



180 East Broad Street
Columbus, Ohio 43215

ohio securities bulletin

JAMES A. RHODES
Governor

J. GORDON PELTIER
Director of Commerce

JAMES S. REECE
Commissioner of Securities

June 30, 1976

COMMISSIONER'S COMMENTS

With the passage of Senate Bill 447 the Division has been able to begin hiring personnel to fill the vacancies caused by resignation and layoffs. The new faces in the Registration Section are Sam Calig and Bernie Brush, two attorneys who have been with us since April. More recent additions are Dick Curtin, Bob Lindwall and Phil Musser. These attorneys now assist Jim Maxwell in the Enforcement Section.

The Division has need for financial institution examiners and will be concentrating its employment efforts in this direction in the coming months. Examiners are most needed in the northeast and southwest parts of the state. Readers who know of qualified persons in these areas of the state are encouraged to contact the Division.

Visitors to the Division during the next month or so may be inconvenienced by construction that is being undertaken to make the best use of the available space on the 13th floor. We trust you will pardon our dust during this period.

We are continuing to review the Ohio Securities Act. It is hoped that proposed amendments will be finalized before the next issue of the Bulletin so that detailed information can be provided in that issue.

James S. Reece
Commissioner of Securities

PROCEDURE FOR PROMULGATING RULES

Inasmuch as the Division is presently engaged in developing new rules, it is felt that a review of procedures at this time may be of interest.

As with most agencies of Ohio state government, the Division of Securities is bound by Chapter 119, Administrative Procedure Act. This act provides a standardized, relatively simple procedure for the amendment and/or adoption of an agency rule.

When the Division determines that a rule shall be proposed or amended, it must first file the proposal with the Secretary of State (R. C. 119.03) and give notice of the date, time and place of the hearing. A synopsis of the proposed rule must be included in the notice. The public hearing must be held no earlier than 30 days from the date of notice to the Secretary of State. The manner of notice will vary with the particular Act to which the proposed rule relates. Effective December 31, 1975 the Division adopted COs-1-08(C) which sets forth in one rule the notice procedure for all entities regulated by the Division. In the case of licensees the rule provides that notice is to be mailed to each licensee or its headquarters office. Credit unions are given notice by publication in High Spots, the official publication of the Ohio Credit Union League. Notice of proposed rule changes affecting the regulation of securities is provided by a mailing to all persons on the Securities Bulletin mailing list, and by publication in the Ohio Bar and the CCH Blue Sky Reporter.

The Division is required to make copies of the proposed rule available at the Division offices at no cost. Requests by mail are honored at a nominal cost which is generally given in the notice. The person requesting a copy of the rule by mail should accompany his request with a check or money order for the amount requested.

Where existing language is to be rescinded that language is lined out. If new language is proposed, such new language is typed in capital letters.

Persons who will be affected by the change may submit written comment to the Division or appear and offer testimony at the hearing.

The Division does not attempt to apply, and is not bound by, the rules of evidence. However, testimony may be taken under oath at the option of the Division. The statute requires that a transcript of the hearing be made, and the Division makes provision for this in all cases.

After conclusion of the hearing, the Division files the rule in its final form with the Secretary of State, indicating a date ten (10) days subsequent to the filing date which then becomes the effective date of the rule. The Division makes available copies of the rule in its final form to anyone interested.

One final word of explanation as to the newly adopted numbering system. "COs" indicates that the rule pertains to the Department of Commerce, Division of Securities. The next number indicates the particular Act under which the rule is written. For example, -5- refers to the Ohio Credit Union Act, Sections 1733.01 to 1733.99. The next two digits indicate the specific code section. The capital letter that follows identifies the rule. Thus a rule numbered COs-5-02(A) indicates: Department of Commerce, Division of Securities, Ohio Credit Union Act, R. C. 1733.02 and the first rule written under that section. By this method all rules relating to a specific code section are given a number reserved for that section and are lettered in order of their promulgation.

Attached to this Bulletin is an order form for those who wish to purchase the Rules and/or the Ohio Securities Act.

Sidney J. Silvian
Assistant to the Commissioner

THE SECTIONS

BROKER-DEALER

Due to the frequency of inquiry regarding licensing requirements, particularly the testing requirement, a few comments regarding our procedures may be helpful.

Let's start with the statute. Sections 1707.16 and 1707.331 clearly state that every applicant must pass a written test which covers his knowledge of the securities laws of this state.

Technically the above statutes require that an individual be examined on his knowledge of the securities law of Ohio each time he makes application for a salesman's license. This interpretation becomes a burden when a salesman's license is cancelled with one broker-dealer and, shortly thereafter, is renewed with another. Therefore the Division is of the belief that once an applicant passes the examination and is licensed, he should not be required to retake the examination so long as he remains active in the securities business. The position of the Division that a salesman should be re-tested if he has not been licensed for a period of a year is reflected in Policy Statement 76-2-BD which is attached.

The BD forms now used by many firms to notify regulatory agencies of changes can only be accepted here when they comply with this state's regulations. They should identify which persons of the replacement personnel will be soliciting and/or selling securities, and file the necessary applications to license the individuals so identified. A policy statement has been prepared to cover this situation, and is referenced as 76-3-BD.

