

Department of Commerce Division of Securities

BASE INVENTORY OF REGULATORY RESTRICTIONS

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RULE NUMBER	DESCRIPTION OF REGULATORY RESTRICTION	STATUTE UNDER WHICH THE REGULATORY RESTRICTION WAS ADOPTED	IS THE REGULATORY RESTRICTION EXPRESSLY OR SPECIFICALLY REQUIRED BY STATE OR FEDERAL LAW?	IS A LAW CHANGE REQUIRED IN ORDER TO REMOVE THE RESTRICTION?
1301:6-3-02(A)	Securities listed on the national securities exchanges shall be deemed exempt securities	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-02(D)(1)	(ii) Restriction on advertising or other communications other than an offering circular to qualify for specific exemption	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-04(B)	(B) The division shall terminate a control bid filing pursuant to listed conditions	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-04.1(C)	(1) Financial statements of an offeror shall not be deemed material and are not required to be filed when specified conditions are met	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-04.1(C)	(2) offeror that is a public reporting company under Securities Exchange Act and files reports electronically on the "EDGAR" system must file financial statements for current period and two most recent annual accounting periods	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-06(A)	Registration by description filed with division shall be filed on division form with additional listed exhibits requested by division for the protection of investors	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-06 (B)	Division shall promptly examine every registration by description and shall issue certificate of acknowledgment to conforming descriptions accompanied by appropriate fee	119.03, 1707.20	Yes, state law	Yes, state law

1301:6-3-06(C)	Prospectus or offering circular shall be filed with division. Advertising or sales literature shall be approved by the division. Dealers and issuers shall retain one copy of any prospectus, offering circular, advertising, sales literature for a period of five years	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-06 (D)	Where securities registered by description exceeds \$250,000 or where securities represent interests in oil and gas, issuer and dealer shall deliver offering circular which shall contain specific listed information to each purchaser	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-06 (F)	Division shall refuse any registration by description if issuer is in development stage and either has no specific business plan or has indicated that its business is to engage in a merger with an unidentified company or other entities	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-06 (H)	Person who filed the registration by description shall promptly notify the division of specific changes	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-06 (I)	Division shall accept amendments to registrations by description limited to the correction of errors or omissions	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-09(A)	(1) An application to register securities by qualification shall be made on division form 9 or on form U-1 of North American securities administrators association (NASAA), and shall be accompanied by a division form 11 or a form U-2, and a form U-2(A) of NASAA	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-09(A)	(2) Whenever any statement prepared by an accountant is to be used in connection with an offering circular, prospectus, or other advertising, the issuer shall furnish the division a letter from the accountant consenting to use	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-09(B)	(1) Unless otherwise specified by division order, a registration by qualification shall have a period of effectiveness of thirteen months from the effective date of the division order	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-09(B)	(2) During the period of effectiveness of a registration by qualification the issuer shall advise the division of listed changes	119.03, 1707.20	Yes, state law	Yes, state law

1301:6-3-09(C)	Division may, for the protection of investors, require escrow of all or a portion of securities of an issuer or of proceeds of sale of securities registered by qualification. Division shall have continuing jurisdiction over the escrow agreement so long as escrow agreement is in effect.	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-09(C)	(C)(2) No person shall sell securities in violation of provisions of an escrow agreement entered into in accordance with paragraph (C)(1) of this rule	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-09(D)	An issuer relying on rule 504 of reg D of the SEC or section 3(a)(11) of the Securities Act of 1933 shall deliver an offering circular or other disclosure document as required by OAC 1301:6-3-06 prior to the earlier of the date that a subscription agreement or its equivalent is signed by a purchaser or the purchaser transfers or loses control of the purchase funds.	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-09.1(A)	A registration statement filed pursuant to section RC 1707.091 shall include listed documents in addition to the information specified in divisions (B)(1) and (B)(4) of RC 1707.091, unless the division permits otherwise	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-09.1 (B)	Division may issue a stop order denying or suspending the effectiveness of registration statement if division finds that business is fraudulently conducted, that the proposed offer or disposal of securities is on grossly unfair terms, or that the plan of issuance and sale of securities would defraud or deceive, or tend to defraud or deceive purchasers. The stop order shall set forth the reasons for such order. When issuer has complied with the requirements, division shall promptly notify the issuer that the stop order has been terminated. Stop order shall then be void	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-09.1 (D)	If the issuer notifies the division by telephone of the time when the federal registration statement became effective it shall promptly, not later than the first business day after the day on which telephone notification was made, confirm the information conveyed in such notification by letter	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-09.1 (E)	The provisions of OAC 1301:6-3-09 shall apply to registrations by coordination pursuant to section RC 1707.091	119.03, 1707.20	Yes, state law	Yes, state law

