-09-060 Notifying persons selected by lot. (1) No later than January 20, 1987 and every four years thereafter, the secretary of state shall notify by certified mail each person selected by lot under section 5 of this