

# Ohio Securities Bulletin



**JAMES A. RHODES**  
*Governor*

**J. GORDON PELTIER**  
*Director of Commerce*

**JAMES F. HURD**  
*Commissioner of Securities*

October 31, 1977

## Commissioner's Comments

### COMMISSIONER'S COMMENTS

**(Editor's Note: The Commissioner's Comments for this edition of the Securities Bulletin have been prepared by Assistant Commissioner, Clark W. Wideman.)**

#### GENERAL COMMENTS

Two months ago, when Director of Commerce, J. Gordon Peltier, asked me to assume the responsibility for supervising the Division of Securities in the absence of Commissioner James Hurd, I knew that it would be an important and challenging task. However, I had no comprehension of the diversity of the work involved or the complexity of the matters which must be addressed on a daily basis by a person in this position.

During these last two months, while I have been working with the Division on a part-time basis, I have developed an entirely new appreciation for the magnitude of the problems faced by this important agency. The Division of Securities is terribly understaffed and has been for the last several years. Compared to the number of personnel in the Division during 1973 and 1974, the Division is currently about 30% understaffed. There are simply not enough qualified examiners and attorneys in the Division at the present time to carry out the responsibilities imposed on the Division by virtue of its many different licensing and regulatory functions. Despite this severe manpower problem, and our resultant inability to perform all of the tasks required, personnel in the Division of Securities continue to work to the best of their capability. However, the simple fact remains that not all of the responsibilities of the Division are being met as effectively as they ought to be. Various registrants and licensees, as well as the public generally, are not enjoying the type of service from the Division of Securities to which they are entitled.

It has become apparent that there are several changes in policy which must be implemented within the Division this year. Several of these are changes which have been contemplated for some time, while others address new problems which have arisen during the past two months. We will begin implementing changes in Division priorities and practices during the next few weeks. Some of these changes are announced in this issue of the Bulletin, while others will be forthcoming in subsequent issues.

### BULLETIN

First, as should be obvious to you by this time, the format of the Bulletin itself is being changed. This change is designed to reduce, where possible, some of the expenses involved in the preparation of the Bulletin. In the future, the Bulletin will conform more to other publications issued by the Department of Commerce. We are hopeful that anticipated changes in the Bulletin will not be purely cosmetic. Within the next several months we should be able to again produce a Bulletin which will serve as an effective communication tool between the Division and the various industries and individuals which we license or regulate. As with so many other important projects within the Division, too little attention has been paid to the Bulletin in the past several years. Consequently, one of the changes in the order of priorities for the Division, will involve the Bulletin, and more time and effort will be spent in the preparation of meaningful articles which will reflect the posture of the Division in various regulatory matters.

In addition, we are expanding the distribution of the Bulletin to include all licensees of the Division, as well as those individuals who in the past have indicated an interest in receiving it. Anyone who is licensed with the Division, will continue to receive copies on a regular basis. Others will only receive this first copy unless the attached reply card is returned to the Division. If you are interested in continuing to receive copies of the Bulletin, please return the attached card to the Division.

### DIVISION PERSONNEL

One of the problems which is created when the staffing of a division such as ours is reduced by 30%, is that functions of the various sections become confused to some degree. We presently find that without adequate man-power in any section of the Division there is some confusion about which sections are responsible for various activities. The transfer of individuals from one section to another, which has been necessitated by the overall reduction in number of personnel, has contributed significantly to this problem. One effort that the Division will be making in the next few weeks, will be to re-define the responsibilities of various sections to help insure some degree of continuity in the decision making process. In addition we will be attempting to replace several individuals who have recently left the staff.

This can only be made possible, however, by action of the Controlling Board which has been requested to transfer certain funds between different accounts maintained for the Department of Commerce. This request involves no new appropriations; however, it does seek permission to spend money already appropriated to the Department in a manner not previously authorized.

