

WAC 460-17A-030 Availability. (1) SCOR is intended to allow small companies to conduct limited offerings of securities. SCOR uses a simplified offering format designed to provide adequate disclosure to investors concerning the issuer, the securities offered, and the offering itself. Certain issuers may not be able to make adequate disclosure using the SCOR format and will, therefore, be unable to utilize SCOR. The administrator finds that SCOR is generally unsuitable for the following issuers and programs and that, therefore, they will not be allowed to utilize SCOR unless written permission is obtained from the administrator based upon a showing that adequate disclosure can be made to investors using the SCOR format:

- (a) Holding companies, companies whose principal purpose is owning stock in, or supervising the management of, other companies;
- (b) Portfolio companies, such as a real estate investment trusts;
- (c) Issuers with complex capital structures;
- (d) Commodity pools;
- (e) Equipment leasing programs; and
- (f) Real estate programs.

(2) These rules are available only to the issuer of the securities and not to any affiliate of that issuer or to any other person for resale of the issuer's securities. In addition, each of the following requirements must be met:

(a) The issuer must be a corporation or centrally managed limited liability company organized under the law of the United States or Canada, or any state, province, or territory or possession thereof, or the District of Columbia, and have its principal place of business in one of the foregoing.

(b) The issuer must engage in a business other than petroleum exploration or production or mining or other extractive industries.

(c) The issuer is not a development stage company that either has no specific business plan or purpose or has indicated that its business plan is to engage in merger or acquisition with an unidentified company or companies or other entity or person.

(d) The offering price for common stock (and the exercise price, if the securities offered are options, warrants or rights for common stock, and the conversion price if the securities are convertible into common stock) must be equal to or greater than \$1.00 per share. The offering price for common ownership interests in limited liability company (and the exercise price, if the securities are options, warrants, or rights for common ownership interests, and the conversion price if the securities are convertible into common ownership interests) must be equal to or greater than \$1.00 per unit of interest.

(e) The aggregate offering price of the securities offered (within or outside this state) shall not exceed \$1,000,000 less the aggregate offering price of all securities sold within the twelve months before the start of and during the offering of the securities under Securities and Exchange Commission Rule 504 in reliance on any exemption under section 3(b) of the Securities Act of 1933, in reliance on the exemption under section 3 (a)(11) of that act, or in violation of section 5(a) of that act.

(3) SCOR registration is not available to investment companies subject to the Investment Company Act of 1940, nor is it available to issuers subject to the reporting requirements of section 13 or section 15(d) of the Securities Exchange Act of 1934.

[Statutory Authority: RCW 21.20.450. WSR 98-17-013, § 460-17A-030, filed 8/10/98, effective 9/10/98; WSR 96-11-027, § 460-17A-030, filed

5/6/96, effective 6/6/96; WSR 91-04-009, § 460-17A-030, filed 1/25/91, effective 2/25/91; WSR 88-17-012 (Order SDO-048-88), § 460-17A-030, filed 8/8/88.]