

[82.32.300] and 84.33.096. 94-14-048, § 458-40-660, filed 6/30/94, effective 7/1/94; 94-02-047, § 458-40-660, filed 12/30/93, effective 1/1/94; 93-14-051, § 458-40-660, filed 6/30/93, effective 7/1/93; 93-02-025, § 458-40-660, filed 12/31/92, effective 1/1/93; 92-14-083, § 458-40-660, filed 6/29/92, effective 7/1/92; 92-02-067, § 458-40-660, filed 12/31/91, effective 1/1/92. Statutory Authority: RCW 84.33.096 and 82.32.300. 91-14-077, § 458-40-660, filed 6/28/91, effective 7/1/91; 91-09-030, § 458-40-660, filed 4/12/91, effective 5/13/91; 91-02-088, § 458-40-660, filed 12/31/90, effective 1/31/91; 90-14-033, § 458-40-660, filed 6/29/90, effective 7/30/90; 90-02-049, § 458-40-660, filed 12/29/89, effective 1/29/90. Statutory Authority: Chapter 84.33 RCW and RCW 84.33.091. 89-14-051 (Order FT-89-2), § 458-40-660, filed 6/30/89; 89-02-027 (Order FT-88-5), § 458-40-660, filed 12/30/88; 88-14-032 (Order FT-88-2), § 458-40-660, filed 6/30/88; 88-02-026 (Order FT-87-5), § 458-40-660, filed 12/31/87. Statutory Authority: Chapter 84.33 RCW. 87-14-042 (Order 87-2), § 458-40-660, filed 6/30/87; 87-02-023 (Order 86-4), § 458-40-660, filed 12/31/86.]

## Title 460 WAC

### FINANCIAL INSTITUTIONS (SECURITIES DIVISION)

#### Chapters

- 460-21B** Broker-dealer practices.
- 460-22B** Salespersons of broker-dealers.
- 460-24A** Investment advisers.
- 460-40A** Investment companies.
- 460-42A** Exempt securities.
- 460-44A** Exempt transactions.
- 460-65A** Regulations on procedures related to the entry of orders.

#### Chapter 460-21B WAC BROKER-DEALER PRACTICES

#### WAC

- 460-21B-050 Books and records of broker-dealers.
- 460-21B-080 Repealed.

#### DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

- 460-21B-080 Written procedures. [Statutory Authority: RCW 21.20.070 and 21.20.450. 95-16-026, § 460-21B-080, filed 7/21/95, effective 8/21/95.] Repealed by 97-03-122, filed 1/22/97, effective 2/22/97. Statutory Authority: RCW 21.20.100 and 21.020.450.

**WAC 460-21B-050 Books and records of broker-dealers.** (1) Each registered broker-dealer shall make, maintain, and preserve books and records in compliance with United States Securities and Exchange Commission Rules 17a-3 (17 C.F.R. § 240.17a-3 (1991)), 17a-4 (17 C.F.R. § 240.17a-4 (1991)), 15c2-6 (17 C.F.R. § 240.15c2-6 (1991)) and 15c2-11 (17 C.F.R. § 240.15c2-11 (1991)) as amended in Release No. 34-29094, 56 Fed. Reg. 19148 (1991)) which are hereby incorporated by reference. To the extent that the United States Securities and Exchange Commission promulgates changes to the above-referenced rules, dealers in

compliance with such rules as amended shall not be subject to enforcement action by the commission for violation of this rule to the extent that the violation results solely from the dealer's compliance with the amended rule.

(2) The administrator may, by order, upon written request and for good cause shown, waive any of the requirements of this rule.

[Statutory Authority: RCW 21.20.100 and 21.20.450. 97-03-122, § 460-21B-050, filed 1/22/97, effective 2/22/97. Statutory Authority: RCW 21.20.070 and 21.20.450. 95-16-026, § 460-21B-050, filed 7/21/95, effective 8/21/95.]