## LEGISLATION

As has been announced in several previous Bulletins, there are two important pieces of legislation currently before the Ohio General Assembly which would dramatically affect the regulation of the securities industry under Chapter 1707. of the Revised Code. The first of those is H.B. 339 proposed by the Division of Securities, and sponsored by Representative Dennis Eckart of Euclid, Ohio. The second bill, originally proposed by the Corporation Law Committee of the Ohio State Bar Association, is S.B. 139, sponsored by Senator Anthony Celebrezze of Cleveland, Ohio. At the present time both bills are under consideration by the Financial Institutions Subcommittee of the House Utilities, Insurance, and Financial Institutions Committee. That subcommittee is chaired by Representative Eckart. The Division of Securities and representatives of the Corporation Law Committee have been discussing, on a regular basis, many of the provisions of both pieces of legislation. The position of the Bar Association, as we understand it, is that H.B. 339 is too comprehensive in scope, and consideration of most of the provisions of the bill ought to be deferred. The Bar Association is opposed to major provisions of H.B. 339 and has serious reservations about other sections. We also understand it to be the position of the Bar Association that further examination of the Uniform Securities Act, as an alternative to H.B. 339, ought to be undertaken.

The Division of Securities remains adamant in its opposition to passage of S.B. 139 in its present form. The Division very clearly stated, in previous editions of the Bulletin as well as in several public announcements on the subject, that the exemptions proposed in S.B. 139, are too comprehensive and would effectively frustrate the ability of the Division to protect Ohio investors. The Division has proposed several amendments to S.B. 139 which would meet, in some part, the economic concerns expressed by the sponsors of that bill; while at the same time providing some measure of protection for investors. In addition to changes in some of the existing provisions of S.B. 139, we have also recommended the inclusion in that bill of several provisions from H.B. 339. It is the feeling of the Division that it would be appropriate for the General Assembly to consider the passage of S.B. 139, in an amended form with the inclusion of several additional guarantees of investor protection extracted from H.B. 339, this year or early next year.

Another important piece of legislation will be introduced after the first of the year at the request of the Division of Securities. That legislation, drafted over a year ago by the Division, would put the Division of Securities on the same sound financial footing that the Division of Banks, Division of Building and Loan Associations, and the Division of Real Estate currently enjoy. This legislation would increase the amounts charged for various licenses issued by the Division, as well as increase fees for some of the services we perform.

Most significantly, this legislation also provides that all fees or other charges collected by the state of Ohio for activities of the Division of Securities, would be placed in a rotary fund identical to that provided for the Division of Banks, Building and Loan Associations, and Real Estate. This process would make the Division of Securities self-supporting. It is the position of the Division that continued effective regulation of the securities, credit union, and consumer finance industries is absolutely dependent upon the establishment of a procedure which would allow for the continuous funding of the activities of the Division independent of budget problems which effect other types of state agencies. The concept of this legislation, which has been discussed with representatives of all licensees or registrants, as well as Ohio State Bar Association, appears to have their unanimous support. It has been our experience that anyone who pays a registration or licensing fee for a service that is performed by this Division is more than willing to see the amount of that fee or charge increased so long as that increase is tied to some substantial guarantee of more effective regulation.

## REGULATORY STANDARDS

For over a year now, the Division has been devoting some energies toward an analysis of the feasibility of adopting a permanent set of regulatory standards. As people who practice before the Division realize, various standards have been adopted or rescinded on several occasions. Over the years, it appears that succeeding administrations within the Division, have chosen to go about the process of establishing standards in different ways. This has resulted in a great deal of confusion concerning precisely what standards are followed by the Division in making various determinations with respect to registrations or other decisions.

The Division will begin immediately to define with precision the most important regulatory standards which are currently applicable. This effort, which will involve several personnel from the Division, will be a cooperative one with various committees of the Ohio State Bar Association. Discussions have been undertaken with several representatives of the Corporation Law Committee, and the Oil and Gas Committee. Those discussions will continue on a regular basis.

We are not certain, at this time, precisely what form these proposed regulatory standards will take. It is entirely possible that they will be adopted as rules pursuant to Chapter 119. It is also quite possible that they will be published as regulatory standards in a manner similar to that in which such standards were adopted during 1973 and 1974.