Every new license applicant files a proof of publication. This is a basic statutory requirement. Procedure for filing is clearly stated in the statute and on the form provided. Since part of the public notice is a statement that an application has been filed with the Division, obviously we cannot legally accept a proof of publication made at a time prior to the date when the application was received and acknowledged by the Division. Therefore, we have included a policy statement regarding this situation and it is referenced as 76-4-BD.

Gordon A. Stott
Supervisor of Broker Dealer

CONSUMER FINANCE

BASIC ANNUAL REPORTING

Since the Section is in the process of finalizing the reports for 1975, the method and manner of reporting by many of the respondents provokes a general critique from the Section.

Both the Small Loan Act and Mortgage Loan Act require the reporting "on or before the fifteenth of April". Reporting forms were mailed in January to 101 small loan companies and 84 mortgage loan companies. Of the 101 small loan companies, 50 reports were outstanding on 4-15-76, 16 were outstanding on 4-30-76, 12 were outstanding on 5-15-76 and 7 were outstanding on 6-1-76. Of the 84 mortgage loan companies, 35 reports were outstanding on 4-15-76, 8 were outstanding on 4-30-76, 4 were outstanding on 5-15-76 and none were outstanding on 6-1-76.

To further compound the problems of the Section in finalizing the consolidation, 41 of the small loan companies had errors on their reports. The general nature of these errors is as follows:

1. Figures not rounded off - 14 reports
2. Illegible figures - 4 reports
3. Mathematical errors - 15 reports
4. Improper account entries - 10 reports
5. Inclusion of "other Ohio business" - 2 reports
6. Schedule D-51 - 14 reports
7. Omissions - 11 reports

An additional 17 mortgage loan companies reported with the following errors:

1. Figures not rounded off - 3 reports
2. Mathematical errors - 7 reports
3. Improper account entries - 4 reports
4. Schedule D-50 - 6 reports
5. Omissions - 6 reports

These statistics indicate a serious dereliction of statutory duties and responsibilities by far too many companies. It is obvious that enforcement action must be taken against the seven companies that have failed to respond at all, but a serious problem remains with the 78 additional companies who did not report by the fifteenth of April.

A similar problem was solved by an amendment to the Credit Union Act where a \$ 5.00 a day fine is now imposed as a late charge. I would hope that a similar amendment

would be unnecessary in consumer finance as the majority of the reports are meticulously prepared and received on time. Since the final report is a consolidation, one error can create a time consuming problem. Please file this Bulletin with your 1976 report data for reference. Follow instructions and recheck totals. Feel free to call us if you do not fully understand the instructions. If the 1976 reporting does not show vast improvement in time and error, a fine would appear to be the only solution.

R. P. Fickell, Supervisor
Consumer Finance Section

CREDIT UNIONS

The effect of the administrative action of 12-31-75 in re-numbering its Credit Union Rules was to institute a new numbering system, (see infra PROCEDURE FOR PROMULGATING RULES), although some substantive changes in the rules themselves were also enacted at that time.

A review of these changes is being undertaken in this article, the scope of which includes any changes made pursuant to the second administrative hearing held February 25, 1976, after which several additional rules were adopted effective March 25, 1976.

The former requirement that notice of an administrative hearing be published in the newspapers of certain counties was rescinded, and HIGH SPOTS will provide official notice of an administrative hearing under Chapter 119, O.R.C. The present governing rule for notice is COs-1-08(C). It is believed this is a more practical and realistic approach to the requirement of legal notice.

COs-5-29(A) Preservation of Records, adds two record-keeping requirements, that of a litigation record and a repossession record. It is felt that both these records will serve to assist the credit union in maintaining a clear and full picture of all aspects of its accounts.

COs-5-31(B) Special Reserve for Delinquent Loans, represents a major change in the method of reserving for delinquent loans. The loan becomes delinquent when a full installment payment has not been made within 31 days of the original contract date.

COs-5-41(A) Depreciation and Amortization Schedules. In subsection (a) the present \$200 was increased from \$100. In subsection (b) the present \$500 was raised from \$300.

COs-5-30(B)(6) Authorized Investments. This provision reads as follows:
"In applying the provisions of this rule, membership fees and annual assessments required by R. C. 1761.01 to 1761.18, shall not be considered an investment for the purpose of this rule."

It was promulgated to prevent any penalty or disadvantage arising as a result of membership in OCUSGA by excluding membership fees and annual assessments from being computed under COs-5-30(B)(1)(c).

Former COs-5-18 Official Family Borrowing, was completely eliminated because it was felt that officers who served free of charge were being unfairly treated and put at a less advantageous position than the membership who had no such restrictions.

COs-5-41(C) Accounting is new. A repossession record and litigation record is required. (See also COs-5-29(A)). Insurance rebates are to be shown as a deduction in expenses and not as income.

Eugene Conkle
Supervisor of Credit Unions.

ENFORCEMENT

STATE OF OHIO vs STANLEY M. COOPER

On April 29, 1976, Stanley M. Cooper was convicted for selling unregistered securities.

The Common Pleas Court of Hamilton County referred the case to the Probation Department for a pre-sentence investigation.

The Broker/Dealer License of the Stanley M. Cooper Company has been revoked.

ACTIVITY UNDER THE OHIO TAKE-OVER STATUTE

Since the last Securities Bulletin of December 31, 1975, the following activity has taken place in connection with the take-over statute, R. C. Section 1707.041.