**WAC 460-21B-080 Repealed.** See Disposition Table at beginning of this chapter.

#### Chapter 460-22B WAC SALESPERSONS OF BROKER-DEALERS

#### WAC

- 460-22B-070 Repealed.
- 460-22B-080 Repealed.
- 460-22B-090 Dishonest and unethical business practices-salespersons.

#### DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

- 460-22B-070 Dual representation and affiliation. [Statutory Authority: RCW 21.20.070 and 21.20.450. 95-16-026, § 460-22B-070, filed 7/21/95, effective 8/21/95.] Repealed by 97-03-122, filed 1/22/97, effective 2/22/97. Statutory Authority: RCW 21.20.100 and 21.020.450.
- 460-22B-080 Receipt of both securities sales commission and investment adviser fees. [Statutory Authority: RCW 21.20.070 and 21.20.450. 95-16-026, § 460-22B-080, filed 7/21/95, effective 8/21/95.] Repealed by 97-03-122, filed 1/22/97, effective 2/22/97. Statutory Authority: RCW 21.20.100 and 21.020.450.

**WAC 460-22B-070 Repealed.** See Disposition Table at beginning of this chapter.

**WAC 460-22B-080 Repealed.** See Disposition Table at beginning of this chapter.

**WAC 460-22B-090 Dishonest and unethical business practices-salespersons.** The phrase "dishonest or unethical practices" as used in RCW 21.20.110(7) as applied to salespersons, is hereby defined to include any of the following:

- (1) Engaging in the practice of lending or borrowing money or securities from a customer, or acting as a custodian for money, securities or an executed stock power of a customer;
- (2) Effecting securities transactions not recorded on the regular books or records of the broker-dealer which the agent represents, unless the transactions are authorized in writing by the broker-dealer prior to execution of the transaction;
- (3) Establishing or maintaining an account containing fictitious information in order to execute transactions which would otherwise be prohibited;
- (4) Sharing directly or indirectly in profits or losses in the account of any customer without the written authoriza-

tion of the customer and the broker-dealer which the agent represents;

(5) Dividing or otherwise splitting the agent's commissions, profits or other compensation from the purchase or sale of securities with any person not also registered for the same broker-dealer, or for a broker-dealer under direct or indirect common control;

(6) Inducing trading in a customer's account which is excessive in size or frequency in view of the financial resources and character of the account;

(7) Recommending to a customer the purchase, sale or exchange of any security without reasonable grounds to believe that such transaction or recommendation is suitable for the customer based upon reasonable inquiry concerning the customer's investment objectives, financial situation and needs, and any other relevant information known by the broker-dealer;

(8) Executing a transaction on behalf of a customer without authorization to do so;

(9) Exercising any discretionary power in effecting a transaction for a customer's account without first obtaining written discretionary authority from the customer, unless the discretionary power relates solely to the time and/or price for the execution of orders;

(10) Executing any transaction in a margin account without securing from the customer a properly executed written margin agreement promptly after the initial transaction in the account;

(11) Entering into a transaction with or for a customer at a price not reasonably related to the current market price of the security or receiving an unreasonable commission or profit;

(12) Failing to furnish to a customer purchasing securities in an offering, no later than the date of confirmation of the transaction, a final or preliminary prospectus, and if the latter, failing to furnish a final prospectus within a reasonable period after the effective date of the offering;

(13) Effecting any transaction in, or inducing the purchase or sale of, any security by means of any manipulative, deceptive or fraudulent device, practice, plan, program, design or contrivance, which may include but not be limited to:

(a) Effecting any transaction in a security which involves no change in the beneficial ownership thereof;

(b) Entering an order or orders for the purchase or sale of any security with the knowledge that an order or orders of substantially the same size, at substantially the same time and substantially the same price, for the sale of any such security, has been or will be entered by or for the same or different parties for the purpose of creating a false or misleading appearance of active trading in the security or a false or misleading appearance with respect to the market for the security;

(c) Effecting, alone or with one or more other persons, a series of transactions in any security creating actual or apparent active trading in such security or raising or depressing the price of such security, for the purpose of inducing the purchase or sale of such security by others;

