



ORDER
SECURITIES REGULATION UNIT
LEGAL DIVISION

WHEREAS, a 2015 California State Auditor's report (“Report”) reviewed the accessibility of some state websites to persons with disabilities, including blindness and visual impairment;

WHEREAS, the Report found that some accessibility problems prevented people with disabilities from accessing online state services;

WHEREAS, in response to the Report, the Legislature enacted Assembly Bill 434, Chapter 780, Statutes of 2017 (“AB 434”);¹

WHEREAS, AB 434 requires the director and chief information officer of each state agency to post on the agency’s website a certification that the website complies with Web Content Accessibility Guidelines 2.1 or higher (“WCAG”);²

WHEREAS, compliance with AB 434 will make state websites accessible to persons with a visual impairment;

WHEREAS, the Department of Financial Protection and Innovation (“Department”) processes securities applications and exemption notices filed pursuant to the Corporate Securities Law of 1968 (Corp. Code, § 25000, et seq.) and franchise applications and exemption notices filed under the Franchise Investment Law (Corp. Code, § 31000, et seq.);

WHEREAS, persons filing exemption notices under the Corporate Securities Law of 1968 and the Franchise Investment Law and applications to offer and sell securities or franchises have heretofore been able to file these documents in paper format in person at any of the Department’s offices or by mail, in addition to being able to file online through the Department’s self-service portal;

¹ AB 434 is codified at Gov. Code, § 11546.7.

² For a description of WCAG, see <https://www.w3.org/WAI/standards-guidelines/wcag/>.

WHEREAS, the Commissioner of Financial Protection and Innovation (“Commissioner”) must be able to take advantage of modern electronic communications methods to efficiently process securities and franchise filings, communicate with securities and franchise filers, and publish on the Department’s website these filings;

WHEREAS, Corporations Code section 25620 authorizes the Commissioner to order that securities filings be submitted electronically, the Legislature having found that the Department has continuously implemented methods to accept records filed electronically, and encouraged the Department to continue to expand its use of electronic filings;

WHEREAS, Corporations Code section 25605 authorizes the Commissioner to publish any information filed with him or obtained by him, if such action is in the public interest;

WHEREAS, Corporations Code section 25610 authorizes the Commissioner to make orders necessary to carry out the provisions of the Corporate Securities Law of 1968, including forms governing applications and reports,

WHEREAS, Corporations Code section 25612 authorizes the Commissioner to execute orders that are necessary or appropriate in the public interest;

WHEREAS, Corporations Code section 31158 authorizes the Commissioner to order that franchise filings be submitted electronically, the Legislature having found that the Department has continuously implemented methods to accept records electronically, and encouraged the Department to continue to expand its use of electronic filings;

WHEREAS, Corporations Code section 31502 authorizes the Commissioner to make such orders as are necessary to carry out the provisions of the Franchise Investment Law, including forms governing applications and reports;

THEREFORE, the Commissioner hereby orders:

1. Securities Filings
 - a. Pursuant to Corporations Code sections 25610, 25612, and 25620, the Commissioner orders that all securities filings be submitted electronically through the Department’s self-service portal.³ The Commissioner will no longer accept any filings made in-person or by mail.

³ For more information regarding instructions on how to submit filings through the Department’s self-service portal, see <https://docqnet.dfpi.ca.gov/>.

- b. Pursuant to Corporations Code section 25620, the Commissioner orders that exemption notice filers use the forms provided on the Department's website.⁴
- c. Pursuant to Corporations Code section 25620, the Commissioner orders that all exemption notices be certified to be WCAG compliant by checking the box attesting to certification at time of upload.
- d. Pursuant to Corporations Code section 25620, the Commissioner orders that all electronic filings be filed by 11:59 PM (Pacific Time) on the date on which the applications or notice of exemptions are due. If the filing date falls on a weekend or a holiday, the electronic filing deadline is extended to the following business day at 11:59 PM (Pacific Time).

2. Franchise Filings

- a. Pursuant to Corporations Code sections 31502 and 31158, the Commissioner orders that all franchise filings be submitted electronically through the Department's self-service portal. The Commissioner will no longer accept any filings made in-person or by mail.
- b. Pursuant to Corporations Code section 31502, the Commissioner orders that exemption notice filers use the forms available on the Department's website.⁵
- c. Pursuant to Corporations Code section 31502, the Commissioner orders that all exemption notices be certified to be WCAG compliant by checking the box attesting to certification at time of upload.
- d. Pursuant to Corporations Code section 31502, the Commissioner orders that all electronic filings be filed by 11:59 PM (Pacific Time) on the date on which the applications or notice of exemptions are due. If the filing date falls on a weekend or a holiday, the electronic filing deadline is extended to the following business day at 11:59 PM (Pacific Time).

3. Limited Exemption to Electronic Filings

If the Department's self-service portal is unavailable for an extended period, the Commissioner will publish a declaration on the Department's self-service portal page

⁴Securities Filing Forms - <https://dfpi.ca.gov/corporate-securities-law-of-1968/>

⁵Franchise Investment Forms - <https://dfpi.ca.gov/franchise-investment-law/>

stating that the self-service portal is unavailable. Only paper filings postmarked during the period of unavailability will be accepted.

This Order is effective as of November 1, 2021, and shall remain in effect until revoked, amended, superseded, suspended, or supplemented by further order of the Commissioner.

Dated: September, 2021, at Sacramento, California.



Chris Shultz (Sep 9, 2021 18:02 PDT)

CHRISTOPHER S. SHULTZ
ACTING COMMISSIONER
Department of Financial Protection
and Innovation