It is our feeling that members of the Bar Association and other individuals who rely upon the Division of Securities are entitled to a clear statement of the standards which are applied during the registration process. We will be endeavoring throughout our work with the Bar Association to develop a set of regulatory standards which can be easily understood by the average practitioner. There will be no attempt to promulgate a set of regulatory standards so comprehensive in scope as to purport to address every potential problem which may arise with any registration filed with the Division. It is our feeling that regulatory standards published by the Division should address only

those problems which in fact the Division experiences on a regular basis. More information on this project will be forthcoming in future editions of the Bulletin, and any party who practices before or is licensed by the Division is encouraged to submit any suggestions which might have a bearing on our determinations.

## Robert P. Fickell 1917-1977

Robert P. Fickell, Superintendent of the Consumer Finance Section, died on October 22. In his 30 year career in the consumer finance area, he spent 23 years with private loan companies and 7 years as a regulator for the state of Ohio. In Mr. Fickell's career in state service, his activities touched every area of the consumer finance industry. In addition to processing applications for licensees and renewals, he supervised and analyzed field examinations to determine licensees' solvency and compliance with state law.

Mr. Fickell spent much of his time helping resolve consumer complaints through investigations, interviews, arbitration, and cooperation with the Better Business Bureau. He had a well deserved reputation for investing special time and effort in his attempts to aid individual Ohio consumers.

Maintaining communications with industry members and the other agencies regulating consumer finance was an important part of Mr. Fickell's job. He was third vice president of the National Association of Consumer Credit Administrators, and would have assumed the presidency of that organization in two years.

His loss will be sharply felt by his colleagues, members of the consumer finance industry, and the individual consumers whose problems he worked so conscientiously to solve.

## Examiners Meet

Examiners for the Ohio Commerce Department attended a one day meeting at Department headquarters in Columbus on October 12, 1977. The purpose of the meeting was to coordinate the efforts of examiners and office personnel. Commerce Director J. Gordon Peltier and Clark W. Wideman, Acting Commissioner, greeted the participants and discussed the importance of the role which examiners play in the operation of the Division. There was also a discussion of future changes in examination priorities which are being considered by the Division.

The remainder of the morning sessions dealt with personnel and procedural matters. These discussions were conducted by Earlene Osmon, Personnel Officer; John Robe, Fiscal Officer; Nick Caraccilo, Office Manager; and Nodine Miller, Attorney Inspector. In addition, William G. Wilcox of the Public Employees Retirement System made a slide presentation of the benefits of this system.

The afternoon sessions featured discussions of examination procedures and certain problem areas. These sessions were organized around the activities of different sections of the Division (Credit Union, Consumer Finance, Broker-Dealer, and Registration).

This meeting provided the examiners working in the field with an opportunity to review Division policies and procedures and learn about recent changes and developments. It also provided an opportunity for the field staff and the office staff to become better acquainted. Future meetings, of a more comprehensive and educational nature, are planned. Hopefully these meetings will include sessions with representatives of the licensees and registrants which the Division examines. Such meetings should improve the Division's ability to serve the people who rely upon it.

## Wideman Testifies at FTC Hearing

On October 20, Acting Commissioner Clark W. Wideman testified before the Federal Trade Commission in opposition to certain provisions of a proposed rule concerning unfair credit practices.

At the Chicago hearing, Wideman testified that the Ohio Department of Commerce believes that although the rule might benefit a few consumers, any advantages would be outweighed by such adverse effects as an increase in the cost of credit and a decrease in credit availability.

Among the Department's specific objections is the strong possibility that the provision which would prohibit waivers of exemption would deprive many borrowers of their right to use their assets to bargain for better rates and terms. Such borrowers might then have to pay the higher costs of unsecured credit.

Similarly, a ban on the use of household goods as collateral might also result in less credit availability. In Ohio, this provision seems to be little more than an unnecessary obstruction, because the repossession of household goods used for security has not been a cause for concern to the vast majority of borrowers. In fact, there were no recorded complaints involving use of household goods as security or repossession of household goods in 1976.