(14) Guaranteeing a customer against loss in any securities account for such customer carried by the broker-dealer or in any securities transaction effected by the broker-dealer with or for such customer;

(15) Publishing or circulating, or causing to be published or circulated, any notice, circular, advertisement, newspaper article, investment service, or communication of any kind which purports to report any transaction as a purchase or sale of any security unless such broker-dealer believes that such transaction was a bona fide purchase or sale of such security; or which purports to quote the bid price or asked price for any security, unless such broker-dealer believes that such quotation presents a bona fide bid for, or offer of, such security;

(16) Using any advertising or sales presentation in such a fashion as to be deceptive or misleading. An example of such practice would be a distribution of any nonfactual data, material or presentation based on conjecture, unfounded or unrealistic claims or assertions of any brochure, flyer, or display by words, pictures, graphs or otherwise designed to supplement, detract from, supersede or defeat the purpose or effect of any prospectus or disclosure;

(17) In connection with the solicitation of a sale or purchase of an OTC non-NASDAQ security, failing to promptly provide the most current prospectus or the most recently filed periodic report filed under Section 13 of the Securities Exchange Act, when requested to do so by a customer;

(18) Marking any order ticket or confirmation as unsolicited when in fact the transaction is solicited;

(19) Failing to comply with any applicable provision of the Rules of Fair Practice of the National Association of Securities Dealers or any applicable fair practice or ethical standard promulgated by the Securities and Exchange Commission or by a self-regulatory organization approved by the Securities and Exchange Commission; or

(20) Any act or practice enumerated in WAC 460-21B-010.

The conduct set forth above is not inclusive. Engaging in other conduct such as forgery, embezzlement, nondisclosure, incomplete disclosure or misstatement of material facts, or manipulative or deceptive practices shall also be grounds for denial, suspension or revocation of registration.

[Statutory Authority: RCW 21.20.450. 97-16-050, § 460-22B-090, filed 7/31/97, effective 8/31/97. Statutory Authority: RCW 21.20.070 and 21.20.450. 95-16-026, § 460-22B-090, filed 7/21/95, effective 8/21/95.]

## Chapter 460-24A WAC INVESTMENT ADVISERS

### WAC

460-24A-040	Use of certain terms.
460-24A-045	Holding out as a financial planner.
460-24A-046	Repealed.
460-24A-050	Investment adviser and investment adviser salesperson (representative) registration and examinations.
460-24A-170	Capital requirements.

### DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

460-24A-046	Dual representation and affiliation. [Statutory Authority: RCW 21.20.070 and 21.20.450. 95-16-026, § 460-24A-046, filed 7/21/95, effective 8/21/95.] Repealed by 97-03-122, filed 1/22/97, effective 2/22/97. Statutory Authority: RCW 21.20.100 and 21.020.450.
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**WAC 460-24A-040 Use of certain terms.** (1) For the purposes of RCW 21.20.040(2), use of any term, or abbreviation for a term, including the word "financial planner" or the word "investment counselor" is considered the same as the use of either of those terms alone.

(2) For the purposes of RCW 21.20.040(2), terms that are deemed similar to "financial planner" and "investment counselor" include, but are not limited to, the following:

- (a) Financial consultant;
- (b) Investment consultant;
- (c) Money manager;
- (d) Investment manager;
- (e) Investment planner;
- (f) Chartered financial consultant or its abbreviation ChFC; or
- (g) The abbreviation CFP.

[Statutory Authority: RCW 21.20.450, 97-16-050, § 460-24A-040, filed 7/31/97, effective 8/31/97. Statutory Authority: RCW 21.20.040(2) and 21.20.450, 93-01-113, § 460-24A-040, filed 12/21/92, effective 1/21/93; 90-13-029, § 460-24A-040, filed 6/12/90, effective 7/13/90.]

