



State of California

BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY

Gavin Newsom, Governor
Lourdes M. Castro Ramírez, Secretary

TO: Securities and Franchise Filers
FROM: Lourdes Castro Ramírez, Secretary
Manuel P. Alvarez, Commissioner of Business Oversight
DATE: March 22, 2020
SUBJECT: Notice to Securities and Franchise Filers

This notice is directed to securities and franchise filers to facilitate timely review of securities and franchise applications and notices during the COVID-19 pandemic.

Background

COVID-19 is a respiratory illness caused by a novel virus that has been spreading worldwide. Community-acquired cases have now been confirmed in California. We are gaining more understanding of COVID-19's epidemiology, clinical course, immunogenicity and other factors, and the situation is changing daily. It has become clear that the response to this pandemic will continue for many weeks.

Context

On March 4, 2020, Governor Gavin Newsom issued an emergency proclamation regarding the COVID-19 outbreak. The proclamation declared a state of emergency and directed all state agencies to allocate its personnel and resources consistent with the direction of the Office of Emergency Services and the State Emergency Plan, as well as the California Department of Public Health and the Emergency Medical Services Authority. Because California has confirmed the localized person-to-person spread of the virus and is subject to federal, state and local health directives, the California Department of Business Oversight (Department) is adapting its operations to comply with such directives.

Notice to Securities and Franchise Filers

To facilitate efficient and timely review of securities and franchise applications and notices during this time, the Department is strongly urging that all filings made under the Franchise Investment Law (Corporations Code section 31000 *et seq.*) and the

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Notice to Securities and Franchise Filers

Page 2

Corporate Securities Law of 1968 (Corporations Code section 25100 *et seq.*) be submitted electronically through the Department's self-service portal, DocQNet (<https://docqnet.dbo.ca.gov/>).

For paper filings eligible for automatic effectiveness, the Department requests that filers acknowledge in their transmittal letter a waiver of automatic effectiveness to avoid the issuance of a stop order preventing automatic effectiveness in California and to acknowledge that their application will be made effective on the date designated by Department order.

Additionally, to provide greater flexibility for users, the following procedures are effective immediately:

- The Department will accept documents filed on DocQNet that are signed electronically using e-signature software, such as DocuSign, in which case notarization of signatures will not be required.
- Through June 30, 2020, the Department will waive the additional \$225.00 filing fee for franchise renewals that are filed after the franchise registration has lapsed.

These temporary accommodations do not change any existing laws or regulations and are subject to change or withdrawal.