On the 4th day of December, 1975, General Cable Corporation filed materials indicating its intention to take-over Microdot. General Cable Corporation asked the Division to conduct a hearing as to whether or not the Ohio take-over statute would apply to a take-over of Microdot.

Microdot was a Delaware corporation. Its executive offices were located in Greenwich, Connecticut. Its only company-owned operating division was Valley Mold Division with its principal place of business in Hubbard, Ohio and plants in Hubbard, Ohio, Cleveland, Ohio and Chicago, Illinois.

Microdot also had 11 divisions composed of subsidiary corporations located in several states. None of the manufacturing took place in Connecticut.

The Division conducted hearings and determined that Microdot had its principal place of business and substantial assets in Ohio and therefore, Section 1707.041, Ohio Revised Code, had application to the proposed take-over.

Hearings were conducted then as to the issue of fair, full and effective disclosure. However, before the Division had time to issue its order as to fair, full and effective disclosure, Northwest Industries made a higher offer which the Board of Directors of Microdot recommended to its shareholders. General Cable withdrew its offer terminating the proceeding.

On the 24th day of December, 1975, I.T.E. Imperial informed the Division that Gould, Inc. intended to take over I.T.E. Imperial. The Division took evidence and heard arguments by counsel for both parties and determined that I.T.E. Imperial did not have its principal place of business nor substantial assets in the State of Ohio and therefore declined to take jurisdiction.

On the 7th day of February, 1976, Bethlehem Copper Company filed an application under Section 1707.041, Ohio Revised Code, indicating its intention to take-over Valley Camp Coal Company.

Valley Camp Coal Company was a Delaware corporation with its executive offices in Cleveland, Ohio. The evidence disclosed that 97% of its assets consisted of coal reserves in the State of West Virginia.

Bethlehem Copper Company initially did not demand a hearing as to jurisdiction. However, before any action had been taken by the Division, Bethlehem Copper filed suit in the U.S. District Court of the Southern District, Eastern Division of Ohio against the Governor of the State of Ohio, the Director of Commerce, and the Commissioner of Securities. The court determined that the Division should go forward with a hearing to determine whether the Division would assert jurisdiction.

The Division conducted hearings and concluded that Valley Camp Coal Company did have its principal place of business in Ohio but did not have substantial assets in Ohio and therefore Section 1707.041, Ohio Revised Code, did not apply. However, under the provisions of Section 1707.13 the Division did have jurisdiction to determine that fair, full and effective disclosure must be made to Ohio shareholders.

The Quaker State Oil Company then made a higher offer and Bethlehem Copper Company withdrew. The case in Federal Court was dismissed.

As a sideline to the Valley Camp Coal case, it came to the attention of the Division that some of the officers and directors of Valley Camp Coal Company established a voting trust and solicited shareholders for the exchange of their shares in Valley Camp for voting trust certificates. The Division of Securities deemed this to be a take-over attempt by the members of the voting trust and ordered them to cease and desist. The voting trust was then dissolved.

James Maxwell, Jr.
Attorney Inspector

REGISTRATION

INVESTMENT COMPANIES

On recommendation of the North American Securities Administrators Association September 10, 1975, Ohio has joined with thirty-five other states in acceptance and use of a uniform application and report of sales form.

Ohio, along with several other states, imposed additional reporting requirements. The Division is therefore issuing with the current Ohio Securities Bulletin, Policy Statement

76-1-R, which sets forth the required supplemental information. A specimen Investment Company Uniform Report and/or Application Form is also included.

The Division of Securities will continue to accept application Form 9 for mutual fund and investment company registrations. The uniform applications may be obtained from The Investment Company Institute, 1775 K Street, N.W., Washington, D. C. 20006.

G. A. Ward
Deputy Commissioner

ADMINISTRATIVE ACTIONS

Summary of Enforcement Activity for January, February, March, April, May and June, 1976

January, 1976

| | |
|-----------------------------------|----|
| Inquiries Received | 76 |
| Complaints Received | 11 |
| Complaints Closed | 13 |
| Broker-Dealer Suspensions | 0 |
| Salesman Suspensions | 0 |
| Salesman License Revocations | 2 |
| Salesman License Refusals | 0 |
| Registration Suspensions | 1 |
| Hearings Held | 6 |
| Court Actions | 0 |
| Prosecutions Recommended | 0 |
| In-Depth Investigative Interviews | 7 |
| Subpoenas Issued | 6 |
| Matters Referred to Atty. General | 3 |
| Matters Referred to SEC | 1 |

February, 1976

| | |
|-----------------------------------|-----|
| Inquiries Received | 101 |
| Complaints Received | 5 |
| Complaints Closed | 26 |
| Broker-Dealer Suspensions | 0 |
| Salesman Suspensions | 0 |
| Salesman License Revocations | 0 |
| Salesman License Refusals | 0 |
| Registration Suspensions | 0 |
| Hearings Held | 4 |
| Court Actions | 2 |
| Prosecutions Recommended | 0 |
| In-Depth Investigative Interviews | 8 |
| Subpoenas Issued | 0 |
| Matters Referred to Atty. General | 1 |
| Matters Referred to SEC | 1 |

March, 1976

| | |
|------------------------------|----|
| Inquiries Received | 58 |
| Complaints Received | 5 |
| Complaints Closed | 7 |
| Broker-Dealer Suspensions | 1 |
| Salesman Suspensions | 0 |
| Salesman License Revocations | 0 |
| Salesman License Refusals | 0 |
| Registration Suspensions | 0 |