**WAC 460-24A-045 Holding out as a financial planner.** A person using a term deemed similar to "financial planner" or "investment counselor" under WAC 460-24A-040(2) will not be considered to be holding himself out as a financial planner for purposes of RCW 21.20.005(6) and 21.20.040 under the following circumstances:

(1) The person is not in the business of providing advice relating to the purchase or sale of securities, and would not, but for his use of such a term, be an investment adviser required to register pursuant to RCW 21.20.040; and

(2) The person does not directly or indirectly receive a fee for providing investment advice. Receipt of any portion of a "wrap fee," that is, a fee for some combination of brokerage and investment advisory services, constitutes receipt of a fee for providing investment advice for the purpose of this section; and

(3) The person delivers to every customer, at least 48 hours before accepting any compensation, including commissions from the sale of any investment product, a written disclosure including the following information:

(a) The person is not registered as an investment adviser or investment adviser salesperson in the state of Washington;

(b) The person is not authorized to provide financial planning or investment advisory services and does not provide such services; and

(c) A brief description the person's business which description should include a statement of the kind of products offered or services provided (e.g., the person is in the business of selling securities and insurance products) and of the basis on which the person is compensated for the products sold or services provided; and

(4) The person has each customer to whom a disclosure described in subsection (3) of this section is given sign a written dated acknowledgment of receipt of the disclosure; and

(5) The person shall retain the executed acknowledgments of receipt required by subsection (4) of this section and of the disclosure given for so long as the person continues to receive compensation from such customers, but

in no case for less than three years from date of execution of the acknowledgment;

(6) If the person received compensation from the customer on more than one occasion, the person need give the customer the disclosure described in subsection (3) of this section only on the first occasion unless the information in the disclosure becomes inaccurate, in which case the person must give the customer updated disclosure before receiving further compensation from the customer.

[Statutory Authority: RCW 21.20.450, 97-16-050, § 460-24A-045, filed 7/31/97, effective 8/31/97. Statutory Authority: RCW 21.20.040(2) and 21.20.450, 93-01-113, § 460-24A-045, filed 12/21/92, effective 1/21/93.]

**WAC 460-24A-046 Repealed.** See Disposition Table at beginning of this chapter.

**WAC 460-24A-050 Investment adviser and investment adviser salesperson (representative) registration and examinations.** (1) In order for an applicant to become licensed in this state as an investment adviser the individual applicant, an officer of the applicant if the applicant is a corporation, or a general partner of the applicant if the applicant is a partnership, shall:

(a) Pass the uniform investment adviser law examination (series 65); or the uniform combined state law examination (series 66); and

(b)(i) Pass the NASD general securities principal examination (series 24); or

(ii) Hold one of the following designations:

(A) Chartered investment counselor;

(B) Chartered financial analyst;

(C) Certified financial planner;

(D) Chartered financial consultant;

(E) Personal financial specialist;

(F) Certified investment management analyst; and

(c) File a completed Form ADV.

(2) If the individual officer who takes the examination on behalf of a corporate applicant or the individual general partner who takes the examination on behalf of a partnership ceases to be an officer or general partner, then the investment adviser must notify the securities division of a substitute officer or general partner who has passed the examinations required in subsection (1) of this section within two months in order to maintain the investment adviser license.

(3) In order to become licensed in this state as an investment adviser salesperson (representative), an applicant shall:

(a) Pass the uniform investment adviser law examination (series 65); or the uniform combined state law examination (series 66); and

(b)(i) Pass the NASD general securities representative examination (series 7); or

(ii) Pass the general securities representative examination (series 2); or

(iii) Hold one of the following designations:

(A) Chartered investment counselor;

(B) Chartered financial analyst;

(C) Certified financial planner;

(D) Chartered financial consultant;

(E) Personal financial specialist;

(F) Certified investment management analyst; and

(c) File a completed Form U-4.

(4) The administrator may waive the testing requirements in subsection (3) of this section for an investment adviser representative whose activities will be limited to supervising the firm's investment advisory activities in Washington, provided that the applicant has been employed for five years preceding the filing of the application in a supervisory capacity, or as a portfolio manager, by an investment adviser registered under the Investment Advisers Act of 1940 for at least five years and the investment adviser has been engaged in rendering "investment supervisory services" as defined in section 202 (a)(13) of the Investment Advisers Act of 1940.

