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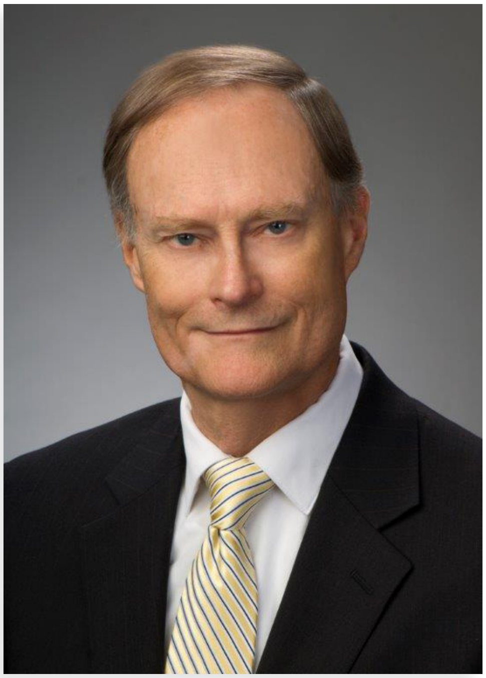
Ohio | Department of Commerce
Division of Securities

Securities Bulletin

Ohio Department of Commerce, Division of Securities

From the Commissioner, Andrea Seidt



In place of the usual featured article, the front page of this issue of the Ohio Securities Bulletin is dedicated to our dear friend and colleague, D. Michael Quinn, who passed away on August 22. Mike protected Buckeye families for more than 38 years as an attorney, hearing officer, and banking and securities regulator here at the Ohio Department of Commerce.

As subscribers know, Mike was a prolific author of scholarly articles for this publication. He was also a long-time contributor and member of Ohio's Coalition on Continuing Legal Education for government employees, widely recognized for his expertise in Ohio administrative law process and adjudicative hearings before state agencies.

Mike was passionate about investor protection and proudly served investors across the country through his work with the North American Securities Administrators Association (NASAA). He was a member of NASAA's Non-Profit Debt Offering and Enforcement Publications project groups, demonstrating a rare dual expertise in corporation finance transactions and securities law enforcement. In 2016, NASAA awarded Mike its Outstanding Service Award for his role in updating its Enforcement Training Manual.

True to the Quinn name, meaning "counsel," Mike graciously shared his wisdom. During the past 10 years, Mike developed and ran an attorney training program at the Division that he coined "Office Court" and, in turn, he earned the affectionate title of "Professor Quinn." Office Court grads and every attorney who had the privilege of working under the tutelage of Mike (or beside him) at the Department became a better attorney because of him.

I had the honor of attending Mike's traditional Irish wake in August. Everyone from childhood friends on the East Coast to his Capital Law schoolmates and a long line of Ohio dignitaries who worked with Mike over the course of the last four decades huddled around Mike's wife Cathy and the family to celebrate his illustrious career and a life lived honestly and well. For all of us, Mike's wisdom, strength, humility, humor, and unmistakable kindness will never be forgotten.

Mike, pictured here in 2015, often led panel discussions as part ot the annual Ohio Securities Conference.

Table of Contents

John R. Kasich, Governor
State of Ohio

Jacqueline T. Williams, Director
Ohio Department of Commerce

Andrea Seidt, Commissioner
Division of Securities

Ohio Securities Conference Addresses Impact of Technology on the Securities Industry

Technical Innovation & Investor Protection;
Finding the Right Balance

Industry experts, legal scholars, securities practitioners and regulators will meet in Columbus on Friday, Oct. 27, to discuss technology-related issues facing investors and the investment industry during the 2017 Ohio Securities Conference. The conference runs from 8 a.m. to 5 p.m. at The Westin Columbus Hotel.

Co-sponsored by the Division of Securities and the University of Toledo College of Law, the annual conference is the only continuing legal education program dedicated exclusively to Ohio securities law and practice.

"We have an excellent lineup of well-known securities-industry speakers for this year's conference," said Ohio Securities Commissioner Andrea Seidt. "Several important topics will be covered including cybersecurity and risk-management tools, fighting internet fraud, FINRA guidelines for using social media, and a debate about the regulation versus deregulation of internet offerings."

Conference Topics and Speakers

Morning Sessions:

Cybersecurity and Risk Management in the Financial Services Industry

How to avoid a data breach and what to do if your firm is hacked

- **John Kennedy**,
  Assistant Vice President, Nationwide Insurance
- **Justin Root**,
  Of Counsel,
  Dickinson Wright, LLC
- **John Reed Stark**,
  President,
  John Reed Stark Consulting, LLC

Fighting Internet Fraud: Facts, Methods, Tools & What's Next

An examination of internet fraud and how law enforcement is combating this crime

- **Jake van der Laan**,
  Director of Enforcement and
  Chief Information Officer,
  New Brunswick Financial and Consumer Services Commission
- **Mark Henderson**,
  Security Specialist,
  Online Fraud Detection and Prevention, Internal Revenue Service

The Division of Securities annual Advisory Committee regulatory updates will be held during lunch. Speakers include Licensing Chief Counsel Anne Followell, Enforcement Chief and Attorney Inspector Janice Hitzeman, and Registration Chief Counsel Mark Heuerman, who will be joined by former Securities Commissioner Thomas Geyer, currently with Bailey Cavalieri LLC.

Ohio Securities Bulletin Issue 2017:3

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continued on page 3

Conference Topic and Speakers continued from page 2

Afternoon Sessions:

Social Media & Digital Communications
FINRA Regulatory Notice 17-18; Advertising Guidelines

- **Amy Sochard**,
  Senior Director,
  Advertising Regulation, FINRA
- **Erin F. Siegfried**,
  Partner,
  Porter Wright Morris & Arthur, LLP

Internet Offerings, Crowdfunding, Peer-to-Peer Lending & Other Current Topics in Securities Offerings
A point-counterpoint discussion on the merits of deregulation vs. enhanced regulation of internet offerings

- **Eric Chaffee**, Professor of Law, University of Toledo College of Law
- **Joan Heminway**, Professor of Law, University of Tennessee College of Law
- **Charlie Korsmo**, Associate Professor of Law, Case Western Reserve School of Law

Securities Conference Registration is Open

2017 Ohio Securities Conference
Friday, October 27
Westin Columbus Hotel

Sponsored by
Ohio Division of Securities
University of Toledo
College of Law

Visit our conference website to download the registration brochure, register by mail, or **register online.**

Final registration deadline is October 20!

Registration information and additional conference details are available on our conference website page: **http://com.ohio.gov/secu/Conference.aspx.** Registration is available either online or by mail. The deadline to register is October 20.

Scenes from the 2016 Ohio Securities Conference

A to Z with L & E

Attention Dealers and Investment Advisers

2018 Renewal Program Deadlines

The Ohio Division of Securities participates in FINRA's annual CRD/IARD renewal program. Failing to renew according to the schedule below will result in a firm and all of its associated representatives to lose their Ohio licenses effective Dec. 31, 2017.

