

WAC 460-44A-508 Insignificant deviations from a term, condition, or requirement of WAC 460-44A-501 through 460-44A-505. (1) A failure to comply with a term, condition, or requirement of WAC 460-44A-504 or 460-44A-505 will not result in the loss of the exemption from the registration requirements of RCW 21.20.140 for any offer or sale to a particular individual or entity, if the person relying on the exemption shows:

(a) The failure to comply did not pertain to a term, condition, or requirement directly intended to protect that particular individual or entity; and

(b) The failure to comply was insignificant with respect to the offering as a whole: Provided, That any failure to comply with WAC 460-44A-502(3), 460-44A-503, 460-44A-504 (3)(a), (c), and (e), 460-44A-505 (2)(d) and (e) and (3), paragraph (c) of Securities and Exchange Commission Rule 502, and paragraphs (b)(2)(i) and (ii) of Securities and Exchange Commission Rule 505 shall be deemed to be significant to the offering as a whole; and

(c) A good faith and reasonable attempt was made to comply with all applicable terms, conditions, and requirements of WAC 460-44A-504 or 460-44A-505.

(2) A transaction made in reliance on WAC 460-44A-504 or 460-44A-505 shall comply with all applicable terms, conditions, and requirements of WAC 460-44A-501 through 460-44A-505. Where an exemption is established only through reliance upon subsection (1) of this section, the failure to comply shall nonetheless be actionable by the securities administrator under chapter 21.20 RCW.

[Statutory Authority: RCW 21.20.450, 21.20.320(9), 21.20.320(1) and 21.20.320(17). WSR 98-11-014, § 460-44A-508, filed 5/12/98, effective 6/12/98. Statutory Authority: RCW 21.20.450, 21.20.320 (1), (9) and (17) and 21.20.340(11). WSR 90-09-059, § 460-44A-508, filed 4/17/90, effective 5/18/90. Statutory Authority: RCW 21.20.320 (1) and (16) and 21.20.450. WSR 89-17-076 (Order SDO-122-89), § 460-44A-508, filed 8/17/89, effective 9/17/89.]