



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

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**Notice of Preproposal Statement of Inquiry Concerning Electronic Filing Depository Requirements**

March 6, 2018

To Interested Persons:

The Securities Division is considering mandating that notice filings concerning securities offerings exempt under Rule 506 of federal Regulation D be made through the North American Securities Administrators Association's online Electronic Filing Depository ("EFD") system.

Rule 506 of Regulation D provides an exemption from securities registration under the federal Securities Act of 1933. Federal law preempts state laws that would otherwise require registration of these securities offerings, but states are permitted to require notice filings in connection with offerings in their own jurisdictions. Notice filings on Form D are required for these offerings in Washington pursuant to RCW 21.20.327(2) and WAC 460-44-503(1)(a)(i)(A) and (B).

EFD, an online system developed by NASAA, allows an issuer to submit electronic notices on Form D concerning Rule 506 offerings to state securities regulators and pay related fees. EFD also enables the public to search and view, free of charge, Form D filings made with state securities regulators through EFD. In 2017, the EFD System processed 69,812 total Form D notice filings throughout all NASAA jurisdictions utilizing the system.

Although the Securities Division currently accepts notice filings through EFD as well as paper submissions, paper submissions require the Securities Division to manually process and scan the notice filings, which may result in delays to the issuer in receiving an acknowledgment of its filing or any follow-up correspondence. Requiring issuers to use the EFD system to file Rule 506 notice filings would eliminate inefficiencies and result in a streamlined process for both issuers and the Securities Division.

If you have any questions, please contact the undersigned by telephone at (360) 902-8736 or by e-mail at [michelle.webster@dfi.wa.gov](mailto:michelle.webster@dfi.wa.gov).

Sincerely,

Michelle Webster, Esq.