1301:6-3-09.3 (A)	(2) Investment companies shall submit a Form NF for electronic filings.	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-09.3 (A)	(3) Issuers relying on Rule 506 of Regulation D, as amended, shall file a Form D for electronic filings.	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-09.3 (A)	(4) Form U-2 Uniform Consent to Service of Process must be submitted if required by RC 1707.11	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-09.3 (B)	(2) A typed signature shall have the same legal effect as a manual signature.	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-09.3 (C)	(1) Fee payment for an electronic filing with division shall be transferred as proscribed	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-09.3 (C)	(2) Investment company notice filings shall include fees required under RC 1707.092 (A)(2)(a) and (A)(2)(b)	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-09.3 (C)	(3) Issuers relying on Rule 506 of Reg D shall submit a \$150 filing fee as required under RC 1707.03 (X)(3)	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-09.3 (E)	(1) Amendments to a previously submitted electronic filing shall include the file number assigned by the division.	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-09.3 (E)	(2) Additional fees to amend a previously submitted electronic filing shall be transferred through the automated clearing house network in cash concentration or disbursement entry format by fedwire transfer.	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-09.3 (F)	Issuer shall not be subject to the liability and anti-fraud provisions of RC 1707 with respect to an error in an electronic filing resulting from errors beyond the control of the filer where the error is corrected by submitting a filing as soon as practicable	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-14 (A)	A dealer's license shall be required of a person who acts as a dealer, as defined in RC 1707.01(C), subject to the provisions of RC 1707.14(A)(1) and to the enumerated exceptions	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-14.1 (A)	Notice filing specified in RC 1707.141(B) shall conform to requirement in this rule and be submitted to the division through the IARD	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-14.1 (B)	An investment adviser required to make a notice filing with division shall also submit the notice filing fee required by RC 1707.17(B)(4)	119.03, 1707.20		
1301:6-3-14.1 (C)	An investment adviser required to make a notice filing with division shall simultaneously submit to division through IARD any updates to form ADV that are filed with the SEC	119.03, 1707.20	Yes, state law	Yes, state law

1301:6-3-14.1 (D)	A notice filing submitted to the division in accordance with (A) and (B) of this rule shall be effective upon receipt by the division and shall expire on December 31 of the year in which it was filed, unless renewed prior to its expiration.	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-14.1 (F)	A notice filing that has not been renewed by December 31 shall be deemed terminated as of December 31 of the year in which it expired.	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-14.1 (I)	Upon the discontinuation of employment or affiliation of a licensed investment adviser representative, the investment adviser with which the investment adviser representative was employed or affiliated shall, within thirty calendar days, submit a request to cancel the license of the investment adviser representative on form U-5, "Uniform Termination Notice For Securities Industry Registration"	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-14.2 (C)(1)	(1) Every dealer licensed in this state shall promptly furnish to the division complete copies of the records required to be preserved and retained pursuant to this rule.	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-14.2(C)(2)	(2) Every licensed dealer shall preserve and retain for a period of not less than 3 years, the first 2 years in an accessible place the records listed in (C)(2)(a) - (g)	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-14.2 (C)(2)	(h) Dealers having physical possession or control of fully paid and excess margin securities shall prepare and maintain detailed description of the procedures used to comply with the requirements in this rule.	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-14.2 (C)(2)	(i) An OTC derivatives dealer shall establish a system of internal risk management controls to assist it in managing the risks associated with its business activities	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-14.2 (C)(2)	(i) (i)&(ii) Identifies factors OTC derivatives dealer shall consider when adopting internal control system guidelines	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-14.2 (C)(2)	(j) Notices shall be preserved under this rule if provided to all customers with access to an internal dealer system or to one or more classes of classes of customers.	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-14.2(C)(3)	Every dealer subject to this rule shall preserve for a period of not less than 6 years after closing any customer's account any account records	119.03, 1707.20	Yes, state law	Yes, state law