Although the Commerce Department agrees that better disclosure to co-signors would be beneficial, it has reservations about the requirement that before attempting to collect from the co-signor, "the lender must diligently attempt to collect the debt from the principal debtor." Often, a co-signor loan is made on behalf of a younger person whose loan is co-signed by a parent or close relative. The Division questions the propriety of imposing additional burdens upon borrowers and co-signors when both are members of the same family. As in the case of the proposed rule prohibiting the use of household goods as collateral, the Department feels that there is no record of abuses attributable to licensed lenders in Ohio which would justify the Federal Trade Commission's proposed imposition of this rule on Ohioans.

In addition to objections to specific provisions, the Department has some general objections to the proposed rule. The Department feels that the federal government is not as well equipped to deal with problems of credit availability in the State of Ohio as the Ohio General Assembly. The Department maintains that the General Assembly has legislated against several of the specific problems dealt with in the unfair credit practices rule as those problems arose. This seems to be an area of regulation which should be left to the states, since there appears to be an almost total absence of evidence indicating the need for intervention by the federal government.

The Department's position, in opposition to the proposed rule, was originally prepared by Bob Fickell, Supervisor of the Consumer Finance Section. Mr. Fickell suffered the heart attack, which later claimed his life, a short time after completing work on his testimony.

## Ohio Supports Appeal of Sunshine Mining Decision

On September 6, 1977, Judge Hill of the United States District Court for the Northern District of Texas, in *Great Western United Corporation v. Wayne L. Kidwell et al*, found the Idaho corporation takeover statute to be unconstitutional. The judge found that the Idaho statute as applied to Great Western's cash tender offer for the purchase of securities of Sunshine Mining Company, represented an unconstitutional burden on interstate commerce in violation of the commerce clause of the U. S. Constitution and intruded into an area preempted by federal regulation, the Williams Act, in contravention of the supremacy clause of the U.S. Constitution. This decision could affect every state having a takeover statute including Ohio. The Idaho statute has never been applied prior to the Sunshine case. Judge Hill's conclusions were based upon speculation and assumptions about the effects the Idaho takeover statute might have rather than the practical application of that statute.

In addition, the Texas court concluded that venue was proper in that district and that the Texas court had jurisdiction over the appropriate Idaho state officials. This decision could mean that, at any given time, the appropriate Ohio officials might also have to defend themselves and their administration of the Ohio takeover statute in a court in any other state. Judge Hill's decision has been appealed.

Ohio's statute passed in 1969, has been tested through ten corporate takeovers, with six of these takeovers going through the hearing process before the Division. Because the Division felt that the conclusions of the Texas court were both contrary to law and contrary to the Division's experience, it filed an amicus curiae brief on October 16, 1977, in the Fifth Circuit Court of Appeals in New Orleans, Louisiana.

Ohio's amicus brief addresses itself to the application of the Ohio statute and the resulting benefits to investors. It

also addresses itself to the jurisdictional aspects of the case. A number of attorneys, who had previously participated in one or more of the various takeovers considered by the Division, took part in the preparation of Ohio's brief. That tremendously valuable assistance is gratefully acknowledged.

Since our filing, at least one other state has filed a motion to stand in support of Ohio's brief. Oral arguments in this case begin on December 13, 1977. It appears likely that Donald A. Antrim, Assistant Attorney General, will represent the Division of Securities at that time. Copies of Ohio's amicus curiae brief are available from the Division of Securities.

## IMPORTANT NOTICE from Ted W. Brown Secretary of State

Forms are now available from the office of the Secretary of State for compliance with the requirements of Am. H. B. No. 296. This new law, which takes effect on November 24, 1977, requires the user of any business name which does not fully identify the user (e.g. Joe's Country Market), to report that name to the Secretary of State as a "Fictitious Name" unless it is on file as a corporate name or Trade Name. All names now in use must be on file by December 31, 1978.

Users affected by the requirement include any individual doing business under a name other than his or her personal name, partnerships using a name that does not identify all the partners, corporations that do business under a name other than the corporate title, and other business entities using fictitious names.

