



STATE OF WASHINGTON  
**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
**SECURITIES DIVISION**

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**TO:** Franchise registration applicants and exemption notice filers

**FROM:** William M. Beatty, Securities Administrator 

**DATE:** April 8, 2020

**SUBJECT:** Submission of franchise filings and fees during the COVID-19 pandemic

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This notice is directed to those who submit applications for franchise registration and exemption notice filings under the Franchise Investment Protection Act, chapter 19.100 RCW, to address filing requirements and franchise registration renewal fee issues during the COVID-19 pandemic.

## **BACKGROUND**

On February 29, 2020, Governor Inslee issued Proclamation 20-05,<sup>1</sup> proclaiming a State of Emergency for all counties throughout Washington state as a result of the coronavirus disease 2019 (COVID-19) outbreak in the United States. Subsequently, the World Health Organization characterized COVID-19 as a pandemic.<sup>2</sup> In order to slow the spread of COVID-19, Governor Inslee<sup>3</sup> and the governors of a majority of each of the United States have implemented social distancing measures, including the closure of non-essential businesses and stay-at-home orders.

## **IMPACT OF COVID-19 MEASURES ON FRANCHISE RENEWALS**

The implementation of COVID-19 social distancing measures may delay the completion of audits of financial statements. These delays may cause some franchisors to be unable to submit franchise registration renewal applications prior to the expiration of their current permits due to the inability to include audited financial statements for their most recent fiscal year end in their

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<sup>1</sup> Available at <https://www.governor.wa.gov/sites/default/files/proclamations/20-05%20Coronavirus%20%28final%29.pdf>.

<sup>2</sup> WHO Director-General's opening remarks at the media briefing on COVID-19 (Mar. 11, 2020), available at <https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020>.

<sup>3</sup> Proclamation 20-25, Stay Home – Stay Healthy (Mar. 23, 2020), available at <https://www.governor.wa.gov/sites/default/files/proclamations/20-25%20Coronavirus%20Stay%20Safe-Stay%20Healthy%20%28tmp%29%20%28002%29.pdf>.

franchise disclosure documents (FDDs) as otherwise required by RCW [19.100.070](#). In the event the registration of a franchise offering has lapsed, the applicant must submit an application for registration to obtain a permit to offer or sell franchises<sup>4</sup> instead of filing an application to renew registration. The primary difference between filing an application versus filing a renewal is the filing fee that is required: an application for registration requires a filing fee of \$600 whereas the filing fee for a renewal is \$100.<sup>5</sup>

## **FILING INSTRUCTIONS AND FILING FEE RELIEF RELATED TO COVID-19**

The Securities Division reminds filers that all franchise filings are required to be submitted online through our electronic filing system.<sup>6</sup> This system accepts initial, renewal, and amendment applications for franchise registration, as well as exemption notice filings and franchise broker registration and renewal filings.

The Securities Division notes that this system allows filers to upload .pdf copies of the required documents to our system and does not require “wet” signatures. Where a signature is required, copies of signed documents, including .pdf copies, will suffice.

As a result of the COVID-19 pandemic, the following relief is provided to those making franchise filings:

- Notary requirements are hereby waived while social distancing directives remain in effect.
- Under the authority set forth in RCW [19.100.070](#), it is hereby ordered that applicants may pay the renewal fee of \$100 to complete an application for franchise registration under RCW [19.100.040](#) for any offering that was previously registered and that expired, or that will expire, between March 1, 2020 through June 30, 2020 until further notice. This order does not permit the offer or sale of franchises during a period in which the franchise registration has lapsed.<sup>7</sup> The filing fee for franchise exemption notice filings remains \$100 whether it is a new notice or a renewal in accordance with RCW [19.100.240](#)(5).

These temporary accommodations do not change any existing laws or regulations and are subject to change or withdrawal. Questions concerning this notice may be directed to Faith L. Anderson, Esq., Chief of Registration & Regulatory Affairs, by email at [faith.anderson@dfi.wa.gov](mailto:faith.anderson@dfi.wa.gov).

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<sup>4</sup> An application to register a franchise offering that has previously been registered is referred to as a “re-application.”

<sup>5</sup> RCW [21.20.240](#).

<sup>6</sup> Our electronic filing system is available through our website at <https://dfi.wa.gov/franchises>.

<sup>7</sup> RCW [19.100.020](#).