1301:6-3-14.2(C)(4)	Every dealer subject to this rule shall preserve all organizational documents of the enterprise and all documentation showing the licensure of the dealer with any regulatory authority.	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-14.2(C)(5)	Each report that any securities regulator has requested and each securities regulatory examination report shall be retained by the dealer until three years after the date of the report.	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-14.2(C)(6)	Each compliances manual shall be retained by the dealer until three years after the termination of the use of the manual.	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-14.2(C)(7)	All reports produced to review for unusual activity in customer accounts shall be retained by the dealer until 18 months after the date report was generated.	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-14.2(C)(8)	If a digital storage medium or system is used by a dealer, the dealer shall comply with the listed requirements:	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-14.2(C)(9)	If a person who has been subject to this rule ceases to transact a business in securities the person shall continue to preserve the records preserved pursuant to this rule	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-14.2(C)(11)	If the records required to be maintained pursuant to this rule are prepared or maintained by an outside service, the outside entity shall be able to file with division a written undertaking in a form acceptable to division	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-14.2(C)(12)	Every dealer subject to this rule shall furnish promptly complete copies of records of the dealer that are required to be preserved under this rule	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-14.2(C)(13)	All dealers shall keep current the enumerated books and records relating to its business for a period of not less than six years, the first two years in an easily accessible place	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-14.2(D)	Dealers shall file a form BR for each branch office through the CRD and shall file and amend applicable forms U4 and U5 through the CRD.	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-14.2 (F)	Upon resignation or discharge of a salesperson, the employing dealer shall, within 30 calendar days, deliver to division a request to cancel the license of the salesperson on form U-5	119.03, 1707.20	Yes, state law	Yes, state law

1301:6-3-14.2 (G)	Notice to withdraw from licensure as a dealer becomes effective on the sixtieth day after the filing with the division	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-15 (A)	License application specified in RC 1707.15 is completed form BD of the SEC submitted to division through the CRD	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-15 (B)	License exam requirements for securities dealer license detailed	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-15 (C)	Requires licensed dealers to promptly furnish complete records	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-15 (D)	Dealers shall file form BR for each branch office and amend applicable forms U4 through the CRD to assign any securities salespersons and record terminations of salespersons	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-15 (E)	Notice of change of dealer information requirements	119.03, 1707.20		
1301:6-3-15 (F)	Notice required upon discontinuance of a salesperson's employment.	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-15 (G)	Notice to withdraw from licensure as a dealer becomes effective on the 60th day after filing unless division instituted an administrative proceeding	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-15 (H)	Governs sale of securities on bank premises	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-15 (I)	Dealer not affiliated with the "Financial Industry Regulatory Authority" must submit to division, within 90 days of end of its fiscal year, financial statement required by 17 C.F.R. 240.17a-5	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-15 (J)	Dealer not affiliated with the Financial Industry Regulatory Authority" shall designate a person licensed as a dealer or salesperson in Ohio as supervisor of that office on form BR	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-15.1(B)	Describes required components of investment adviser application, procedures for applying and renewing; renewal	119.03, 1707.151(A)	Yes, state law	Yes, state law
1301:6-3-15.1(C)	Describes examination or professional designation requirement for a sole proprietor investment adviser	119.03, 1707.151(C)	Yes, state law	Yes, state law
1301:6-3-15.1(D)	Describes supervisory duties of investment advisers	119.03, 1707.151(D)	Yes, state law	Yes, state law
1301:6-3-15.1(E)	Describes investment adviser books and records requirements	119.03, 1707.23(A) & (B)	Yes, state law	Yes, state law
1301:6-3-15.1(F)	Describes investment adviser's obligations to prevent misuse of customers' non-public/confidential information in connection with state or federal law	119.03, 1707.23(A) & (B)	Yes, both state and federal law	Yes, both state and federal law

