

## PUBLIC NOTICE

At 10:00 a.m. on Tuesday, October 19, 2004, the Ohio Division of Securities will hold a public hearing regarding the Division's intent to amend Ohio Administrative Rule 1301:6-3-15, 1301:6-3-15.1, 1301:6-3-16 and 1301:6-3-44. The hearing will be held in the offices of the Division located at 77 South High Street, 22nd Floor, Columbus, Ohio 43215-6131.

Copies of the proposed rule amendments may be obtained by contacting the Ohio Division of Securities at the above address or by calling the Division at (614) 644-7381. Copies of the proposed rule amendments may also be obtained from the Division's Internet homepage located at [www.securities.state.oh.us](http://www.securities.state.oh.us) or the Register of Ohio located at [www.registerofohio.state.oh.us](http://www.registerofohio.state.oh.us). The proposed rule amendments are summarized in the following:

**OAC 1301:6-3-15.** The proposed substantive amendments to this rule require that Ohio licensed dealers maintain records relating to the fingerprinting of their securities salespeople and reports of missing, lost, stolen or counterfeit securities. Cross references to certain federal rules are proposed for subparagraphs (C)(13)(m), (C)(13)(n), (C)(13)(o), and (C)(13)(p). Cross references to federal rules in paragraphs (C)(2)(g), (C)(9), (C)(10), (C)(13)(x), (C)(13)(z), and (L)(2) are being amended to reflect versions of the federal rules in effect as of November 20, 2004. In addition, other technical or formatting corrections/changes are being made.

The purpose for the proposed amendments to 1301:6-3-15 is to permit the Division to avail itself of Criminal History Record Information ("CHRI") in connection with license applications. To continue to have access to CHRI, the division is incorporating certain provisions of the rules promulgated under the Securities Exchange Act of 1934.

**OAC 1301:6-3-15.1.** The proposed substantive amendments to this rule include the addition of subparagraphs (E)(1)(s) and (E)(1)(t) to require that investment advisers keep current copies of the policies and procedures required under the proposed amendment to 1301:6-3-44, and copies of all records documenting the investment adviser's annual review of the same. Cross references to federal rules in paragraphs (A)(1), (A)(3), (A)(4), (A)(5), (A)(15), (H)(3)(b), (H)(3)(c)(i), (H)(3)(c)(ii), (H)(3)(d), and (H)(6) are being amended to reflect versions of the federal rules in effect as of November 20, 2004. In addition, other technical or formatting corrections/changes are being made.

The purpose for the proposed amendments to this rule is to require investment advisers to keep documents evidencing their compliance with the proposed amendment to 1301:6-3-44 requiring that licensees maintain copies of policies and procedures.

**OAC 1301:6-3-16.** The proposed amendment to 1301:6-3-16 requires securities salespersons to submit their applications and fingerprint information through the Central Registration Depository, a nationwide database maintained by the NASD.

The purpose for the proposed amendment to 1301:6-3-16 is to incorporate proposed changes to be made regarding fingerprint card records in OAC 1301:6-3-15(C)(13).

**OAC 1301:6-3-44.** The proposed substantive amendments to this rule include a new paragraph (H) requiring that investment advisers adopt and implement written policies and procedures reasonably designed to prevent violations of the Ohio Securities Act and the rules adopted thereunder. It further requires that investment advisers review these policies and procedures annually, and appoint an individual responsible for administering them. Two technical corrections are being made to the custody rule in OAC 1301:6-3-44(B). Cross references to federal rules in paragraphs (B)(2), (B)(3), (C)(1), (D)(4) and (G)(1) are being amended to reflect versions of the federal rules in effect as of November 20, 2004. In addition, other technical or formatting corrections/changes are being made.

The purpose for the proposed amendments to this rule is to enhance protection for investment advisory clients.