Hearings Held 1
 Court Actions 1
 Prosecutions Recommended 0
 In-Depth Investigative Interviews 10
 Subpoenas Issued 3
 Matters Referred to Atty. General 0
 Matters Referred to SEC 0

April, 1976

Inquiries Received 78
 Complaints Received 10
 Complaints Closed 12
 Broker-Dealer Suspensions 3
 Salesman Suspensions 0
 Salesman License Revocations 1
 Salesman License Refusals 1
 Registration Suspensions 2
 Hearings Held 3
 Court Actions 0
 Prosecutions Recommended 2
 In-Depth Investigative Interviews 14
 Subpoenas Issued 6
 Matters Referred to Atty. General 4
 Matters Referred to SEC 1

May, 1976

Inquiries Received 58
 Complaints Received 8
 Complaints Closed 15
 Broker-Dealer Suspensions 0
 Salesman Suspensions 0
 Salesman License Revocations 0
 Salesman License Refusals 0
 Registration Suspensions 0
 Hearings Held 3
 Court Actions 4
 Prosecutions Recommended 0
 In-Depth Investigative Interviews 22
 Subpoenas Issued 6
 Matters Referred to Atty. General 2
 Matters Referred to SEC 2

June, 1976

Inquiries Received 52
 Complaints Received 12
 Complaints Closed 13
 Broker-Dealer Suspensions 0
 Salesman Suspensions 0
 Salesman License Revocations 0
 Salesman License Refusals 0
 Registration Suspensions 0
 Hearings Held 8
 Court Actions 4
 Prosecutions Recommended 2
 In-Depth Investigative Interviews 28
 Subpoenas Issued 0
 Matters Referred to Atty. General 2
 Matters Referred to SEC 1

Summary of Credit Union Activity for months of January, February, March, April, May and June, 1976

January, 1976

Suspensions 0
 Hearings 0
 Mergers 4
 New Charters granted 0

February, 1976

Suspensions 0
 Hearings 0
 Mergers 0
 New Charters granted 0

March, 1976

Suspensions 0
 Hearings 0
 Mergers 4
 New Charters granted 0

April, 1976

Suspensions 0
 Hearings 0
 Mergers 1
 New Charters Granted 3

May, 1976

Suspensions 1
 Hearings 0
 Mergers 3
 New Charters granted 0

June, 1976

Suspensions 0
 Hearings 0
 Mergers 0
 New Charters granted 0

Summary of Consumer Finance Activity for months of January, February, March, April, May and June, 1976

January, 1976

| | Issued | Cancelled | Suspended |
|-------------------------------|--------|-----------|-----------|
| Small Loan Licenses | 48 | 67 | 0 |
| Second Mortgage Licenses | 47 | 11 | 0 |
| Premium Finance Licenses | 1 | 0 | 0 |
| Pawnbroker Licenses | 71 | 10 | 0 |
| Financial Examinations Made: | 3 | | |
| Compliance Examinations Made: | 204 | | |

February, 1976

| | | | |
|-------------------------------|-----|---|---|
| Small Loan Licenses | 7 | 2 | 0 |
| Second Mortgage Licenses | 4 | 4 | 0 |
| Premium Finance Licenses | 1 | 0 | 0 |
| Pawnbroker Licenses | 3 | 0 | 0 |
| Financial Examinations Made: | 0 | | |
| Compliance Examinations Made: | 206 | | |

| March, 1976 | | | | February, 1976 | |
|-----------------------------------|-----------|-----------|--------------|-------------------------------|--------------|
| Issued | Cancelled | Suspended | Registration | Certificates | |
| Small Loan Licenses | 6 | 6 | 0 | 2(B) | 26 |
| Second Mortgage Licenses | 45 | 2 | 0 | 3-0 | 538 |
| Premium Finance Licenses | 0 | 0 | 0 | 5(A) | 0 |
| Pawnbroker Licenses | 0 | 0 | 0 | 6(A)(1) & 6(A)(2) | 173 |
| Financial Examinations Made: 0 | | | | 6(A)(3) | 19 |
| Compliance Examinations Made: 166 | | | | 6(A)(4) | 9 |
| April, 1976 | | | | Form 9 Applications Received | |
| Small Loan Licenses | 2 | 5 | 0 | Interstate Corporate | 18 |
| Second Mortgage Licenses | 5 | 4 | 0 | Stock Option & Purchase Plan | 5 |
| Premium Finance Licenses | 1 | 0 | 0 | Intrastate Corporate | 3 |
| Pawnbroker Licenses | 2 | 1 | 0 | Investment Companies | 30 |
| Financial Examinations Made: 0 | | | | R.E.I.T. | 2 |
| Compliance Examinations Made: 263 | | | | Real Estate Ltd. Partnerships | 6 |
| May, 1976 | | | | Cattle Funds | |
| Small Loan Licenses | 2 | 5 | 0 | Other Non-Corporate | 0 |
| Second Mortgage Licenses | 3 | 5 | 0 | Oil & Gas Offerings | 9 |
| Premium Finance Licenses | 0 | 0 | 0 | Form 39 | 9 |
| Pawnbroker Licenses | 0 | 0 | 0 | Form 041 | 1 |
| Financial Examinations Made: 0 | | | | March, 1976 | |
| Compliance Examinations Made: 208 | | | | Registrations | Certificates |
| June, 1976 | | | | 2(B) | 15 |
| Small Loan Licenses | 8 | 4 | 0 | 3-0 | 541 |
| Second Mortgage Licenses | 18 | 3 | 0 | 5(A) | 0 |
| Premium Finance Licenses | 1 | 0 | 0 | 6(A)(1) & 6(A)(2) | 188 |
| Pawnbroker Licenses | 0 | 0 | 0 | 6(A)(3) | 17 |
| Financial Examinations Made: 0 | | | | 6(A)(4) | 6 |
| Compliance Examinations Made: 255 | | | | Form 9 Applications Received | |
| | | | | Interstate Corporate | 31 |
| | | | | Stock Option & Purchase Plan | 4 |
| | | | | Intrastate Corporate | 0 |
| | | | | Investment Companies | 50 |
| | | | | R.E.I.T. | 1 |
| | | | | Real Estate Ltd. Partnerships | 16 |
| | | | | Cattle Funds | 7 |
| | | | | Other Non-Corporate | 0 |
| | | | | Oil & Gas Offerings | 5 |
| | | | | Form 39 | 10 |
| | | | | | |
| | | | | April, 1976 | |
| | | | | Registration | Certificates |
| | | | | 2(B) | 23 |
| | | | | 3-0 | 628 |
| | | | | 5(A) | 1 |
| | | | | 6(A)(1) & 6(A)(2) | 170 |
| | | | | 6(A)(3) | 27 |
| | | | | 6(A)(4) | 5 |
| | | | | Form 9 Applications Received | |
| | | | | Interstate Corporate | 40 |
| | | | | Stock Option & Purchase Plan | 9 |
| | | | | Intrastate Corporate | 2 |
| | | | | Investment Companies | 48 |
| | | | | R.E.I.T. | 0 |