1301:6-3-15.1(G)	Requirement for investment advisers to prepare, update, and deliver brochure (disclosure) document for clients and potential clients	119.03, 1707.23(A) & (B)	Yes, state law	Yes, state law
1301:6-3-15.1(H)	Requirements for investment advisory contracts with clients (what may and may not be included)	119.03, 1707.23(A) & (B)	Yes, state law	Yes, state law
1301:6-3-15.1(I)	Describes process and procedures for withdrawing investment adviser license	119.03; 1707.20		
1301:6-3-15.1(J)	Describes process and procedures for withdrawing investment adviser representative (IAR) license	119.03; 1707.151(D); 1707.161	Yes, state law	Yes, state law
1301:6-3-16 (A)	Applicant for licensing as a salesperson must show licensed as salesperson by division within 2 years preceding application or passed one or more of the listed exams administered by "Financial Industry Regulatory Agency"	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-16 (B)	Application in RC 1707.16 shall be submitted to division by dealer with whom applicant salesperson proposes to be employed or affiliated, through CRD	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-16 (C)	Applicants and licensed salespersons must update information required by form U-4 as changes occur	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-16 (E)	Salesperson cannot act as a salesperson for more than two affiliated dealers	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-16.1 (A)	Investment adviser representative license application required contents and procedure	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-16.1 (B)	Enumerates examination or designation requirement for investment adviser representatives and applicant for licensing as an investment adviser representative	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-16.1 (C)	Updates to the form U-4 shall be promptly filed with division through CRD	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-16.1 (F)	Renewal of investment adviser representative license accomplished through renewals program of CRD	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-16.3 (A)	Describes required components of state retirement system investment officer application	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-16.3(B)	Establishes education and experience or designation requirement for applicants employed by a state retirement system on September 15, 2004	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-16.3 (C)	Establishes education and experience or designation requirement for applicants employed by a state retirement system after September 15, 2004	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-16.3 (E)	Requires notice of termination	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-16.5 (A)	Describes required components of bureau of workers' compensation chief investment officer application	119.03, 1707.20	Yes, state law	Yes, state law

1301:6-3-16.5 (D)	Requires notice of termination	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-19 (A)	Sets forth prescribed acts and practices of dealers and salespersons (A)(1) to (A)(19)	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-19 (B)	Sets forth prescribed acts and practices of dealers (B)(1) to (B)(10)	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-19 (C)	Defines conduct described in paragraphs (A)(1) to (A)(19) and (B)(1) to (B)(10) as deceptive practices purchase or sale of securities as that term is used in RC 1707.19	119.03, 170.20	Yes, state law	Yes, state law
1301:6-3-19 (D)	Provides factors for division to consider in determining "good business repute"	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-23 (A)	Hearings conducted by division per RC 1707.23 investigative in nature with attendance restricted by the division and shall be conducted by an attorney designated by the division	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-23 (B)	Copy of any transcript shall be furnished to the witness at the expense of the witness upon request. No recording devices except those acceptable to the division shall be permitted at investigative hearings	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-23 (C)	Witness in an investigative hearing shall be afforded an opportunity to make a statement and advised of right to have counsel present during questioning	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-23 (D)	Rules of evidence apply to investigative hearings so far as practicable	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-39.1 (D)	Describes required components of application to exempt, qualify or register securities pursuant to RC 1707.391	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-39.1 (G)	Describes required filings for an investment company which has not timely submitted a filing under RC 1707.092	119.03, 1707.20	Yes, state law	Yes, state law
1301:6-3-44 (A)	Provides restrictive guidelines for advertisements by investment advisers and investment adviser representatives and details acts that constitute a fraudulent, deceptive, or manipulative act, practice, or course of business per RC 1707.44 for investment advisers and investment adviser representatives	119.03, 1707.20, 1707.44	Yes, state law	Yes, state law
1301:6-3-44 (B)	Requires safekeeping of funds or securities of clients	119.03, 1707.20, 1707.44	Yes, state law	Yes, state law