Note that the new law treats "Trade Names" and "Fictitious Names" as separate entities. A Trade Name is defined as "A name used in business . . . to which the user asserts a right to exclusive use." (Emphasis added.) This filing, therefore, gives protection to the name against subsequent filings of confusingly similar corporate or trade names. A Fictitious name, by contrast, is one which has not been or cannot be registered as a corporate or trade name (e.g. because another has already so registered it). The fictitious name report, therefore, gives no protection to the name. Its sole purpose is to comply with the law by making the use of the name as matter of public record.

The new law should make it easier for the public to determine with whom it is doing business and should aid attorneys in identifying the proper party to designate as defendant in many legal actions.

The current filing fee for either registration is \$10.00. The Trade Name fee is set by Section 1329.02 of the Revised Code, while the fee for Fictitious name reports is based on Section 111.16(F) of the Revised Code. Both types of filings are renewable at five (5) year intervals. The current renewal fee for either is \$5.00 (Sec. 1329.04, Ohio Revised Code).

# Status Report House Bill 356

During 1977, the Department of Commerce has been active in its support of House Bill 356 which would create a Division of Credit Unions and a Division of Consumer Finance within the Ohio Department of Commerce. This bill, proposed in January by Governor James A. Rhodes, is sponsored by a number of leading representatives from both political parties.

The concept for such a separation of functions now vested in the Division of Securities is not a new one. Administrators in this Department have recognized for some time that the stature and importance of these industries has increased tremendously. The rationale which originally justified the inclusion of these diverse functions within the Division, no longer applies. This regulatory framework has simply outlived its usefulness.

The Division of Securities has regularly devoted a significant portion of its total resources to the supervision of credit unions and the various licensees collectively referred to as consumer finance companies. It is becoming increasingly apparent that the Division cannot continue indefinitely to devote such a disproportionate share of its limited resources to these functions while ignoring equally important responsibilities for the registration of securities and the licensing and supervision of broker-dealers and salesmen under Chapter 1707. of the Revised Code.

Legislation to create separate Divisions was originally drafted by the Department of Commerce in response to requests from the credit union and consumer finance industries. In addition to original drafting responsibilities, the Department has continued to monitor the progress of this legislation and provide technical assistance when appropriate.

On September 27, 1977, H.B. 356 was passed by the House of Representatives by a vote of 90-0. The bill had been heard twice by the Governmental Affairs Committee which is chaired by Rep. Michael Del Bane (D-Hubbard). It has been referred to the Senate Ways and Means Committee chaired by Sen. Robert O'Shaughnessy (D-Columbus). Hearing dates have not yet been established for consideration of the bill by the Senate, but the Department is hope-

ful that it will receive early consideration and be acted upon favorably.

## Deadline Looms for Credit Unions

Section 1733.041 of the Revised Code states that every credit union operating under Chapter 1733. must obtain share guaranty insurance by no later than December 31, 1978. Credit unions which fail to obtain such insurance before this rapidly approaching deadline will be forced to discontinue operations through either merger or liquidation.

The required share guaranty insurance may be obtained from the National Credit Union Administration (NCUA), the American Credit Union Guaranty Association (ACUGA), or from any insurer qualified under the laws of this state to write such insurance. Applications for the guaranty insurance can be obtained by writing the Supervisor of Credit Unions, 180 East Broad Street, Columbus, Ohio 43215, or by calling (614) 466-2384.

The credit union should complete the application upon receipt. The NCUA application should then be sent to the Ohio Supervisor of Credit Unions who will process it and forward it to the Regional Director in Toledo. The ACUGA application may be sent directly to the Association's office at 140 East Town Street, Columbus, Ohio 43215. A letter should be sent to the Supervisor of Credit Unions notifying him that the application has been submitted to ACUGA.

Credit unions are advised to file for share guaranty insurance as soon as possible so that the insuring agencies will have ample time to review the applications and make a determination.