STATISTICS

REGISTRATIONS

January, 1976

| Registrations | Certificates | Form 9 Applications Received | Orders |
|-------------------------------|--------------|------------------------------|--------|
| 2(B) | 7 | | |
| 3-0 | 505 | | |
| 5(A) | 1 | | |
| 6(A)(1) & 6(A)(2) | 173 | | |
| 6(A)(3) | 43 | | |
| 6(A)(4) | 6 | | |
| Interstate Corporate | 21 | 20 | |
| Stock Option & Purchase Plan | 3 | 1 | |
| Intrastate Corporate | 1 | 4 | |
| Investment Companies | 22 | 23 | |
| R.E.I.T. | 0 | 0 | |
| Real Estate Ltd. Partnerships | 28 | 5 | |
| Cattle Funds | 1 | 1 | |
| Other Non-Corporate | 0 | 0 | |
| Oil & Gas Offerings | 24 | 10 | |
| Form 39 | 15 | 14 | |

| | | |
|-------------------------------|----|----|
| Real Estate Ltd. Partnerships | 16 | 11 |
| Cattle Funds | 0 | 10 |
| Other Non-Corporate | 0 | 0 |
| Oil & Gas Offerings | 26 | 20 |
| Form 39 | 14 | 9 |

May, 1976

Registrations

| | | |
|-------------------|--|-----|
| 2(B) | | 28 |
| 3-0 | | 438 |
| 5(A) | | 1 |
| 6(A)(1) & 6(A)(2) | | 135 |
| 6(A)(3) | | 18 |
| 6(A)(4) | | 9 |

Form 9
Applications
Received

| | | |
|-------------------------------|----|----|
| Interstate Corporate | 29 | 27 |
| Stock Option & Purchase Plan | 3 | 3 |
| Intrastate Corporate | 8 | 2 |
| Investment Companies | 43 | 38 |
| R.E.I.T. | 2 | 2 |
| Real Estate Ltd. Partnerships | 9 | 7 |
| Cattle Funds | 0 | 0 |
| Other Non-Corporate | 0 | 0 |
| Oil & Gas Offerings | 20 | 24 |
| Form 39 | 11 | 3 |

June, 1976

Registrations

| | | |
|-------------------|--|-----|
| 2(B) | | 32 |
| 3-0 | | 574 |
| 5(A) | | 1 |
| 6(A)(1) & 6(A)(2) | | 175 |
| 6(A)(3) | | 31 |
| 6(A)(4) | | 5 |

Form 9
Applications
Received

| | | |
|-------------------------------|----|----|
| Interstate Corporate | 30 | 17 |
| Stock Option & Purchase Plan | 5 | 4 |
| Intrastate Corporate | 8 | 5 |
| Investment Companies | 34 | 47 |
| R.E.I.T. | 0 | 0 |
| Real Estate Ltd. Partnerships | 20 | 4 |
| Cattle Funds | 0 | 0 |
| Other Non-Corporate | 0 | 0 |
| Oil & Gas Offerings | 17 | 20 |
| Form 39 | 8 | 1 |
| Form 041 | 1 | 0 |
| Form 04 | 1 | 0 |

License Applications Received in January, February, March,
April, May and June, 1976

Broker-Dealer Section

| | |
|------------------------------------------------|-----|
| Securities Broker-Dealer (Form 15) | 26 |
| Foreign Real Estate Broker-Dealer (Form 331-A) | 3 |
| Securities Salesman (Form 16) | 323 |
| Foreign Real Estate Salesman (Form 331-B) | 11 |