This year's filing and payment deadlines are:

- October 23 – Firms may begin to submit post-dated Forms U5 and BR Closing/ Withdrawal (must be dated Dec. 31, 2017)
- November 1 – Firms may begin to submit post-dated Forms BDW and ADV-W (must be dated Dec. 31, 2017)
- November 13 – Preliminary renewal statements will be available through E-Bill
- December 18 – Deadline for receipt of Preliminary Renewal payments
- December 26 – Last day to submit form filings prior to year-end
- December 27 - January 1 – CRD and IARD systems are unavailable for any payments or filings due to renewal processing. Late payments and filings cannot be submitted during this time
- January 2 – Web CRD and IARD are fully operational. Firms that "Failed to Renew" on time and were systematically termed on 12/31/17, may begin the process of re-applying in Ohio

Please take note of these important dates and fund your renewal accounts in advance of the payment deadline.

Quarterly Question

Do I need to be licensed with the Division to serve as a third-party solicitor to an Investment Adviser (IA) or Investment Adviser Representative (IAR)?

The Ohio Securities Act does not impose a licensing requirement on solicitors, so long as the individual is acting within the bounds of the definition of "solicitor." In Ohio Administrative Code 1301:6-3-44(C)(4), "solicitor" is defined as: "any person who, directly or indirectly, **solicits** any client for, or **refers** any client to, an investment adviser or investment adviser representative." (emphasis added). While other states require solicitors per se to be licensed as IARs, Ohio only requires licensure if the "solicitor" – through his or her actions – meets the definition of either an IA or an IAR and is not eligible for a licensing exception.

Solicitors and the IAs or IARs who compensate them should be familiar with all of the due diligence, contractual and disclosure obligations required under Ohio Administrative Code 1301:6-3-44(C).

continued on page 5

Protecting Seniors from Financial Exploitation

Updates for Investment Advisers, Investment Adviser Representatives and Financial Planners

Provisions of Ohio's Adult Protective Services laws were amended as part of Ohio's biennium operating budget bill to require Investment Advisers, Investment Adviser Representatives and Financial Planners, among others, to make a report to county departments of job and family services offices when they have "reasonable cause to believe" that an adult is being abused, neglected, or exploited.

The law is expected to be codified in Fall 2017, with an implementation date in Fall 2018. Additional educational materials and information will be forwarded to our licensees throughout the coming year. For more information about these requirements, see the Division's Q2 2017 Bulletin.

The Division is also tracking Ohio SB 158, which was introduced in May 2017 to "combat elder fraud and exploitation." SB 158 differs from the other recent legislative changes in this space, as it:

- Requires criminal offenders committing certain crimes involving theft, deception, identity theft and forgery against elderly persons to pay full restitution to their victims and a fine up to $50,000.
- Expands the list of those who are required to make reports to county departments of job and family services to include securities dealers and salespersons.

SB 158 is currently before the Senate Judiciary Committee, where hearings were held on June 20 and September 12.

Licensing Statistics - Fiscal Year 2017

Licensed and Regulated in FY2017

1.78% INCREASE FROM FY2016 **Securities Professionals and Firms**

	FY2015	FY2016	FY2017
Securities Dealers	2,079	2,053	2,024
Sales persons	172,898	178,586	181,460
Investment Advisers State Licensed	801	814	837
Investment Adviser Representatives	17,870	18,421	19,073
Investment Advisers (Notice Filers)	1,765	1,822	1,889
State Retirement System	80	96	101
TOTALS	195,494	201,793	205,388

Greatest increases were observed among State Retirement System Investment Officers (5.2% increase) and Investment Adviser Representatives (3.5% increase).

Over 99% of all applications filed in FY2016 were filed electronically.

continued on page 6

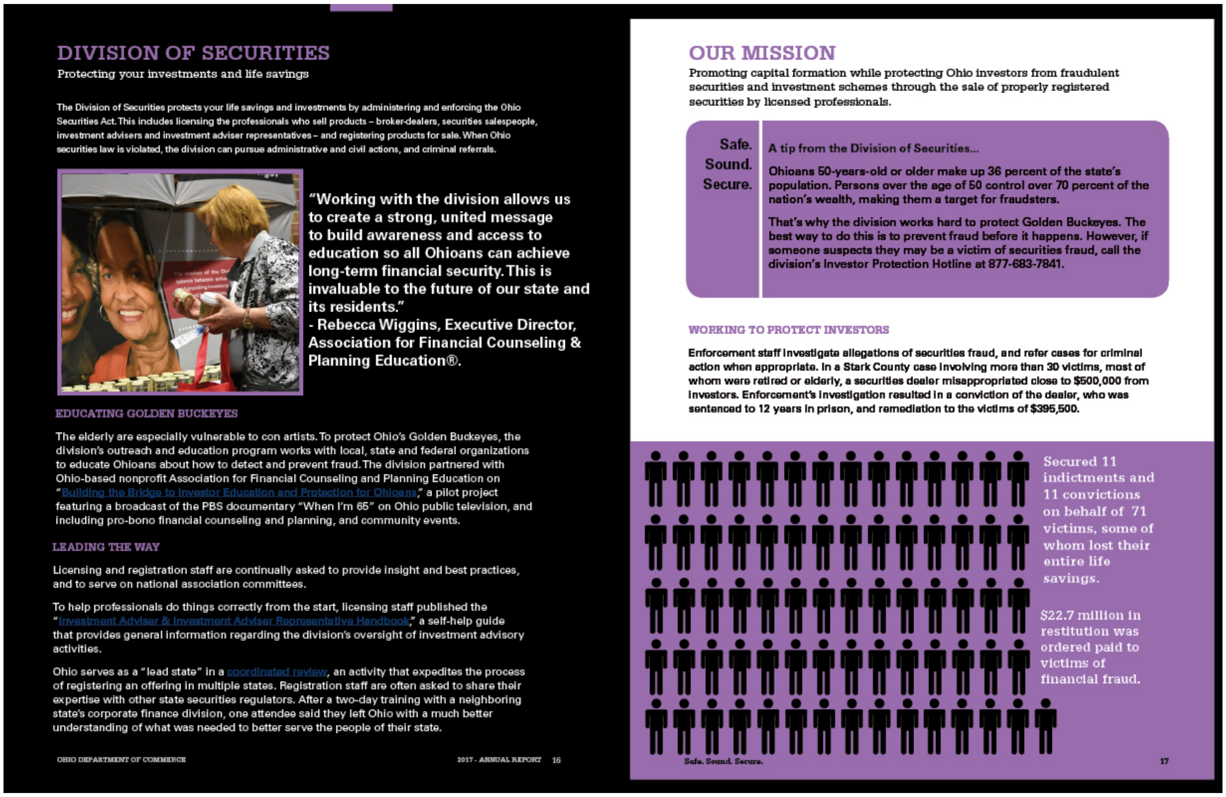
Spotlight on Don Taylor, Jr.

Don has been a Securities Examiner for the Division since 2010, and has over 19 years of work experience in state and local government. He has earned a Master's of Business Administration from Lake Erie College and a Bachelor's of Business Administration from the University of Dayton. He also serves as vice president of the Cleveland Chapter of N.A.B.A., a national accounting organization. Don is very passionate about helping licensees comply with the state's securities laws and regulations. He is committed to helping protect Ohio citizens from fraudulent practices within its borders. Don feels very fortunate to work for such a great organization with a phenomenal mission. In his spare time, Don enjoys watching sporting events and "psychological-thriller" movies, and traveling with his wife Cheryl and son Donald III.

