



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

P.O. Box 9033 • Olympia, Washington 98507.9033
Telephone (360) 902.8760 • TDD (360) 664.8126 • FAX (360) 902.0524 • Web Site: www.dfi.wa.gov/sd

Notice of Proposed Rules to Mandate Electronic Franchise Filings

February 21, 2019

To Interested Persons:

The Securities Division is proposing to amend chapter 460-80 WAC to require the filing of applications for registration of franchise offerings and franchise brokers, as well as for franchise exemption notice filings, to be made through the Securities Division's electronic franchise filing system.

In 2013, the Securities Division announced the availability of its online electronic franchise filing system ("e-filing system"). The e-filing system was intended to facilitate electronic submission of franchise registration and renewal applications, and post-effective amendments online, eliminating the need to make any paper or other physical submissions to the Securities Division. Since then, the Securities Division has expanded its e-filing system capabilities to accept franchise broker and franchise exemption filings.

A significant number of applicants have utilized the e-filing system since its inception. In 2017 alone, the Securities Division received approximately 1,000 franchise registration filings through the e-filing system, which represents approximately 81% of all franchise registration filings received. Although the Securities Division currently accepts filings through the e-filing system and paper submissions, paper submissions require the Securities Division to manually receive, process and scan the filings, which may result in delays to the applicant receiving any follow-up correspondence or notice of effective registration. Requiring franchisors and franchise brokers to use the e-filing system will eliminate inefficiencies and result in a streamlined process for both applicants and the Securities Division.

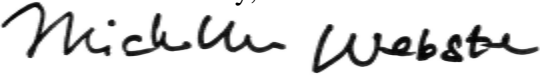
The Securities Division has now filed a notice of Proposed Rule Making (Form CR-102) and the text of the proposed rules (OTS-1234.2). These materials are available on our website at: <https://dfi.wa.gov/rulemaking/franchise-electronic-system-filing-requirements>

If you have comments on the proposed rules, we would like to hear from you. Comments will be accepted through March 25, 2019 and may be submitted to Michelle Webster at michelle.webster@dfi.wa.gov, or you may mail your comments to the following address:

Michelle Webster, Esq.
Securities Division
P.O. Box 9033
Olympia, WA 98507-9033

A public hearing on the proposed rules is scheduled for March 26, 2019 at 1:00 P.M. Further details concerning the hearing are included in the Notice of Proposed Rule Making available on our website.

Sincerely,

A handwritten signature in black ink that reads "Michelle Webster". The signature is written in a cursive, flowing style.

Michelle Webster, Esq.