February, 1976

| | |
|------------------------------------------------|-----|
| Securities Broker-Dealer (Form 15) | 10 |
| Foreign Real Estate Broker-Dealer (Form 331-A) | 1 |
| Securities Salesman (Form 16) | 200 |
| Foreign Real Estate Salesman (Form 331-B) | 15 |

March, 1976

| | |
|------------------------------------------------|-----|
| Securities Broker-Dealer (Form 15) | 6 |
| Foreign Real Estate Broker-Dealer (Form 331-A) | 3 |
| Securities Salesman (Form 16) | 196 |
| Foreign Real Estate Salesman (Form 331-B) | 8 |

April, 1976

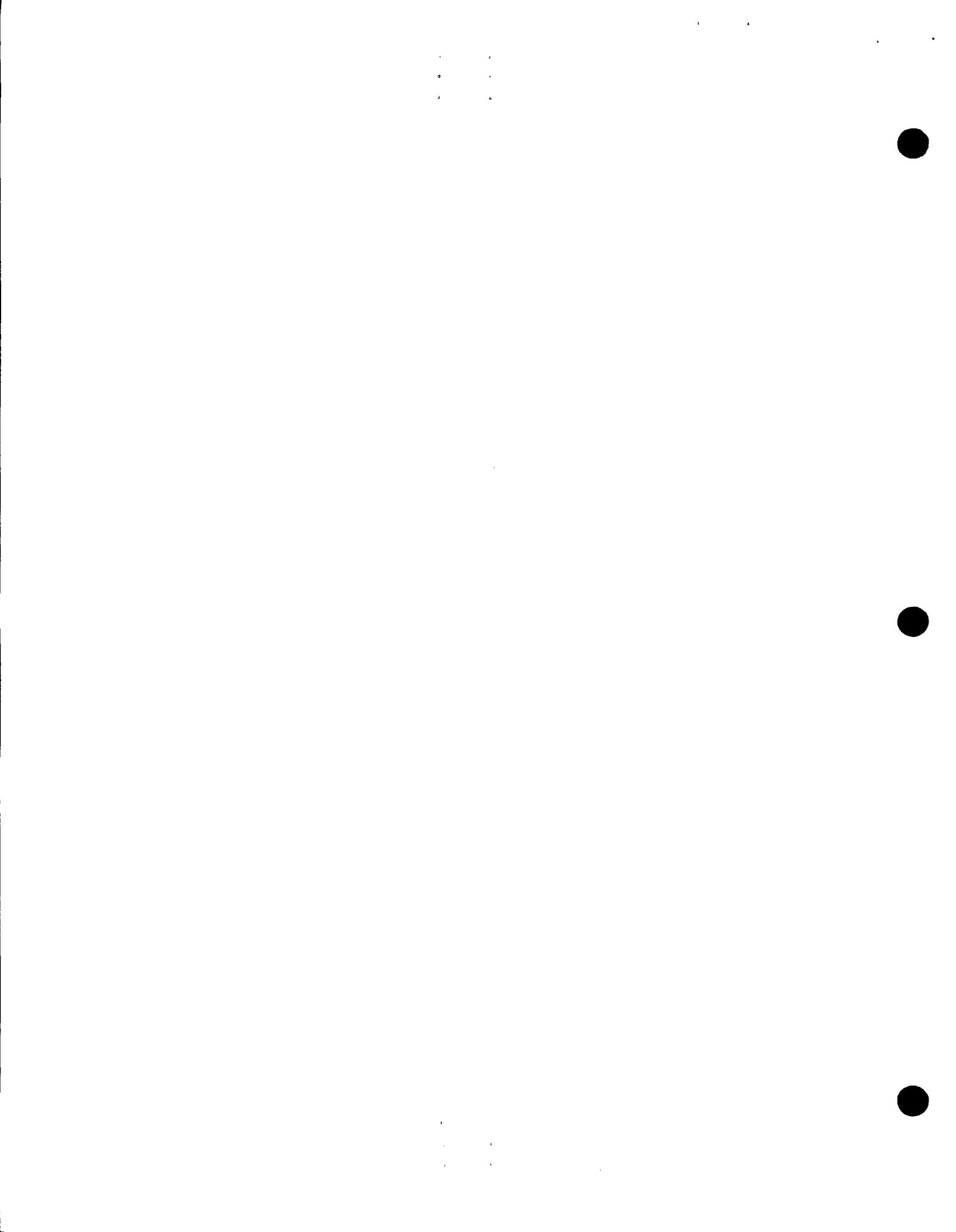
| | |
|------------------------------------------------|-----|
| Securities Broker-Dealer (Form 15) | 10 |
| Foreign Real Estate Broker-Dealer (Form 331-A) | 5 |
| Securities Salesman (Form 16) | 207 |
| Foreign Real Estate Salesman (Form 331-B) | 27 |

May, 1976

| | |
|------------------------------------------------|-----|
| Securities Broker-Dealer (Form 15) | 13 |
| Foreign Real Estate Broker-Dealer (Form 331-A) | 1 |
| Securities Salesman (Form 16) | 195 |
| Foreign Real Estate Salesman (Form 331-B) | 11 |