(5) Any individual who has been retained or employed by an investment adviser to solicit clients or offer the services of the investment adviser or manage the accounts of said clients any time during the two years prior to application and who has previously passed the required examination in subsection (1) or (3) of this section or the Washington state investment advisers examination shall not be required to retake the examination(s) to be eligible to be relicensed as an investment adviser salesperson (representative) upon application.

[Statutory Authority: RCW 21.20.450. 97-16-050, § 460-24A-050, filed 7/31/97, effective 8/31/97. Statutory Authority: RCW 21.20.450 and 21.20.070. 95-16-026 and 95-17-002, § 460-24A-050, filed 7/21/95 and 8/2/95, effective 8/21/95 and 9/2/95. Statutory Authority: RCW 21.20.070 and 21.20.450. 90-05-003, § 460-24A-050, filed 2/9/90, effective 3/12/90; 89-17-077 (Order SDO-123-89), § 460-24A-050, filed 8/17/89, effective 9/17/89. Statutory Authority: RCW 21.20.450. 85-23-063 (Order SDO-220-85), § 460-24A-050, filed 11/19/85; 85-16-068 (Order SDO-128-85), § 460-24A-050, filed 8/1/85. Statutory Authority: RCW 21.20.450 and 21.20.040. 83-03-024 (Order SDO-6-83), § 460-24A-050, filed 1/13/83. Statutory Authority: RCW 21.20.450. 82-02-033 (Order SDO-149-81), § 460-24A-050, filed 12/31/81; Order SD-131-77, § 460-24A-050, filed 11/23/77; Order 304, § 460-24A-050, filed 2/28/75, effective 4/1/75. Formerly chapter 460-24 WAC.]

**WAC 460-24A-170 Capital requirements.** (1) Any investment adviser who takes any power of attorney from any investment advisory client to execute transactions or has custody of any or [of] his investment advisory clients' securities or funds is subject to the minimum capital requirement and the requirement regarding the ratio of net capital to aggregate indebtedness, in accordance with WAC 460-21B-030 of these rules.

(2) The administrator may, upon written application, exempt from the provisions of this section, either unconditionally or on specified terms and conditions, any investment adviser who satisfies the administrator that, because of the special nature of his business, his financial position, and the safeguards he has established for the protection of customers' funds and securities, it is not necessary in the public interest or for the protection of investors to subject the particular investment adviser to the provisions of this section.

[Statutory Authority: RCW 21.20.450. 97-16-050, § 460-24A-170, filed 7/31/97, effective 8/31/97; Order 304, § 460-24A-170, filed 2/28/75, effective 4/1/75. Formerly chapter 460-24 WAC.]

## Chapter 460-40A WAC INVESTMENT COMPANIES

WAC  
460-40A-015 through 460-40A-040 Repealed.

### DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

460-40A-015 Prohibition on promotional shares. [Order 304, § 460-40A-015, filed 2/28/75, effective 4/1/75.] Repealed by 98-01-071, filed 12/12/97, effective 1/12/97. Statutory Authority: RCW 21.20.450.

460-40A-020 Prohibition on options. [Order 304, § 460-40A-020, filed 2/28/75, effective 4/1/75.] Repealed by 98-01-071, filed 12/12/97, effective 1/12/97. Statutory Authority: RCW 21.20.450.

460-40A-040 Insurance plan. [Order 304, § 460-40A-040, filed 2/28/75, effective 4/1/75.] Repealed by 98-01-071, filed 12/12/97, effective 1/12/97. Statutory Authority: RCW 21.20.450.

**WAC 460-40A-015 through 460-40A-040 Repealed.**  
See Disposition Table at beginning of this chapter.

## Chapter 460-42A WAC EXEMPT SECURITIES

WAC  
460-42A-082 World class foreign issuer exemption.