## Errors Cause Delay

Errors by attorneys and issuers often create unnecessary delay in the approval of new offerings. These errors waste staff time and postpone the date upon which issuers can begin selling shares. The Securities Division hopes that the following discussion of specific problem areas will help reduce both general confusion and the frequency of error. Some of these problems reflect misunderstanding of policy while others seem to demonstrate inefficient office operations. (continued)

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### ORDER FORM

If you wish to continue receiving the Securities Bulletin, please fill in the information requested below, place a stamp on the other side of this form, and return it to the Division.

NAME: \_\_\_\_\_

FIRM: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

If the above address is new or corrected, please check this box.

### Policy Problems

1. We repeat our long standing policy that notes and debentures in a start-up company are not acceptable to the Division, because there is no realistic basis for determining how or if the interest obligations can be satisfied. Attorneys who have ignored this policy have been forced to expend much time and effort restructuring offerings.

2. Loans to officers and controlling persons have recently given the Division some cause for concern. As a general policy, such loans are only permissible when made in connection with ordinary business expenses, i.e. travel, relocation, etc. To avoid any complications or delays in gaining effectiveness, it is usually advantageous for the loans to be paid off prior to the effective date of the offering.

3. Division policy requires a sinking fund when the maturity date is more than ten years from the date of issuance. The sinking fund must be calculated to retire at least 90% of the principal amount prior to maturity. The Division believes that such a policy is in the best interest of the investor, and consequently the burden is upon the issuer to show cause for waiving the rule.

### Procedural Problems

1. Checks-The Division receives many unsigned and undated checks, as well as checks for incorrect amounts. Attorneys who do not file frequently in Ohio should note that there is a \$25.00 filing fee plus a qualification fee (Section 1707.09 of the Ohio Revised Code). Applicants should make sure that every check is made out for the correct amount, dated, and signed. All checks should be made payable to the Ohio Division of Securities.

2. Forms-Often the Division receives applications which are incorrect or incomplete. Many forms are not accompanied by the required check or money order, while others are unsigned or unnotarized. All of the requested information should appear on the form itself. Remember, it is not enough to refer in the form to the relevant section of an official statement or prospectus. All of the required documents should be enclosed. Absence of information delays the examination process. The Division suggests that a cover letter be enclosed so that Division personnel will know immediately who to contact to resolve problems with the application.

3. Inquiries-Please allow a reasonable time after receipt of the application by the Division before calling to inquire about the status of the application. Numerous premature calls take time away from the examination procedure, and thereby increase the length of time necessary to complete the examination of the applications.

### Exemptions for Promissory Notes

The Division still receives numerous inquiries about exemptions for the sale of promissory notes and commercial paper to potential investors, other than officers and directors, pursuant to Section 1707.02 (G) of the Revised Code.

Rule 1301:6-3-02, effective December 13, 1975, states that exemption for the sale of commercial paper and promissory notes as provided in Section 1707.02 (G), is restricted to sales to officers and directors only.

Commercial paper and promissory notes otherwise offered to existing security holders, employees, and all other natural persons are deemed to be offered to the public.

### Oil and Gas Registration Abuses

Certain problems with oil and gas registrations are drawing close attention from the Division. Examiners are carefully scrutinizing the operations of oil and gas companies to determine if they are in compliance with the terms of the offering as filed. They will be on the alert for non-compliance with the 40% and 2% compensation rules to promoters and issuers and for potential abuses of administrative expenses used in drilling and completion costs. Division examiners are also focusing on sales prior to the registration date and sales to non-residents of Ohio, when the offerings state that all sales will be to Ohio residents only.

Applicants or issuers with questions about their responsibilities under Ohio laws regulating oil and gas companies should contact the Ohio Division of Securities. Division attorneys or examiners will assist interested parties in the interpretation of these rules.