June, 1976

| | |
|------------------------------------------------|-----|
| Securities Broker-Dealer (Form 15) | 9 |
| Foreign Real Estate Broker-Dealer (Form 331-A) | 0 |
| Securities Salesman (Form 16) | 188 |
| Foreign Real Estate Salesman (Form 331-B) | 17 |





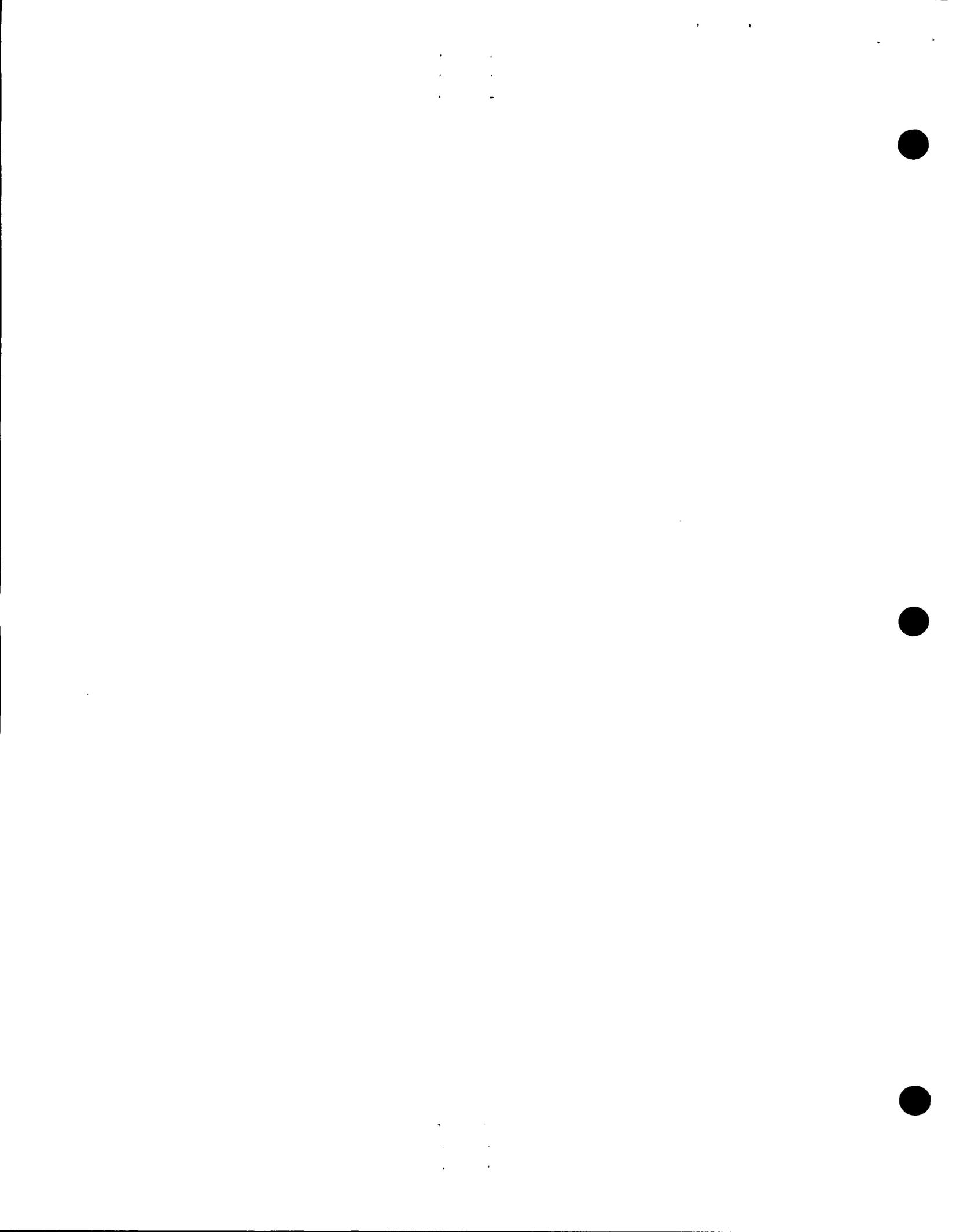
**REQUIRED SUPPLEMENTAL INFORMATION FOR USE WITH INVESTMENT
COMPANY UNIFORM REPORT AND/OR APPLICATION FORM**

Effective July 1, 1976, the Division will accept the Investment Company Uniform Report and/or Application Form provided the following supplemental information (for registration) is provided:

- A) Tie-in sheet cross-referencing Ohio Regulation COs-2-09(D) (formerly Q-3) with red-lined portions of the company's documents.
- B) Current prospectus (2 copies).
- C) Articles of Incorporation.
- D) By laws.
- E) Custodian agreement.
- F) Investment advisory and/or management agreement.
- G) Consent to Service (Form 11 or U-2 acceptable, appointing the Secretary of State of Ohio).
- H) Specimen security (if used).
- I) Opinion of counsel.
- J) Dealer Agreement.
- K) Distribution (underwriting) Agreement.
- L) List of broker/dealers authorized to sell in Ohio.
- M) Issuer's Ohio broker/dealer license number (no-loads).
- N) Federal registration forms.
- O) Marketability undertaking, (acceptable form):
"Recognizing that the ready marketability of portfolio securities affects the liquidity of an investment company, "X" Fund undertakes that it will not invest in any securities where the making of such investment would significantly impair the liquidity of the Fund."