Read the 2017 Department of Commerce Annual Report

Each year, all State of Ohio agencies are required to publish an annual report, which highlights the work of the departments and each division within an agency. **This year's Commerce report** theme – "Safe, Sound and Secure" – shows the many way our agencies help businesses operate safely while helping Ohioans protect what's important to them.

The Division of Securities section – which provides several examples of how we administer and enforce the Ohio Securities Act – is on page 9 of the online version of the report, with additional highlights found on page 4 and page 12.



DIVISION OF SECURITIES

Protecting your investments and life savings

The Division of Securities protects your life savings and investments by administering and enforcing the Ohio Securities Act. This includes licensing the professionals who sell products – broker-dealers, securities salespeople, investment advisers and investment adviser representatives – and registering products for sale. When Ohio securities law is violated, the division can pursue administrative and civil actions, and criminal referrals.

"Working with the division allows us to create a strong, united message to build awareness and access to education so all Ohioans can achieve long-term financial security. This is invaluable to the future of our state and its residents."
- Rebecca Wiggins, Executive Director, Association for Financial Counseling & Planning Education®.

EDUCATING GOLDEN BUCKEYES

The elderly are especially vulnerable to con artists. To protect Ohio's Golden Buckeyes, the division's outreach and education program works with local, state and federal organizations to educate Ohioans about how to detect and prevent fraud. The division partnered with Ohio-based nonprofit Association for Financial Counseling and Planning Education on "Building the Bridge to Investor Education and Protection for Ohioans," a pilot project featuring a broadcast of the PBS documentary "When I'm 65" on Ohio public television, and including pro-bono financial counseling and planning, and community events.

LEADING THE WAY

Licensing and registration staff are continually asked to provide insight and best practices, and to serve on national association committees.

To help professionals do things correctly from the start, licensing staff published the "Investment Adviser & Investment Adviser Representative Handbook," a self-help guide that provides general information regarding the division's oversight of investment advisory activities.

Ohio serves as a "lead state" in a coordinated review, an activity that expedites the process of registering an offering in multiple states. Registration staff are often asked to share their expertise with other state securities regulators. After a two-day training with a neighboring state's corporate finance division, one attendee said they left Ohio with a much better understanding of what was needed to better serve the people of their state.

OHIO DEPARTMENT OF COMMERCE 2017 - ANNUAL REPORT 16

OUR MISSION

Promoting capital formation while protecting Ohio investors from fraudulent securities and investment schemes through the sale of properly registered securities by licensed professionals.

Safe.
Sound.
Secure.

A tip from the Division of Securities...

Ohioans 50-years-old or older make up 36 percent of the state's population. Persons over the age of 50 control over 70 percent of the nation's wealth, making them a target for fraudsters.

That's why the division works hard to protect Golden Buckeyes. The best way to do this is to prevent fraud before it happens. However, if someone suspects they may be a victim of securities fraud, call the division's Investor Protection Hotline at 877-683-7841.

WORKING TO PROTECT INVESTORS

Enforcement staff investigate allegations of securities fraud, and refer cases for criminal action when appropriate. In a Stark County case involving more than 30 victims, most of whom were retired or elderly, a securities dealer misappropriated close to $500,000 from investors. Enforcement's investigation resulted in a conviction of the dealer, who was sentenced to 12 years in prison, and remediation to the victims of $395,500.

Secured 11 indictments and 11 convictions on behalf of 71 victims, some of whom lost their entire life savings.

$22.7 million in restitution was ordered paid to victims of financial fraud.

Safe. Sound. Secure. 17

ADMINISTRATIVE HEARINGS

Cleveland Financial Group; Rick St. George; Matthew P. Andrea
Division Notice Order 17-020
September 18-19, 2017, pending settlement

Craig Alan Sutherland, CRD 2001873
Division Notice Order 17-018
October 3-4, 2017

Kevin Hinton; Utica Shale Housing, LLC; Dan Coen
Division Notice Order 17-020
November 2-3, 2017 (Hinton only)

WRK Investments CRD 156457; Ryan Lee Kitson
CRD 5312687
Division Notice Order 17-017
December 19, 2017

Thomas P. Gilmartin, Jr. and Capital Finance Group, LLC
Division Notice Order No. 16-021
Pending Final Order

Gary L. Rathbun CRD No. 1084721
Division Order No. 17-012
Pending Final Order

Douglas S. Miller CRD No. 1946240
Division Order No. 17-013
Pending Final Order

The Division's Enforcement Section is a criminal justice agency authorized to investigate and report on all complaints and alleged violations of the Ohio Securities Act and related rules. The Enforcement Section attorneys represent the Division in prosecutions and other matters arising from such complaints and alleged violations.

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ADMINISTRATIVE APPEALS

TAP Management, Inc. et al.
Case No. 17 CV 006942
Appeal from Division Final Order No. 17-022
Filed August 2, 2017

CRIMINAL TRIALS

State v. Jeffrey W. Johnson
Case No. 17CR020
Holmes County Court of Common Pleas
Outstanding Bench Warrant
Trial Date TBD

State v. Mary Hackney; Philip Curtis; Lovell Jones
Case No. 16 CR 004771
Franklin County Court of Common Pleas
November 7, 2017 (jury trial)

State v. Catherine Schaper (North Shore Energy, LLC et al.)
Case No. CR2015-03-0495
Butler County Court of Common Pleas
February 13, 2018 (sentencing)

State v. Keith Elsesser
2017 CR 02 0041 and 2017 CR 04 0102
Tuscarawas County Court of Common Pleas
December 4, 2017 (final pre-trial)

State v. Jeffrey B. Hall
17 CR 004124
Franklin County Court of Common Pleas
October 12, 2017 (pre-trial)

continued on page 8

Criminal Trials continued from page 7

U.S. v. John Richard Blazer
2:16-cr-233
U.S. District Court S.D. Ohio

On July 19, 2017, John Richard Blazer was sentenced to 33 months in federal prison and ordered to pay restitution in the amount of $881,266.09 and a special assessment of $200. Blazer previously pled guilty to one count of money laundering and one count of wire fraud. Through his guilty plea, Blazer admitted that he had willfully and knowingly devised an investment fraud scheme in which he told clients that their monies would be invested in a gold-mining operation in Africa or a real estate fund. Blazer told investors that the real estate investment funds would be used to purchase and rehabilitate residential properties in central Ohio. Rather than invest victim funds as he had promised, Blazer diverted the funds to pay his own personal and business expenses, as well as to re-pay earlier investor clients with monies solicited and received from later investor clients.

State v. Harold Campbell
Case No. 2017 CR 00280
Montgomery County Court of Common Pleas

On July 6, 2017, Harold Campbell was sentenced to five years community control and ordered to pay restitution in the amount of $74,413.15 to the elderly victim. Campbell previously pled guilty to one count of theft from an elderly or disabled adult. Campbell convinced his elderly aunt to invest $80,000 with him based on a guaranteed return of 5% annually.

State v. Jeffrey B. Hall
17 CR 004124
Franklin County Court of Common Pleas

On July 27, 2017, Jeffrey B. Hall was indicted on 33 criminal charges including securities fraud, the unlicensed sale of securities, and theft, following a criminal referral by the Division. The indictment alleges that Hall operated as an unlicensed securities dealer by trading in the accounts of the investors after his securities license had lapsed, allegedly causing massive losses. This case is being prosecuted by the Office of the Franklin County Prosecutor Ron O'Brien, represented by Assistant Prosecutor Robert Lang and Economic Crimes Unit Director Jeff Blake.