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#### Return Address

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Ohio Department of Commerce  
Division of Securities  
180 East Broad Street  
Columbus, Ohio 43215

# STATISTICS

## Statistics Summarizing the Division's Activities for September and October

ENFORCEMENT SECTION	Sept.	Oct.
Inquiries Received	98	114
Complaints Received	2	4
Complaints Closed	7	6
Broker-Dealer Suspensions	0	1
Salesman Suspensions	0	0
Salesman License Revocations	0	0
Salesman License Refusals	0	0
Registration Suspensions	0	0
Hearings Held	0	1
Court Actions	0	0
Prosecutions Recommended	0	0
In-Depth Investigative Interviews	26	22
Subpoenas Issued	2	3
Matters Referred to Attorney General	0	1
Matters Referred to SEC	0	0

## CONSUMER FINANCE SECTION

### Licenses Issued

Small Loan	20	9
Second Mortgage	20	8
Premium Finance	1	0
Pawnbroker	0	0

### Licenses Cancelled

Small Loan	5	4
Second Mortgage	2	2
Premium Finance	0	0
Pawnbroker	0	0

### Licenses Suspended

Small Loan	0	0
Second Mortgage	0	0
Premium Finance	0	0
Pawnbroker	0	0

## BROKER-DEALER SECTION

Applications Received	Sept.	Oct.
Securities Broker-Dealer (Form 15)	9	10
Foreign Real Estate Broker-Dealer (Form 331-A)	4	2
Securities Salesman (Form 16)	187	215
Foreign Real Estate Salesman (Form 331-B)	24	7

### Licenses Issued

Securities Broker-Dealer	4	10
Foreign Real Estate Broker-Dealer	0	2
Securities Salesman	136	170
Foreign Real Estate Salesman	3	0

### Licenses Cancelled

Securities Broker-Dealer	4	1
Foreign Real Estate Broker-Dealer	1	1
Securities Salesman	113	74
Foreign Real Estate Salesman	1	3

## EXAMINATION SECTION

Broker-Dealer Examinations	5	14
Registration Examinations		
Form 6	5	13
Form 9	18	13
Other	4	10
Credit Union Examinations	63	36
Small Loan Examinations	99	83
Second Mortgage Examinations	76	80
Premium Finance Examinations	1	11
Pawnbroker Examinations	4	7
*Compliance Examinations	180	181

\*Total of Small Loan, Second Mortgage, Premium Finance, and Pawnbroker Examinations

## CREDIT UNION SECTION

Suspensions	1	1
Hearings	0	1
Mergers	0	1
New Charters	0	3
Examination Fees	\$3,429.20	\$3,904.00
Xerox Fees	\$ 318.00	\$ 397.50
Supervisory Fees	0	\$ 30.00
CU-1 Fees	0	0
CU-2 Fees	0	0

### SUSPENSION OF NORMAL OPERATIONS:

Prince Hall Masonic Credit Union on September 22, 1977

Temple Baptist Church Credit Union on October 12, 1977

### LIQUIDATION:

Peabody Galion Employees Credit Union on October 27, 1977

### MERGER APPROVED:

Electric Products Employees Credit Union

with

White Motor Credit Union on October 5, 1977

### CHARTERS ISSUED:

OAWA on October 4, 1977

Pipefitters Local 120 on October 13, 1977

Colamco on October 18, 1977

2(B) 41  
 3-O 564  
 5(A) 3  
 6(A)(1) & 6(A)(2) 160  
 6(A)(3) 38  
 6(A)(4) 5  
 Interstate Corporate 24  
 Interstate Corporate 10  
 Stock Option & Purchase Plan 3  
 Intrastate Corporate 2  
 Investment Companies 38  
 R.E.I.T. 2  
 Real Estate Limited Partnerships 15  
 Cattle Funds 3  
 Other Non-Corporate 4  
 Oil & Gas Offerings 22  
 Form 39 15

Applications Received  
 Sept. 49  
 530  
 2  
 186  
 30  
 6  
 26  
 3  
 2  
 32  
 0  
 25  
 0  
 17  
 14

Certificates and Orders Issued  
 Sept. 25  
 672  
 0  
 184  
 27  
 4  
 15  
 3  
 0  
 16  
 0  
 16  
 1  
 0  
 19  
 3

REGISTRATION SECTION

STATISTICS (continued)

STATE OF OHIO  
 DEPARTMENT OF COMMERCE  
 DIVISION OF SECURITIES  
 180 EAST BROAD STREET  
 COLUMBUS, OHIO 43215