Applications for renewal of an existing registration may incorporate by reference any or all of the above exhibits, except A and B, provided no material changes have been made and a letter from counsel or an officer of the Fund attests to such fact. Two copies of the current prospectus (one red-lined) and a tie-in sheet are standard requirements with each renewal.

The Division will continue to accept applications on Form 9 and U-1, which also must include the aforementioned exhibits and information. The Division will also continue to accept Form 23 Periodic Sales Reports.



OHIO DEPARTMENT OF COMMERCE
DIVISION OF SECURITIES

INVESTMENT COMPANY UNIFORM REPORT and/or APPLICATION FORM

State Reference No. _____

Expiration Date _____

Sales and/or Financial (check one or both)

Report for:

Quarterly Period

Semi-Annual Period

Annual Period

Complete PARTS A (and/or B), C and E

Application for Annual Registration, Renewal of Existing Registration and/or to Qualify Additional Shares

Complete PARTS C, D and E (and A, if appropriate - see Item 12)

In the matter of _____,
(name of Issuer)

_____, with respect to the following
(address)

described securities: _____
(description of securities)

Name and Address of Applicant if other than Issuer:

Name, Address and Telephone Number of Person(s) to whom communication should be sent:

PART A. Periodic Sales Report. Instructions: Complete Items 1-8. NOTE: If more than one registration or permit is in effect, then Applicant should consult state instructions to determine whether separate reports are required.

1. Periodic Report for _____ months ending _____.

Check here if this report is a FINAL SALES REPORT for the registration(s) or permit(s) described below.

2. Amount registered under Registration(s) or Permit(s)

No. _____
(number, if any)

(dated)

3. Unsold balance at the beginning of reporting period: _____

4. Amount registered this period: _____

(Permit No. (if any) and date: _____)

5. Total available for sale this period: _____

6. Amount sold this reporting period: _____

7. Amount unsold at end of this reporting period-(balance) _____

8. Report filing fee in the amount of \$ _____ is enclosed.

PART B. Periodic Financial Report. Instructions: Complete Item 9.

9. The financial statements contained in the attached exhibits are hereby incorporated by reference (check one or both boxes and attach exhibits):

Prospectus dated _____

Report to Shareholders dated _____

PART C. Supplemental Information. Instructions: Complete Items 10 and 11.

10. The issuer's securities which are registered for sale in this state have been registered or a registration or application to register has been withdrawn in the following additional states since the issuer's last report or application:

11. Securities are offered in this state by or through _____ .
Indicate "broker/dealer", "issuer", or such other information as is appropriate.

PART D. Application for Annual Registration, Renewal and/or Additional Qualification. Instructions: Complete Items 12 and/or 13 (as appropriate) and Item 14. Application is hereby made for (check one):

- 12. Renewal of registration or annual registration in the amount of \$_____. (If the amount is the unsold balance of an existing registration then complete PART A above).
- 13. Registration of additional securities in the amount of \$_____ (If this is an application for retroactive registration and such is permitted please check).
- 14. Fee in the amount of \$_____ is enclosed.

PART E. EXECUTION. By executing this form the Issuer (and/or Applicant) hereby represents that it has and will continue to comply with all post-registration reporting requirements of this state and expressly reaffirms all representations and undertakings currently required by the laws of this state.

(Name of Issuer or Applicant)

(SEAL)

By: _____
(Name, Title)

Dated:

State of _____)
County of _____) ss.

The undersigned, _____, being duly sworn, deposes and says:

That he has executed the foregoing application for and on behalf of the applicant named therein; that he is _____

of such applicant and is fully authorized to execute and file such application; that he is familiar with such application; and that to the best of his knowledge, information and belief the statements made in such application are true and the documents submitted therewith are true copies of the originals thereof.

Name

Subscribed and sworn to before me
this ____ day of _____, 19__

NOTARY PUBLIC

In and for the county of _____
State of _____

My Commission Expires: _____

LIST OF EXHIBITS ATTACHED

POLICY STATEMENT

Broker-Dealer
(Section)



STATUTE OR RULE

RC §§ 1707.16, 1707.331
7-1-76

WHEN EXAMINATION REQUIRED UPON RENEWAL

A salesman who has terminated his employment with a broker/dealer, and who submits a renewal application over one year from the date of terminating such employment, must take the salesman examination.

1
2
3



4
5
6

POLICY STATEMENT

Broker/Dealer
(Section)



STATUTE OR RULE

RC §§ 1707.16, 1707.331
7-1-76

SIGNED STATEMENT TO ACCOMPANY REPORT OF CHANGES IN PERSONNEL

The Broker-Dealer form filed to reflect changes in personnel will not be acceptable unless it is accompanied by a signed statement of an authorized officer identifying the additional personnel who will be soliciting and/or selling securities.

The statement must give assurance that the broker-dealer will immediately file a Form 16 for each of the individuals so identified, and that the necessary steps will be completed to license them.

11



11

POLICY STATEMENT

Broker/Dealer

(Section)



STATUTE OR RULE

RC §§ 1707.16, 1707.331

7-1-76

**NOTICE PUBLICATION TO BE MADE
AFTER LICENSE APPLICATION FILED WITH DIVISION**

Proof of Publication will not be accepted by the Division where such notice was published prior to the date the application for a securities license was filed and acknowledged by the Division of Securities, Broker-Dealer Section.

76-4-BD