State v. Jeffrey W. Johnson
Case No. 17CR020
Holmes County Court of Common Pleas

On August 25, 2017, Jeffrey W. Johnson failed to appear for a scheduled pre-trial hearing and a warrant was issued for his arrest. Jeffrey W. Johnson was previously indicted on two counts of theft, two counts of securities fraud, two counts of misrepresentations in the sale of a security, and two counts of selling unregistered securities. The indictment is based on allegations that Johnson solicited an Ohio resident to invest in M & J Sales Corporation stock.

continued on page 9

Criminal Trials continued from page 8

State v. Michael D. Mathew
Case No. CR2016-0415/CT2017-0051
Muskingum County Court of Common Pleas/Fifth District Court of Appeals

On July 10, 2017, Michael D. Mathew, of Pataskala, was sentenced to 21½ years in prison and ordered to pay restitution in the amount of $493,335.87 to his victims. Mathew previously pled guilty to and was convicted of 14 counts of misrepresentation in the sale of a security, two counts of theft from the elderly, three counts of attempted misrepresentation in the sale of a security, nine counts of securities fraud, three counts of attempted securities fraud, and five counts of publishing a false statement as the value of a security. Mathew enticed investors by falsely stating that a portion of their investment was guaranteed. A Notice of Appeal was filed on August 3, 2017.

ADMINISTRATIVE ACTIONS

Division Order Nos. 17-015
Capital Energy Group, LLC
Cap E Oil Fund IV, LLC
Donald J. Lutzko
William J. Miles
Austin, Texas; Toronto, Ontario, Canada; Cherry Hill, New Jersey

On June 26, 2017, the Division issued Notice of Intent to Issue a Cease and Desist Order under Division Order 17-015 alleging that the Respondents sold oil and gas investments in Ohio that were not properly registered for sale in Ohio. The Notice Order further alleges that the Respondents engaged in securities fraud by failing to inform investors that they did not have proper drilling permits and by inducing investors with triple digit returns that did not have a reasonable basis in fact.

Division Order No. 17-016
Spot FN, Ltd
SpotFN.com, LLC
London, United Kingdom

On July 12, 2017, the Division issued a Cease and Desist Order in Division Order 17-016 finding that Respondents operated an internet-based trading platform at www.spotfn.com advertising returns of “88% every 15 minutes” and a trading platform designed to provide a 100% secure and private investment experience. The Order further found that, in addition to weekly calls from “brokers” for the Respondent, an Ohio investor received a call from a representative of the Respondent, who told him that if he paid an additional $4,900, he would be entitled to receive an additional $19,000. The Order found that the Respondents engaged in unlicensed activity, made misrepresentations of material facts, and engaged in fraud in the sale of securities. The Ohio investor has not received a repayment of his principal or the promised returns.

continued on page 10

Administrative Actions continued from page 9

Division Order No. 17-017
WRK Investments CRD 156457
Ryan Lee Kitson CRD 5312687
Solon, Ohio

On July 12, 2017, The Division issued a Notice of Intent to Suspend or Revoke the Ohio Investment Adviser License of WRK Investments and the Investment Adviser Representative License of Ryan Lee Kitson based, in part, on allegations that they failed to comply with the books and records requirements and failed to properly update their ADV disclosures. The Division further alleges that Respondents failed to comply with the terms of a previous Consent Order issued on April 7, 2016, under Division Order 16-011, and that the Respondents are not of good business repute. An administrative hearing was requested in this matter and is currently scheduled for December 19, 2017.

Division Order No. 17-018
Craig Alan Sutherland CRD No. 2001873
Columbus, Ohio

On July 17, 2017, the Division issued a Notice of Intent to Suspend or Revoke the Ohio Investment Adviser Representative and Securities Salesperson Licenses of Craig Alan Sutherland based, in part, on allegations that Sutherland is not of good business repute and conducts business in violation of Ohio rules and regulations. The Division alleges that Sutherland placed at least 18 clients in non-traded REIT investments that were not suitable and which exceeded the Ohio concentration limits set forth in the REIT prospectuses. The Division further alleges that Sutherland placed clients in unsuitable investments in a gold-mining stock, as well as being the subject of five complaints that resulted in monetary awards or settlements. A hearing was requested in this matter and is currently scheduled to begin October 3, 2017.

Division Order No. 17-019
Cleobrothers & Company, Inc.
Innocent A. Nweze
Columbus, Ohio

On July 17, 2017, the Division issued a Notice of Intent to Issue a Cease and Desist Order against Cleobrothers & Company, Inc. and Innocent A. Nweze based, in part, on allegations that they solicited and received $150,000 from an elderly investor in exchange for a 1% equity share in Cleobrothers & Company. The Notice Order alleges that the investment contract provided to the investor states that the 1% equity interest was valued at $1,000,000. The Division alleges that Respondents engaged in the sale of unregistered securities through misrepresentations of material facts and through fraud. The Notice Order further alleges that the Respondents sold the investment contracts without disclosing the insolvency of the issuer and further provided false or inflated financial statements to the investor.

Division Order No. 17-020
Rick St. George
Matthew P. Andrea
Cleveland Financial Group, Inc.
Brecksville, Ohio

On July 17, 2017, the Division issued a Notice of Intent to Issue a Cease and Desist Order against Rick St. George, Matthew P. Andrea and Cleveland Financial Group, Inc. based, in part, on allegations that they sold unregistered promissory notes issued by Flava Puff, LLC through the use of free dinner seminars to at least five Ohio residents in exchange for commissions of 10%.

continued on page 11

Administrative Actions continued from page 10

The promissory notes provided for returns between 9-12% annually. Neither Andrea nor George held securities licensure in Ohio. The Notice Order further alleges that the Respondents engaged in securities fraud by failing to provide material information to investors at the time of sale.

Division Order No. 17-021
Utica Shale Housing Group, LLC
Dan Coen
Kevin Hinton
Massillon, Ohio

On July 19, 2017, the Division issued a Notice of Intent to Issue a Cease and Desist Order against Utica Shale Housing Group, LLC, Dan Coen, and Kevin Hinton based, in part, on allegations that they solicited and received $50,000 from an Ohio investor in exchange for a membership unit in Utica Shale Housing Group, LLC. The Division alleges that the documents provided to the investor contain misrepresentations of material facts regarding an exclusive agreement that did not exist with a corporate housing developer. The Division further alleges that, while the investor was told that his investment would be used to purchase housing units, the bank records reveal that the investment was used to pay back previous investors in another defunct business, DDK Property Group II, LLC, which was owned and operated by Hinton and Coen. An administrative hearing is scheduled for November 2 and 3, 2017, regarding the allegations against Hinton.

Division Order No. 17-022
TAP Management, Inc.
Tribbey B Joint Venture
Cody Davis
Tanner Reyes
Austin, Texas

On July 26, 2017, the Division issued a Final Order to Cease and Desist against TAP Management, Inc., Tribbey B Joint Venture, Cody David, and Tanner Reyes after an administrative hearing was held in this matter. The Division Order found, with detailed analysis, that the joint venture interest in the Tribbey B oil and gas program was an investment contract that fell within the definition of "security" under R.C. 1707.01(B). The Order further found that Respondents engaged in misrepresentations of material facts and fraud in the sale of securities. On August 2, 2017, Respondents filed a Notice of Appeal with the Franklin County Court of Common Pleas. The appeal is pending.

