



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

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**Notice of Proposed Rulemaking to Adopt the NASAA Statement of Policy
Regarding the Use of Franchise Questionnaires and Acknowledgments**

May 1, 2023

The Securities Division is proposing to amend Chapter 460-80 WAC to formally adopt the Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments promulgated by the North American Securities Administrators Association, Inc. (“NASAA”).

On September 18, 2022, NASAA adopted the Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments (“Statement of Policy”). The Statement of Policy sets uniform standards for the proper use of questionnaires and acknowledgments in franchise offerings. The Statement of Policy prohibits provisions that would require a prospective franchisee to make statements that are subjective, unreasonable, or that attempt to absolve the franchisor or its agents of liability in connection with the sale of a franchise. These provisions are also inconsistent with the Franchise Investment Protection Act’s anti-waiver provisions. *See* RCW 19.100.220(2) and RCW 19.100.180(2)(g). It is important to note that the adoption of the Statement of Policy does not represent a material change in requirements for franchise offerings in Washington. However, adoption of the Statement of Policy would aid franchisors in complying with existing Washington law by providing specific examples of prohibited questionnaires and acknowledgments, while also increasing compliance with anti-waiver and anti-fraud requirements across the states with such requirements. The Statement of Policy is available at: <https://www.nasaa.org/wp-content/uploads/2022/09/NASAA-Franchise-Questionnaires-and-Acknowledgments-Statement-of-Policy-9-18-2022.pdf>.

The Securities Division has now filed a Notice of Proposed Rule Making (Form CR-102) and the text of the proposed rule. These materials are available on our website at: <https://dfi.wa.gov/rulemaking/nasaa-statement-policy-regarding-use-franchise-questionnaires-and-acknowledgments>.

If you have comments on the proposed rule, we would like to hear from you. Comments will be accepted through June 7, 2023, and may be submitted to Nathan Quigley at Nathan.Quigley@dfi.wa.gov, or you may mail your comments to the following address:

Nathan Quigley
Securities Division
P.O. Box 9033
Olympia, WA 98507-9033

A public hearing on the proposed rule is scheduled for June 7, 2023, at 2:00pm. Further details concerning the hearing are included in the Notice of Proposed Rule Making available on our

website. If you have questions, please contact the undersigned by telephone at (360) 902-8797 or by email at Nathan.Quigley@dfi.wa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Nathan Quigley". The signature is fluid and cursive, with a large initial "N" and a long horizontal stroke extending to the right.

Nathan Quigley
Securities Division