**WAC 460-42A-082 World class foreign issuer exemption.** (1) Any security meeting all of the following conditions is exempted under RCW 21.20.310(8):

(a) The securities are:

(i) Equity securities except options, warrants, preferred stock, subscription rights, securities convertible into equity securities or any right to subscribe to or purchase such options, warrants, convertible securities or preferred stock;

(ii) Units consisting of equity securities permitted by (a)(i) of this subsection and warrants to purchase the same equity security being offered in the unit;

(iii) Nonconvertible debt securities that are rated in one of the four highest rating categories of Standard and Poor's, Moody's, Dominion Bond Rating Services of Canadian Bond Rating Services or such other rating organization which the administrator by rule or order may designate. For purposes of this subsection (1)(a)(iii) of this section, nonconvertible debt securities means securities that cannot be converted for at least one year from the date of issuance and then only into equity shares of the issuer or its parent; or

(iv) American Depository receipt representing securities described in (a)(i), (ii) or (iii) of this subsection.

(b) The issuer is not organized under the laws of the United States, or of any state, territory or possession of the United States, or of the District of Columbia or Puerto Rico.

(c) The issuer, at the time an offer or sale is made under this subsection, has been a going concern engaged in continuous business operations for the immediate past five years and during that period, has not been the subject of a proceeding relating to insolvency, bankruptcy, involuntary administration, receivership or similar proceeding. For purposes of this subsection (1)(c) of this section, the operating history of any predecessor that represented more than

fifty percent of the value of the assets of the issuer that otherwise would have met the conditions of this section may be used toward the five year requirement.

(d) The issuer, at the time an offer or sale is made under this subsection (1)(d) of this section, has public float of one billion dollars (United States) or more.

(e) The market value of the issuer's equity shares, at the time an offer or sale is made under this subsection, is three billion dollars (United States) or more.

(f) The issuer, at the time an offer or sale is made under this subsection (1)(f) of this section, has a class of equity securities listed for trading on or through the facilities of a foreign securities exchange or recognized foreign securities market included in Rule 902 (a)(1) or successor rule promulgated under the Securities Act of 1933 or designated by the U.S. Securities and Exchange Commission under Rule 902 (a)(2) promulgated under the Securities Act of 1933.

(2) For purposes of this section:

(a) "Public float" means the market value of all outstanding equity shares owned by nonaffiliates.

(b) "Equity shares" means common shares, nonvoting equity shares and subordinate or restricted voting equity shares, but does not include preferred shares.

(c) An "affiliate" of a person is anyone who beneficially owns, directly or indirectly, or exercises control or direction over, more than ten percent of the outstanding equity shares of such person.

[Statutory Authority: RCW 21.20.450 and 21.20.310(8). 97-16-051, § 460-42A-082, filed 7/31/97, effective 8/31/97.]

### Chapter 460-44A WAC EXEMPT TRANSACTIONS

#### WAC

460-44A-300 Exemption for offers and sales to accredited investors pursuant to a public solicitation.

#### WAC 460-44A-300 Exemption for offers and sales to accredited investors pursuant to a public solicitation.

(1) Any offer or sale of a security by an issuer in a transaction that meets the requirements of this rule and any exemption adopted by the Securities and Exchange Commission pursuant to Section 3(b) of the Securities Act of 1933 which provides for public solicitation of accredited investors, shall be exempt under RCW 21.20.320(17).

(2) Sales of securities shall be made only to persons who are or the issuer reasonably believes are accredited investors. "Accredited investor" shall have the meaning indicated in WAC 460-44A-501(1).

(3) The exemption is not available to an issuer that is in the development stage that either has no specific business plan or purpose or has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies, or other entity or person.

(4) The issuer reasonably believes that all purchasers are purchasing for investment and not with the view to or for sale in connection with a distribution of the security. Any resale of a security sold in reliance on this exemption within twelve months of sale shall be presumed to be with a view to distribution and not for investment, except a resale pursuant to a registration statement effective under RCW

21.20.190 or 21.20.230 or to an accredited investor pursuant to an exemption available under the Securities Act of Washington, chapter 21.20 RCW. Securities issued under this exemption may only be resold pursuant to registration or an exemption under the Securities Act of Washington, chapter 21.20 RCW.