Division Order No. 17-023
Money Concepts Capital Corp. CRD 12963
Palm Beach Gardens, Florida

On July 27, 2017, the Division issued an Order to Cease and Desist with Consent Agreement against Money Concepts Capital Corp. based on findings that the firm sold non-traded REITs to at least 65 clients without reasonable inquiry to determine suitability and in amounts that exceeded the Ohio concentration limits set forth in the REIT prospectuses. The Order further found that the firm failed to enforce reasonable procedures to insure compliance with state law and REIT prospectus guidelines. As part of the Consent Agreement, the firm developed and implemented more stringent supervisory procedures and a training program related to suitability determinations and internal compliance for alternative investments recommended or sold to clients. The firm further agreed to offer rescission to Ohio investors who purchased REITs in excess of state concentration limits, including a repayment of fees and commissions.

continued on page 12

Adminstrative Actions continued from page 11

Division Order No. 17-024
Jeffrey Allan Mohlman CRD 4431845
Dayton, Ohio

On August 29, 2017, the Division issued a Notice of Intent to Issue an Order to Cease and Desist against Jeffrey Allan Mohlman based on allegations that, while he was licensed as a securities salesperson with Questar Capital Corporation, he engaged in the sale of unregistered promissory notes issued by WMA Enterprises, LLC. The owners and operators of WMA Enterprises, LLC, William and Connie Apostelos, were indicted, convicted, and sentenced in the U.S. District Court for the Southern District of Ohio, in part, for fraudulently inducing hundreds of individuals from around the country to invest over $70 million in their companies.

Division Order No. 17-025
Gregg Alan Beemer CRD 2248923
Dayton, Ohio

On August 29, 2017, the Division issued a Notice of Intent to Issue an Order to Cease and Desist against Gregg Alan Beemer based on allegations that, while he was licensed as a securities salesperson with Lincoln Investment, he engaged in the sale of unregistered promissory notes issued by WMA Enterprises, LLC. The owners and operators of WMA Enterprises, LLC, William and Connie Apostelos, were indicted, convicted, and sentenced in the U.S. District Court for the Southern District of Ohio, in part, for fraudulently inducing hundreds of individuals from around the country to invest over $70 million in their companies.

Division Order No. 17-026
Frisby Construction, LLC
Frisby Roofing Company
Milford, Ohio

On August 29, 2017, the Division issued an Order to Cease and Desist against Frisby Construction, LLC, and Frisby Roofing Company based on findings that they engaged in the sale of unregistered securities. The Division found that the Respondents mailed over 8,000 investment circulars offering a “Private Investment Opportunity” to Ohio residents, some of which offered guaranteed returns between 11% and 20% per year. A Notice Order was previously issued in this matter under Division Order No. 17-011. The final order was issued without a request for hearing.

Division Order No. 17-027
BinaryRoom365
Amsterdam, Netherlands

On September 18, 2017, the Division issued a Notice of Intent to Issue an Order to Cease and Desist against BinaryRoom365 based on allegations that the Respondent made material misrepresentations and engaged in securities fraud through the operation of an online binary options website. The Notice Order alleges that Respondent’s website showed returns of 80% and further alleges that an Ohio investor invested $33,500 with BinaryRoom365 before the website was deactivated.

continued on page 13

Enforcement Section Update

Adminstrative Actions continued from page 12

Division Order No. 17-028
Allen Hydro Energy Corporation
Reynoldsburg, Ohio

On September 18, 2017, the Division issued a Cease and Desist Order with a Consent Agreement against Allen Hydro Energy Corporation ("AHEC") based on findings that the company engaged in the sale of unregistered securities through the crowdfunding portal, uFundingPortal.com. The Order found that AHEC was seeking investors in a renewable energy startup for a large-scale hydroelectric power plant designed inside a 70-story building, which the offering materials stated would house 40 turbine generators and would not require a river or lake. The Order found that AHEC failed to disclose that several electrical engineers and one engineering firm had dismissed the viability of the model.

Division News

In Memorium

Mike Quinn
Mike Quinn passed away in August after a long illness. Mike had been with the Department of Commerce for more than 38 years. He started out as an attorney in the Division of Financial Institutions, moved into Enforcement at the Division of Securities, and served as an agency Hearing Officer for several years. For the last 10 years, Mike served as division counsel for the Division of Securities. Mike's obituary was posted on the **Egan-Ryan Funeral Home website.** You can read more about Mike in Commissioner Seidt's column on page 1.

Ruth Smith
Ruth Smith, a long-time employee in the Division of Securities, passed away in early July. Ruth supported the Licensing & Examinations team for eight years. Prior to joining Commerce, she was with the Department of Rehabilitation and Correction for five years. Ruth's obituary was posted on the **Jones-Clark Funeral Home website**.

Just the FAX
We have a new fax number: **614-728-2846.** This will be our only fax number, so be sure to update your systems to the new number.

Follow Us on Twitter

We recently launched our own Twitter page, so please follow us @OHSecuritesDiv. We'll post news and information about the Division, as well as tips to help Ohioans become more savvy investors and avoid getting scammed.

continued on page 14

Staff Announcements

Julie Blaisdell formally joined the Division in August, as she has been working with the Enforcement team as an attorney on an interim basis since March. Julie is responsible for investigating alleged violations of the Ohio Securities Act, which includes collecting relevant financial records and other data as evidence, collaborating with law enforcement agencies and prosecutors on cases, and following the cases to conclusion. Prior to joining the Division, Julie was an assistant prosecutor for Fairfield County for 24 years. She earned her undergraduate degree from The Ohio State University and her law degree from Cleveland-Marshall College of Law.

Harvey McCleskey, deputy attorney inspector, was honored recently by the Department of Commerce by winning the Award for Supervisory Excellent. Harvey was nominated by his Division colleagues for outstanding performance and was recognized at the department's All Employee meeting in early September. Harvey has been with the Division for the last decade. His previous state experience has been with the Department of Job and Family Services as an Unemployment Compensation Hearing Officer, and with a variety of law enforcement agencies including the Ohio State Highway Patrol and the Department of Public Safety.

Ohio Women Veterans Learn How to Keep Investments Safe

Our Division and the Division of Unclaimed Funds participated in this year's Ohio Women Veterans Conference, held at the Ohio Union on the Ohio State University campus in August. Approximately 750 women veterans from around the state attended the biennial event, which is sponsored by the Ohio Department of Veterans Services. We provided information on how to invest wisely and avoid being a victim of financial fraud.

Attendees, representing all branches of military service, heard from speakers on a variety of topics, including how to manage finances, finding volunteer opportunities and understanding their military benefits. Ohio has approximately 67,000 women veterans.

Educating Seniors at the Ohio State Fair

Several staff members from the Division helped educate Ohioans during the annual Senior Expo, sponsored by the Ohio Department of Aging, as part of Seniors Day at the Ohio State Fair in August. The Expo provides an opportunity for organizations to connect with seniors, from conducting health checks to educating them on programs to enhance their lives.

