

# Chapter 460-10A WAC

## DEFINITIONS

### WAC

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460-10A-125 WSR 96-11-026, filed 5/6/96, effective 6/6/96. Statutory Authority: RCW 21.20.450.  
 Participant. [Order 304, § 460-10A-125, filed 2/28/75, effective 4/1/75.] Repealed by WSR 96-11-026, filed 5/6/96, effective 6/6/96. Statutory Authority: RCW 21.20.450.  
 460-10A-130 Person. [Statutory Authority: RCW 21.20.450. WSR 96-11-026, § 460-10A-130, filed 5/6/96, effective 6/6/96; Order 304, § 460-10A-130, filed 2/28/75, effective 4/1/75.] Repealed by WSR 98-17-013, filed 8/10/98, effective 9/10/98. Statutory Authority: RCW 21.20.450.  
 460-10A-135 Program. [Order 304, § 460-10A-135, filed 2/28/75, effective 4/1/75.] Repealed by WSR 96-11-026, filed 5/6/96, effective 6/6/96. Statutory Authority: RCW 21.20.450.  
 460-10A-140 Program interest. [Order 304, § 460-10A-140, filed 2/28/75, effective 4/1/75.] Repealed by WSR 96-11-026, filed 5/6/96, effective 6/6/96. Statutory Authority: RCW 21.20.450.  
 460-10A-145 Program management fee. [Order 304, § 460-10A-145, filed 2/28/75, effective 4/1/75.] Repealed by WSR 96-11-026, filed 5/6/96, effective 6/6/96. Statutory Authority: RCW 21.20.450.  
 460-10A-150 Property management fee. [Order 304, § 460-10A-150, filed 2/28/75, effective 4/1/75.] Repealed by WSR 96-11-026, filed 5/6/96, effective 6/6/96. Statutory Authority: RCW 21.20.450.  
 460-10A-155 Sponsor. [Order 304, § 460-10A-155, filed 2/28/75, effective 4/1/75.] Repealed by WSR 96-11-026, filed 5/6/96, effective 6/6/96. Statutory Authority: RCW 21.20.450.  
 460-10A-165 Real estate investment trusts. [Order SD-131-77, § 460-10A-165, filed 11/23/77.] Repealed by WSR 83-19-036 (Order SDO-180-83), filed 9/14/83. Statutory Authority: RCW 21.20.450.  
 460-10A-180 Promoter. [Statutory Authority: RCW 21.20.450. WSR 96-11-026, § 460-10A-180, filed 5/6/96, effective 6/6/96; Order SD-131-77, § 460-10A-180, filed 11/23/77.] Repealed by WSR 98-17-013, filed 8/10/98, effective 9/10/98. Statutory Authority: RCW 21.20.450.  
 460-10A-185 Control. [Statutory Authority: RCW 21.20.450. WSR 96-11-026, § 460-10A-185, filed 5/6/96, effective 6/6/96.] Repealed by WSR 98-17-013, filed 8/10/98, effective 9/10/98. Statutory Authority: RCW 21.20.450.  
 460-10A-190 Equity security. [Statutory Authority: RCW 21.20.450. WSR 96-11-026, § 460-10A-190, filed 5/6/96, effective 6/6/96.] Repealed by WSR 98-17-013, filed 8/10/98, effective 9/10/98. Statutory Authority: RCW 21.20.450.  
 460-10A-195 Promotional or developmental stage corporation. [Statutory Authority: RCW 21.20.450. WSR 96-11-026, § 460-10A-195, filed 5/6/96, effective 6/6/96.] Repealed by WSR 98-17-013, filed 8/10/98, effective 9/10/98. Statutory Authority: RCW 21.20.450.  
 460-10A-200 Public market. [Statutory Authority: RCW 21.20.450. WSR 96-11-026, § 460-10A-200, filed 5/6/96, effective 6/6/96.] Repealed by WSR 98-17-013, filed 8/10/98, effective 9/10/98. Statutory Authority: RCW 21.20.450.  
 460-10A-205 Significant earnings. [Statutory Authority: RCW 21.20.450. WSR 96-11-026, § 460-10A-205, filed 5/6/96, effective 6/6/96.] Repealed by WSR 98-17-013, filed 8/10/98, effective 9/10/98. Statutory Authority: RCW 21.20.450.  
 460-10A-210 Unaffiliated institutional investor. [Statutory Authority: RCW 21.20.450. WSR 96-11-026, § 460-10A-210, filed 5/6/96, effective 6/6/96.] Repealed by WSR 98-17-013, filed 8/10/98, effective 9/10/98. Statutory Authority: RCW 21.20.450.

### DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

460-10A-035 Seasoned corporation. [Order 304, § 460-10A-035, filed 2/28/75, effective 4/1/75.] Repealed by WSR 96-11-026, filed 5/6/96, effective 6/6/96. Statutory Authority: RCW 21.20.450.  
 460-10A-050 Promotional shares defined. [Statutory Authority: RCW 21.20.450. WSR 96-11-026, § 460-10A-050, filed 5/6/96, effective 6/6/96; Order 304, § 460-10A-050, filed 2/28/75, effective 4/1/75.] Repealed by WSR 98-17-013, filed 8/10/98, effective 9/10/98. Statutory Authority: RCW 21.20.450.  
 460-10A-055 Acquisition fee. [Order 304, § 460-10A-055, filed 2/28/75, effective 4/1/75.] Repealed by WSR 96-11-026, filed 5/6/96, effective 6/6/96. Statutory Authority: RCW 21.20.450.  
 460-10A-060 Affiliate. [Statutory Authority: RCW 21.20.450. WSR 96-11-026, § 460-10A-060, filed 5/6/96, effective 6/6/96; Order 304, § 460-10A-060, filed 2/28/75, effective 4/1/75.] Repealed by WSR 98-17-013, filed 8/10/98, effective 9/10/98. Statutory Authority: RCW 21.20.450.  
 460-10A-065 Appraised value. [Order 304, § 460-10A-065, filed 2/28/75, effective 4/1/75.] Repealed by WSR 96-11-026, filed 5/6/96, effective 6/6/96. Statutory Authority: RCW 21.20.450.  
 460-10A-075 Capital contribution. [Order 304, § 460-10A-075, filed 2/28/75, effective 4/1/75.] Repealed by WSR 96-11-026, filed 5/6/96, effective 6/6/96. Statutory Authority: RCW 21.20.450.  
 460-10A-080 Cash flow. [Order 304, § 460-10A-080, filed 2/28/75, effective 4/1/75.] Repealed by WSR 96-11-026, filed 5/6/96, effective 6/6/96. Statutory Authority: RCW 21.20.450.  
 460-10A-090 Cash available for distribution. [Order 304, § 460-10A-090, filed 2/28/75, effective 4/1/75.] Repealed by WSR 96-11-026, filed 5/6/96, effective 6/6/96. Statutory Authority: RCW 21.20.450.  
 460-10A-095 Construction fee. [Order 304, § 460-10A-095, filed 2/28/75, effective 4/1/75.] Repealed by WSR 96-11-026, filed 5/6/96, effective 6/6/96. Statutory Authority: RCW 21.20.450.  
 460-10A-100 Cost of property. [Order 304, § 460-10A-100, filed 2/28/75, effective 4/1/75.] Repealed by WSR 96-11-026, filed 5/6/96, effective 6/6/96. Statutory Authority: RCW 21.20.450.  
 460-10A-105 Development fee. [Order 304, § 460-10A-105, filed 2/28/75, effective 4/1/75.] Repealed by WSR 96-11-026, filed 5/6/96, effective 6/6/96. Statutory Authority: RCW 21.20.450.  
 460-10A-115 Nonspecified property program. [Order 304, § 460-10A-115, filed 2/28/75, effective 4/1/75.] Repealed by WSR 96-11-026, filed 5/6/96, effective 6/6/96. Statutory Authority: RCW 21.20.450.  
 460-10A-120 Organization and offering expenses. [Order 304, § 460-10A-120, filed 2/28/75, effective 4/1/75.] Repealed by

**WAC 460-10A-001 Effect of adoption of rules.** Those registration statements received prior to the effective date of these rules and regulations, concerning the form and content

of that statement, will be governed by the rules and regulations in existence at the time of the filing of the registration statement with the securities division.

[Order 304, § 460-10A-001, filed 2/28/75, effective 4/1/75. Formerly chapter 460-10 WAC.]

**WAC 460-10A-00101 Definitions.** The terms used in these rules shall have the meanings set forth in the statutes pursuant to which these rules are adopted, if defined therein, or the meanings expressed in the definitions contained in these rules.

Note: Additional definitions may be found in the North American Securities Administrators Association (NASAA) statement of policy regarding corporate securities definitions, which has been adopted pursuant to WAC 460-16A-205 (1)(m).

[Statutory Authority: RCW 21.20.450. WSR 98-17-013, § 460-10A-00101, filed 8/10/98, effective 9/10/98; Order 304, § 460-10A-000 (codified as WAC 460-10A-00101), filed 2/28/75, effective 4/1/75. Formerly chapter 460-10 WAC.]

**WAC 460-10A-010 Administrator.** Means the administrator of the Washington Securities Act appointed pursuant to RCW 21.20.460.

[Order 304, § 460-10A-010, filed 2/28/75, effective 4/1/75. Formerly chapter 460-10 WAC.]

**WAC 460-10A-015 Division.** Means the securities division of the department of financial institutions.

[Statutory Authority: RCW 21.20.070 and 21.20.450. WSR 95-16-026, § 460-10A-015, filed 7/21/95, effective 8/21/95. Statutory Authority: RCW 21.20.450. WSR 80-04-037 (Order SDO-37-80), § 460-10A-015, filed 3/19/80; Order 304, § 460-10A-015, filed 2/28/75, effective 4/1/75.]