(5)(a) The exemption is not available to an issuer if the issuer, any of the issuer's predecessors, any affiliated issuer, any of the issuer's directors, officers, general partners, beneficial owners of ten percent or more of any class of its equity securities, any of the issuer's promoters presently connected with the issuer in any capacity, any underwriter of the securities to be offered, or any partner, director or officer of such underwriter:

(i) Within the last five years, has filed a registration statement which is the subject of a currently effective registration stop order entered by any state securities administrator or the United States Securities and Exchange Commission;

(ii) Within the last five years, has been convicted of any criminal offense in connection with the offer, purchase or sale of any security, or involving fraud or deceit;

(iii) Is currently subject to any state or federal administrative enforcement order or judgment, entered within the last five years, finding fraud or deceit in connection with the purchase or sale of any security; or

(iv) Is currently subject to any order, judgment or decree of any court of competent jurisdiction, entered with [within] the last five years, temporarily, preliminarily or permanently restraining or enjoining such party from engaging in or continuing to engage in any conduct or practice involving fraud or deceit in connection with the purchase or sale of any security.

(b) Subsection (5)(a) shall not apply if:

(i) The party subject to the disqualification is licensed or registered to conduct securities related business in the state in which the order, judgment or decree creating the disqualification was entered against such party;

(ii) Before the first offer under this exemption, the state securities administrator, or the court or regulatory authority that entered the order, judgment or decree, waives the disqualification; or

(iii) The issuer establishes that it did not know and in the exercise of reasonable care, based on a factual inquiry, could not have known that a disqualification existed under subsection (5)(a).

(6)(a) A general announcement of the proposed offering may be made by any means.

(b) The general announcement shall include only the following information, unless additional information is specifically permitted by the securities administrator:

(i) The name, address and telephone number of the issuer of the securities;

(ii) The name, a brief description and price (if known) of any security to be issued;

(iii) A brief description of the business of the issuer in twenty-five words or less;

(iv) The type, number and aggregate amount of securities being offered;

(v) The name, address and telephone number of the person to contact for additional information; and

(vi) A statement that:

(A) Sales will only be made to accredited investors;

(B) No money or other consideration is being solicited or will be accepted by way of this general announcement; and

(C) The securities have not been registered with or approved by any state securities agency or the U.S. Securities and Exchange Commission and are being offered and sold pursuant to an exemption from registration.

(7) The issuer, in connection with an offer, may provide information in addition to the general announcement under subsection (6), if such information:

(a) Is delivered through an electronic database that is restricted to persons who have been prequalified as accredited investors; or

(b) Is delivered after the issuer reasonably believes that the prospective purchaser is an accredited investor.

(8) No telephone solicitation shall be permitted unless prior to placing the call, the issuer reasonably believes that the prospective purchaser to be solicited is an accredited investor.

(9) Dissemination of the general announcement of the proposed offering to persons who are not accredited investors shall not disqualify the issuer from claiming the exemption under this rule.

(10) The issuer shall file with the administrator a notice of transaction, a consent to service of process, a copy of the general announcement, and a fee of three hundred dollars within fifteen days after the first sale in this state.

[Statutory Authority: RCW 21.20.450 and 21.20.320(17). 97-16-121, § 460-44A-300, filed 8/6/97, effective 9/6/97.]

#### Chapter 460-65A WAC

#### REGULATIONS ON PROCEDURES RELATED TO THE ENTRY OF ORDERS

#### WAC

460-65A-010 through 460-65A-125 Repealed.

#### DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

- 460-65A-010 Grounds for issuance of stop order pursuant to RCW 21.20.200. [Statutory Authority: RCW 21.20.450, 21.20.200, 21.20.390 and 21.20.325. 83-03-024 (Order SDO-6-83), § 460-65A-010, filed 1/13/83.] Repealed by 98-01-072, filed 12/12/97, effective 1/12/98. Statutory Authority: RCW 21.20.450.
- 460-65A-020 Grounds for issuance of cease and desist orders pursuant to RCW 21.20.390. [Statutory Authority: RCW 21.20.450, 21.20.200, 21.20.390 and 21.20.325. 83-03-024 (Order SDO-6-83), § 460-65A-020, filed 1/13/83.] Repealed by 98-01-072, filed 12/12/97, effective 1/12/98. Statutory Authority: RCW 21.20.450.
- 460-65A-030 Grounds for denial, suspension and revocation of exemption. [Statutory Authority: RCW 21.20.450, 21.20.200, 21.20.390 and 21.20.325. 83-03-024 (Order SDO-6-83), § 460-65A-030, filed 1/13/83.] Repealed by 98-01-072, filed 12/12/97, effective 1/12/98. Statutory Authority: RCW 21.20.450.
- 460-65A-040 Grounds for denial, condition or revocation exemption pursuant to RCW 21.20.325. [Statutory Authority: RCW 21.20.450, 21.20.200, 21.20.390 and 21.20.325. 83-03-024 (Order SDO-6-83), § 460-65A-040, filed 1/13/83.] Repealed by 98-01-072, filed 12/12/97, effective 1/12/98. Statutory Authority: RCW 21.20.450.

- 460-65A-100 Summary procedure. [Statutory Authority: RCW 21.20.450, 21.20.200, 21.20.390 and 21.20.325. 83-03-024 (Order SDO-6-83), § 460-65A-100, filed 1/13/83.] Repealed by 98-01-072, filed 12/12/97, effective 1/12/98. Statutory Authority: RCW 21.20.450.
- 460-65A-105 Summary order—Hearing. [Statutory Authority: RCW 21.20.450, 21.20.200, 21.20.390 and 21.20.325. 83-03-024 (Order SDO-6-83), § 460-65A-105, filed 1/13/83.] Repealed by 98-01-072, filed 12/12/97, effective 1/12/98. Statutory Authority: RCW 21.20.450.
- 460-65A-110 Summary hearing—Appearance before the director. [Statutory Authority: RCW 21.20.450, 21.20.200, 21.20.390 and 21.20.325. 83-03-024 (Order SDO-6-83), § 460-65A-110, filed 1/13/83.] Repealed by 98-01-072, filed 12/12/97, effective 1/12/98. Statutory Authority: RCW 21.20.450.
- 460-65A-115 Requests for hearing on summary order time limits. [Statutory Authority: RCW 21.20.450, 21.20.200, 21.20.390 and 21.20.325. 83-03-024 (Order SDO-6-83), § 460-65A-115, filed 1/13/83.] Repealed by 98-01-072, filed 12/12/97, effective 1/12/98. Statutory Authority: RCW 21.20.450.
- 460-65A-125 Nonsummary procedure. [Statutory Authority: RCW 21.20.450, 21.20.200, 21.20.390 and 21.20.325. 83-03-024 (Order SDO-6-83), § 460-65A-125, filed 1/13/83.] Repealed by 98-01-072, filed 12/12/97, effective 1/12/98. Statutory Authority: RCW 21.20.450.

**WAC 460-65A-010 through 460-65A-125 Repealed.**  
See Disposition Table at beginning of this chapter.

## Title 461 WAC

### SHORELINES HEARINGS BOARD

#### Chapters

**461-08 Practice and procedure—Review of the granting, denying or rescinding of substantial development permits—Hearings.**

#### Chapter 461-08 WAC

#### PRACTICE AND PROCEDURE—REVIEW OF THE GRANTING, DENYING OR RESCINDING OF SUBSTANTIAL DEVELOPMENT PERMITS—HEARINGS

#### WAC

- 461-08-310 Computation of time.
- 461-08-560 Deadline for the board to issue final decision on petitions for review of permitting decisions. Waivers and extensions of deadline.
- 461-08-570 Time for filing petitions for review to superior court.

**WAC 461-08-310 Computation of time.** (1) In computing any period of time prescribed or allowed by these rules or applicable statute, the day of the act after which the designated period of time begins to run is not to be included. The time within which any act shall be done, as provided by these rules, shall be computed by excluding the first day and