Our team focused on keeping seniors safe, sound and financially secure by providing information and literature on how to avoid becoming a victim of financial fraud. Approximately 300 seniors visited our booth during the one-day event.

continued on page 15

"Building the Bridge" Events Held in Dayton and Cleveland

Dayton and Cleveland were the next and final stops respectively for the **"Building the Bridge to Investor Education and Protection for Ohioans"** program sponsored by the Division and hosted by the Association for Financial Counseling & Planning Education® (AFCPE®). The Dayton event was held July 20 and Cleveland was September 14. The Division of Securities partnered with the AFCPE on the pilot program through a grant from the Investor Protection Trust.

"Our message during this campaign focused on helping consumers avoid making mistakes that could lead to potential investment fraud," said Ohio Securities Commissioner Andrea Seidt. "Education is the best defense against Ohioans losing their hard-earned savings to fraudsters. We were proud to support this program because it tied in perfectly with our efforts to educate Ohioans about safe investing."

The program included a statewide survey of Ohio adults about saving and investing for retirement; a series of three, half-day events where the public learned about various aspects of financial literacy, including saving and investing; pro-bono financial coaching and planning services provided by AFCPE-accredited and certified professionals; and a revised documentary series, **When I'm 65**, produced by Detroit Public Television. The documentary will be broadcast on various dates this year, so check your local listings for the PBS station near you.

Two additional videos – which can be viewed on Detroit Public Television's YouTube channel – were developed for Ohio, including one on **fraud prevention** and another one on **retirement planning** for freelance workers.

The AFCPE would like to replicate the Ohio program in other states by working with state securities agencies around the country to bring the events to their citizens.

Industry News

SIPC and FINRA Streamline Reporting Process for Broker-Dealers

In August, the Securities Investor Protection Corporation (SIPC) and the Financial Industry Regulatory Authority (FINRA) announced a services agreement designed to ease reporting burdens and compliance costs for member firms. The new, simplified filing process will also reduce inconsistent or incomplete filing of annual audited financial statements and supplementary reports.

Effective Sept. 1, firms that currently file annual reports separately with SIPC and FINRA will file just once, using FINRA's existing reporting portal. The portal will provide both agencies with the information, enabling the firms to meet the two agencies' respective reporting requirements with a single filing. **Read the complete news release from FINRA.**

continued on page 16

T+2 Shortened Settlement Cycle Takes Effect

As reported in **Issue 1, 2017 (page 13) of The Ohio Securities Bulletin,** a shortened settlement cycle was implemented September 5. What follows is a statement released September 12 from the Securities & Exchange Commission:

Last week, on September 5, 2017, the securities industry successfully implemented a shortened settlement cycle for most securities transactions, pursuant to amendments to Rule 15c6-1 that the Commission adopted earlier this year. The move to a two-business-day standard settlement cycle – or T+2 – was the product of extensive preparation and coordination among regulators and industry. This change represents a significant milestone for the securities markets – the standard settlement cycle was last shortened in 1995 when it moved from five business days to three business days. The first transactions covered by the amended rule settled on September 7, 2017.

The benefits of a shortened settlement cycle extend throughout the financial sector. The shortened settlement cycle, which was largely enabled by advances in technology, should reduce certain risks in the clearance and settlement process, including credit, market, and liquidity risks for central counterparties, their members, and other market participants. It also should enhance efficiency by promoting innovation and changes in market infrastructures and operations.

"Last week's transition to a T+2 standard settlement cycle represents a significant accomplishment," said SEC Chairman Jay Clayton. "Going forward, investors and other market participants will be able to receive the proceeds of their securities transactions one day sooner, thereby enhancing the overall efficiency of the U.S. securities markets. I would like to thank my colleagues, including Commissioners Piwowar and Stein and the staff of the Commission, for their leadership in achieving this important result."

"Last week, the U.S. securities markets terminated the outdated T+3 settlement cycle and successfully implemented T+2," said Commissioner Michael Piwowar. "I applaud the Commission staff and market participants for achieving a smooth transition to a new environment that provides greater efficiency and less risk to the American people."

"The shortened settlement cycle benefits investors and contributes to the resiliency of our securities markets," said Commissioner Kara Stein. "I look forward to future collaborative efforts as we work together to further enhance our market structure."

If you have additional questions about this transition to the T+2 standard settlement cycle, the Commission will continue to maintain the previously established e-mail address – T2settlement@sec.gov – for the submission of inquiries to SEC staff.

Ohio
Division of Securities
Ohio Securities Exchange

The Ohio Securities Exchange provides a platform where views and opinions related to the securities industry can be shared from sources outside the Division of Securities. The Division encourages members of the securities community to submit articles pertaining to Ohio securities law and regulations.

If you are interested in submitting an article, contact the Editor, Dan Orzano, Daniel.Orzano@com.state.oh.us for the publication schedule and submission requirements. The Division reserves the right to edit submitted articles for publication.

Disclaimer
The views and opinions expressed in the Ohio Securities Exchange solely represent those of the contributors. The Division of Securities takes no position on the material presented.

Partnering to Combat Senior Financial Exploitation

From the Editor: The Ohio Securities Exchange is designed to provide contributors an opportunity to share their point of view on a specific issue. In this edition, we've asked Joseph Brady, NASAA's executive director, and Marin Gibson, SIFMA's managing director and associate general counsel for State Government Affairs, to weigh in on their organization's efforts to address senior financial exploitation and how they are advancing legislation at the state and federal levels to combat this problem.

Q1: Combatting elder financial exploitation seems to be on the top of everyone's priority list nowadays. Why is this such an important issue? How bad is this crisis? It's more than just age, isn't it?

Joseph: Protecting investors is at the core of NASAA's mission. Our members have been fighting fraud and abusive practices in the financial services industry for over a century. In that time, we've undertaken initiatives that focus on various groups of investors including seniors. I think you're seeing a renewed focus on seniors for several reasons.

First, the size of the baby boomer population as a portion of the overall population is growing. According to reports published by Pew, approximately 10,000 baby boomers turn 65 every day and the National Center on Elder Abuse estimates that by 2050, people aged 65 and older will comprise 20 percent of the U.S. population.

Second, baby boomers have accumulated significant wealth. A 2013 report from JP Morgan Asset Management found total baby boomer net worth was more than $7 trillion.

Third, as we age, we become more susceptible to conditions that impair our cognitive abilities, including our ability to make certain financial decisions, and become more susceptible to exploitation. The degree to which people may be affected varies widely, from those who have minimal impairment to those who experience significant impairment, such as from Alzheimer's or some other form of dementia. According to the Alzheimer's Association, more than five million Americans are living with Alzheimer's disease and by 2050 the number could reach as high as 16 million. The Alzheimer's Association also reports that one in three seniors dies with Alzheimer's or some other form of dementia.

All of these factors taken together paint a picture of an aging population with significant wealth and some very real challenges in protecting that wealth. This should motivate us to pay attention to this issue and take steps to try to be proactive in preventing elder financial exploitation.

I don't think anyone has a real handle of the scope of elder financial exploitation. One study frequently cited is the MetLife Study of Elder Financial Abuse. Released in 2011 and based on a review of news articles, the MetLife Study estimated the annual financial loss by victims of elder financial abuse to be

continued on page 18

at least $2.9 billion. Other studies, however, have estimated the losses to be much higher.