**WAC 460-10A-020 Charter documents.** Means certificate of incorporation, articles of incorporation, agreement of consolidation or merger, and bylaws of a corporation; declaration of trust; agreement of partnership, certificate of limited partnership, or any other document or instrument adopted to establish or regulate any association, joint stock company, trust, or other entity; as such documents are currently in effect.

[Order 304, § 460-10A-020, filed 2/28/75, effective 4/1/75.]

**WAC 460-10A-025 Code.** Means the Washington Securities Act. Chapter 21.20 RCW et seq.

[Order 304, § 460-10A-025, filed 2/28/75, effective 4/1/75.]

**WAC 460-10A-030 Default or arrears.** Means default or arrears in payment of dividends, interest, sinking fund payment, or principal, on the date due.

[Order 304, § 460-10A-030, filed 2/28/75, effective 4/1/75.]

**WAC 460-10A-070 Assessments.** Additional amounts of capital which may be mandatorily required of or paid at the option of a participant beyond his subscription commitment.

[Order 304, § 460-10A-070, filed 2/28/75, effective 4/1/75.]

**WAC 460-10A-110 Net worth.** The excess of total assets over total liabilities as determined by generally accepted accounting principles.

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[Statutory Authority: RCW 21.20.450. WSR 96-11-026, § 460-10A-110, filed 5/6/96, effective 6/6/96; Order 304, § 460-10A-110, filed 2/28/75, effective 4/1/75.]

**WAC 460-10A-160 Nationally recognized securities manual.** For the purpose of WAC 460-44A-100, "Nationally recognized securities manual or its electronic equivalent" shall mean: *Fitch Investors Service, Mergent's Investor Service, and OTC Markets Group Inc. (with respect to securities included in the OTCQX and OTCQB markets).*

[Statutory Authority: RCW 21.20.450 and 21.20.320(2). WSR 17-05-002, § 460-10A-160, filed 2/1/17, effective 3/4/17; WSR 14-13-005, § 460-10A-160, filed 6/5/14, effective 7/6/14. Statutory Authority: RCW 21.20.450. WSR 98-17-013, § 460-10A-160, filed 8/10/98, effective 9/10/98. Statutory Authority: RCW 21.20.450 and 21.20.320(2). WSR 89-21-032 (Order SDO-161-89), § 460-10A-160, filed 10/11/89, effective 11/11/89; WSR 86-15-023 (Order SDO-89-86), § 460-10A-160, filed 7/14/86; Order 342, § 460-10A-160, filed 9/29/75.]

**WAC 460-10A-170 Officer.** The term "officer" means a president, vice president in charge of a business unit or division, treasurer, secretary, chief executive officer, chief operating officer, chief financial officer, person who performs a principal policy making function for a principal business unit or division, or any person occupying a similar status and performing a similar function with respect to any organization, whether incorporated or unincorporated.

[Statutory Authority: RCW 21.20.450. WSR 96-11-026, § 460-10A-170, filed 5/6/96, effective 6/6/96; Order SD-131-77, § 460-10A-170, filed 11/23/77.]

**WAC 460-10A-175 Director.** The term "director" means any director of a corporation or any person occupying a similar status and performing a similar function with respect to any organization, whether incorporated or unincorporated.

[Order SD-131-77, § 460-10A-175, filed 11/23/77.]

**WAC 460-10A-215 Security—Viatical and life settlement agreements.** (1) A viatical or life settlement agreement constitutes a security if the agreement falls within the definition of "security" under RCW 21.20.005 as an investment contract; an investment of money or other consideration in the risk capital of a venture with the expectation of some valuable benefit to the investor where the investor does not receive the right to exercise practical and actual control over the managerial decisions of the venture; or otherwise.

(2) For purpose of this section, a "viatical or life settlement agreement" means an agreement for consideration for the purchase, assignment, transfer, sale, devise or bequest of any portion of the death benefit under, or ownership of, either an insurance policy or certificate of insurance. A viatical or life settlement agreement does not include:

(a) Any agreement for the original issuance of an insurance policy or certificate of insurance;

(b) An assignment, transfer, sale, devise or bequest of a death benefit under, or ownership of, either an insurance policy or certificate of insurance by the original owner, or a person who has an insurable interest in the insured, to any of the following:

(i) The insured;

(ii) A person who has an insurable interest in the insured;

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(iii) A dealer; or

(iv) A person who is engaged in the business of purchasing the death benefit under, or ownership of, either insurance policies or certificates of insurance;

(c) An assignment of an insurance policy or certificate of insurance to any bank, savings bank, savings and loan association, credit union, or other licensed lending institution as collateral for a loan; or

(d) The exercise of accelerated benefits pursuant to the life insurance policy.

[Statutory Authority: RCW 21.20.450. WSR 12-10-051, § 460-10A-215, filed 4/30/12, effective 5/31/12; WSR 02-18-044, § 460-10A-215, filed 8/28/02, effective 9/28/02.]