Marin: By 2030, seniors age 65 and older will make up 18 percent of the nation's population. Unfortunately, seniors lose billions of dollars a year to financial exploitation, and victims rarely report these situations to the authorities. In fact, once you begin to understand the extent of the problem, you begin to understand that we could be facing one of the defining issues of our time. Moreover, Americans age 50 and older hold 77 percent of personal financial assets in the U.S, making them top targets for exploiters.

Financial decision-making is often one of the first cognitive functions to decline, recent scientific advancements show – even high-functioning, healthy adults can develop vulnerabilities as part of the normal aging process. Also, addressing senior exploitation is complicated by the fact that over half of financial fraud and exploitation is committed by family and caregivers.

However, the truly heartbreaking moment comes when, instead of thinking about these numbers in the aggregate, you take some time to truly understand the pain, distress and loss of just one saver, grandparent or retiree. Consider, for example, a person who has lost everything they have spent a lifetime saving, and now no longer knows how they can support themselves, remain independent, pay their medical costs or face their family. Now understand that such a scenario is an increasingly common one.

Q2: What has your organization done/ what is it doing to respond to the issue?

Joseph: In 2008, NASAA promulgated a model rule for state securities regulators aimed at curbing the use by individuals of credentials conveying a specialization in advising seniors. Some credentials are hard-earned and bona fide, but others require no significant education or training in senior financial matters. This is a good place to remind investors to check the backgrounds of individuals before they trust them with their money. Investors can contact NASAA members, including the Ohio Division of Securities, to obtain this background information. Contact information for all NASAA members is available on our website at www.nasaa.org.

Over the years we've also partnered with AARP to monitor "free lunch" and "free dinner" seminars where salesmen pitch investment products to seniors. We look forward to future opportunities to work with AARP.

In 2014, NASAA's then-President and Ohio Securities Commissioner Andrea Seidt formed the Seniors Issues and Diminished Capacity Committee within NASAA. The Committee immediately began work on several projects including the development of what became model legislation to protect vulnerable adults from financial exploitation. The model act was approved by the NASAA membership in 2016. This legislation empowers firms to hold the disbursement of funds in cases of suspected financial exploitation. The model act mandates reporting of suspected exploitation to government agencies, including the state's securities regulator. The legislation also provides immunity from civil and administrative action for holding disbursements, reporting to trusted third parties identified by the client, and sharing information with government agencies where these acts are done in compliance with the statute.

To date, 13 states have adopted laws based on or inspired by the NASAA model. During the 2017 legislative session the NASAA model act or bills similar to it were introduced in 16 states and it was just recently filed in the Washington, D.C. City Council (the district's legislative body). We are optimistic that we will see continued interest in the model act in 2018.

continued on page 19

The Committee also developed a training program for investment advisers and broker-dealers on recognizing and reporting the red flags of financial exploitation and diminished capacity. This training for broker-dealers and investment advisers is based on the Senior$afe™ Training Program for bank and credit union tellers developed by the Maine Council for Elder Abuse Prevention. State regulators have used this comprehensive training to educate more than 1,000 financial professionals on how to identify signs of financial exploitation and where to report it.

The Committee also has developed a resource guide that firms can use a when developing or evaluating their internal policies and procedures for handling cases of suspected financial exploitation of a senior or vulnerable adult.

In 2015, NASAA partnered with Senators Susan Collins (R-ME) and Claire McCaskill (D-MO) – then the Chair and Ranking Member of the Senate Aging Committee, respectively – to help develop and advocate for federal legislation entitled the Senior$afe Act. This federal legislation would establish new incentives for financial institutions to train "front line" financial services professionals who are positioned to identify and report "red flags" of potential exploitation. The bill would similarly create incentives for financial institutions to train their management and compliance personnel on how to improve reporting chains within their organizations, and in ways to formalize coordination in this area with external partners such as law enforcement and state APS agencies. While the reforms embodied by the federal bill don't go as far as those in the NASAA Model Act – for example, the federal bill does not mandate reporting, or address immunity for "holds" on disbursements – they do represent an important first step, particularly as training and educational initiatives that are the focus are the bill undoubtedly represent important piece of the solution to the challenge of senior exploitation. The SeniorSafe Act also covers a wider universe of financial firms, including not just broker-dealers and investment advisers, but also banks, credit unions and insurance producers. The bill has been passed by the House on two occasions, including as stand-alone legislation in 2016, and we are hopeful that it will be taken up and approved by the Senate

Marin: SIFMA has been actively working on senior investor protection for over a decade, and runs a working group of over 60 firms and 175 members who combat senior financial exploitation. We work with industry members, academics, and state and federal lawmakers to advance policies, practices, laws and rules that enhance senior investor protection. We worked with the state of Washington, which in 2010 was the first state to enact a specific law to give financial firms tools to protect senior investors. Since then, a growing number of states have enacted senior investor protection laws that extend to broker-dealers.

Additionally, FINRA, a regulator with rules approved by the SEC, has released **Rule 2165,** on report and hold, and **Rule 4512,** on trusted contact forms, which take effect in February 2018. SIFMA developed a **Senior Investor Protection Toolkit,** available on our website for both financial advisers and clients. SIFMA holds regional workshops across the country to provide practical skills to combat financial exploitation, and also holds annual policy conferences on senior investor protection.

Q3: How have securities regulators at the federal level and in other states responded?

Joseph: Numerous initiatives are underway at the state and federal levels to address senior financial exploitation. Our members continue to report significant enforcement activity in this space. NASAA's most recent Enforcement Report noted that in 2016, NASAA members brought enforcement actions involving more than 1,000 senior victims.

continued on page 20

NASAA members, both U.S. and Canadian, also work with other agencies to combat senior exploitation in their respective jurisdictions as part of multi-disciplinary teams. NASAA surveyed its membership on this issue last year. Fifty-three NASAA members responded to our survey, with more than three-quarters reporting that they engaged in some form of multi-disciplinary approach to fighting elder financial abuse. As part of these teams, NASAA members reported that they have increased communication among partner agencies, conducted joint campaigns, and increased media attention to the subject of elder financial exploitation.

Recently, the SEC approved new FINRA Rule 2165 and amendments to FINRA Rule 4512. In short, Rule 2165 will allow FINRA member firms to place temporary holds on disbursements from the accounts of customers where there is a reasonable belief of financial exploitation. The amendments to FINRA Rule 4512 will require FINRA members to make efforts to obtain trusted third-party contact information for clients. The new rules are in many respects similar to NASAA's model act. However, unlike the NASAA model, the FINRA rules do not mandate reporting of suspected exploitation and do not provide immunity from civil or administrative action.

Marin: FINRA Rules **2165** and **4512** take effect in February 2018. Rule 2165 allows financial advisers to temporarily pause certain suspicious activity in a client's account to allow time for the appropriate authorities to investigate. Rule 4512 requires financial advisers to request a "trusted contact," which will aid firms in communicating with clients who may be the victims of abuse or fraud, giving firms an additional resource to help protect their clients.

Once effective, these rules will provide additional tools to financial firms to protect their clients, including senior investors. We commend the 16 states that enacted laws before the federal framework was in place, though issues such as inadequate resources and training to investigate reports, collaboration barriers between various state – and sometimes local – agencies, and technology/privacy protection challenges have been raised in some states. Also, senior protection laws that vary state to state can pose some additional challenges.

Q4: What are firms doing?

Joseph: The NASAA Broker-Dealer Section Committee conducted a survey of broker-dealer firms to gain a better understanding of how they are handling the challenging issue of senior financial exploitation. The survey asked, for instance, about the existence of policies and procedures specifically dealing with senior clients, processes to escalate concerns about potential exploitation or diminished capacity, and training for personnel. This study found, for instance, that firms generally have escalation procedures that facilitate the reporting of exploitation. In the vast majority of cases, that report goes to the state or county agency responsible for protecting vulnerable adults. Firms also have used a variety of training programs on recognizing the red flags of exploitation. The survey did find, however, that firms are not widely collecting trusted contact information, though that will likely improve with the implementation of FINRA's recent rule amendments.

Marin: Financial firms conduct robust training programs that include identification and prevention of senior financial exploitation, and firms continue to develop and implement policies and procedures to help protect their senior clients. Given the different business models and firm sizes, there have been a wide variety of innovative practices developed to protect senior investors.

Though training is a fundamental tool for firms to help ensure that their advisers understand the needs of senior investors – including red flags of financial exploitation, the importance of reporting,

continued on page 21

and escalation steps in the event an adviser suspects financial abuse - third parties, such as financial advisers, who may be in a position to recognize and report this abuse can risk potential liability for holding suspect transactions, or breaching privacy rules, should they choose to report.

Q5: As part of Ohio's 2018-2019 Biennium Budget, the General Assembly made Ohio investment advisers and financial planners mandatory reporters to Ohio Adult Protective Services where there is suspected financial exploitation involving elder adults. There is no reporting to the Division or other financial regulators; moreover, broker-dealers and their agents were not included as reporters in that legislation. However, there is a bill pending before the Ohio Senate (SB 158) that would expand the list to include broker-dealers and agents and impose fines upon abusers. What recommendations would you have for Ohio legislators on improving the latter Senate bill . . . or moving on separate legislation?

Joseph: I would encourage the General Assembly to expand the mandatory reporting laws in Ohio. Even before NASAA began work on its model act, many states had laws on the books mandating reporting by various professionals including, in some instances, people who work for financial institutions. The NASAA model is clear on this issue. Broker-dealer agents and investment adviser representatives are mandatory reporters under the model. The reports are to be made to the state adult protective services agencies (or similar state agencies) and the state securities regulator.

I would also encourage the policy makers in Ohio to consider expanding the reporting of senior financial exploitation to the Division of Securities. Financial exploitation involving investment accounts often presents challenging facts and sometimes very complex transactions. The experts in the Ohio Division of Securities are well equipped to handle these challenges and can bring additional remedies to the table.

Marin: In order to effectively combat senior financial exploitation, financial firms train, fund and collaborate on senior investor protection. Governments at every level must do the same. Reporting works most effectively when the government agencies are sufficiently resourced and trained to investigate senior financial exploitation, and the expertise of adult protection professionals, as well as law enforcement, regulators and prosecutors, are all brought together.

Since senior financial exploitation is a serious and growing problem that will require the engagement of all stakeholders and jurisdictions to prevent, identify and resolve, this legislation is a notable step in that process. As we have commented to the bill sponsor, I hope to continue to add SIFMA's experience in combatting senior financial exploitation to the group of stakeholders working with Ohio legislators and regulators to protect seniors.

We also strongly support the restitution provisions of the legislation to provide critically necessary funds for the investigation of elder abuse. Especially when mandating reporting of sensitive information, adequately resourcing the timely investigation of such reports is essential to the protection of senior investors and others. We also support the development of Single Portal Reporting, a streamlined, unified, one-report system to remove complication and friction from the reporting process so that resources can be more quickly directed toward investigations, hesitation and errors in directing reports can be eliminated, and accurate data can be compiled.

continued on page 22

Q6: What other tips, resources would you recommend for Ohio firms and families dealing with elder financial exploitation issues?

Joseph:NASAA maintains a website with information for seniors, industry, caregivers and other regulators. The website, Serve Our Seniors, is available at **serveourseniors.org** and includes all of the resources I've mentioned. Users can also find an interactive map of North America with contact information for their respective state securities regulator, other government resources for seniors and adult protective services agencies.

Marin: Much of the identification and prevention of senior financial exploitation comes down to awareness. As you attend to your financial matters, there are many resources available to help you. When you have questions or feel uncomfortable or uncertain about financial decisions or activities, reach out for advice. There are excellent, talented and dedicated people ready to help you, including the Ohio Securities Commissioner, your local Adult Protective Services office and a wide variety of financial professionals – all of whom are ready, willing and able to support you.

This **checklist,** put out by SIFMA and WISER (The Women's Institute for a Secure Retirement), provides guidance on warning signs and other general advice that may be helpful, and SIFMA's Senior Investor Protection **Playbook** outlines the warning signs of dozens of different types of scams.

There are direct steps we can all take to help prevent financial exploitation. One of the most overlooked might be ensuring that all of your important documents are up to date, including your trusted contact or 'in case of emergency' forms with your broker-dealer or other financial professionals

Additionally, staying active with a community and involved with family, friends, volunteer organizations, etc. is very beneficial. Research has **shown** that building and maintaining a dense social network greatly increases everyone's defenses against financial exploitation. Discussions among your social groups on this topic can be very helpful to all group members, and help you each look for **signs** of exploitation in others.

Readers – *Here's your chance to provide feedback on the topic. Send your comments to the editor:* ***Daniel.Orzano@com.state.oh.us,*** *and be sure to include whether you want your responses posted in the next issue of the Ohio Securities Exchange.*

Marin E. Gibson, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association (SIFMA)

Marin is Managing Director and Associate General Counsel, State Government Relations at SIFMA. She manages state legislative and regulatory issues and co-chairs SIFMA's Senior Investor Protection Initiative.

Prior to joining SIFMA, she had an extensive career in state government in both the legislative and executive branches of New York State. Her public service included her role as Counsel to the Senate Committee on Consumer Protection, Legislative Bureau Chief in the New York State Attorney General's Office, and Acting General Counsel for the New York State Higher Education Services Corporation.

continued on page 23

Security Exchange continued from page 22

Joseph Brady, Executive Director, North American Securities Administrators Association (NASAA)

Joseph joined the NASAA in 2005 as Associate Counsel. In 2011, he was appointed Genreal Counsel and in May 2015 was named as NASAA's Executive Director. As Executive Director, he is responsible for oversight of NASAA's center-old mission of investor protection across North America.

During his time at NASAA, his repsonsibilities have included supporting NASAA's representative on the Financial Stability Oversight Counsel and various committees including teh NASAA Broker/Dealer and Investment Adviser Section Committees.

He has also worked extensively with NASAA's CRD/IARD Steering Committee. He has led several initiatives undertaken by NASAA to implement provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act affecting the regulation of investment advisers. Prior to joining NASAA, he served as Chief Legal Cousel to the Securities Division of the Mississippi Secretary of State. In this role he managed enforcement cases brought by the division and represented the Secretary of State in matters before state courts and administrative tribunals. Joe is admitted to the bars of Mississippi (inactive) and the District of Columbia and is a graduate of the Mississippi College School of Law and the Universsity of Southern Mississippi.