

PUBLIC NOTICE

At 10:00 a.m. on July 9, 2015, the Ohio Division of Securities ("Division") will hold a public hearing regarding the Division's intent to amend Ohio Administrative Rules 1301:6-3-01, 1301:6-3-02, 1301:6-3-03, 1301:6-3-14.1, 1301:6-3-15, 1301:6-3-15.1, 1301:6-3-16, 1301:6-3-16.1, 1301:6-3-19, 1301:6-3-39.1, 1301:6-3-44, and 1301:6-3-48 and to rescind Ohio Administrative Rule 1301:6-1-03. 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Copies of the proposed rule amendments and the proposed rescinded rule may be obtained by contacting the Ohio Division of Securities at the above address or by calling the Division at (614) 644-7381.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 Department of Commerce's Internet page located at <http://www.com.ohio.gov/ProposedRules.aspx> or the Register of Ohio located at <http://www.registerofohio.state.oh.us/>. The proposed rule amendments and proposed rescinded rule, and the rules that remain unchanged, are summarized below:

Administrative Code	Description of revision
1301:6-1-03	Public notice of promulgation of rule – TO BE RESCINDED
1301:6-3-01 (L)	Clean-up change to correct a citation to the 1933 Securities Act.
1301:6-3-02	Revise to delete names of specific national exchanges and substitute reference to Securities Act of 1933
1301:6-3-03 (G)	Revise by deleting references to (X) because the consent to service is no longer required as part of that filing.
1301:6-3-14.1	Revise to change NASD references to FINRA; require notice filers to submit a Form ADV, part 2A; correct a citation to Form ADV and a citation to 1301:6-3-15.1.
1301:6-3-15 (B)	Revise to substitute designated principals identified on federal form BD for those in specific list of designated principals.
1301:6-3-15.1 (A)(16)	Revise definition of "Qualified Client" for purposes of performance fees; this definition is used for determining which customers an IA may charge performance fees; definition mirrored federal definition, federal definition was amended (Dodd-Frank 2011) effective May 2012, dollar thresholds were increased.

1301:6-3-15.1 (B)	Make rule consistent with new ADV instructions by relabeling parts I and II to parts 1 and 2; make filing of Amendments consistent with federal requirements.
1301:6-3-15.1 (E)(1)(d)	Revise to change cash reconciliations to “bank reconciliations”
1301:6-3-15.1 (E)(1)(f)	Revise to clarify the form of financial statements and internal audit work papers; current rule requires “financial statements” (undefined term), proposed change would codify Division policy of requiring Income Statement and Balance Sheet
1301:6-3-15.1(E)(1)(k) and (p)	Revise to update rule to include internet advertising and social media as part of the records that must be maintained.
1301:6-3-15.1(E)(7)	Include requirement to maintain electronic records for the same period that paper records would have been maintained.
1301:6-3-15.1 (G)	Amend brochure rule under subsection (G) to clarify that brochure should be in format of new Part 2 only; change to Arabic numbers; correct reference to part 2A of Appendix 1 for wrap programs.
1301:6-3-15.1 (H)	Revise to expressly require all advisory contracts to be signed and dated by the client and the IA.
1301:6-3-15.1 (K)	Revise to reduce the time an application may remain pending without action from one year to 180 days to provide for parity with BD rule.
1301:6-3-16 (D)	Create a limit of 180 days as the time a salesperson’s application may remain pending without action to provide for parity with BD rule.
1301:6-3-16(E)	Expand rule to allow a salesperson to be affiliated with two dealers.
1301:6-3-16.1	Revise throughout to change NASD references to FINRA;
1301:6-3-16.1(G)	Create a limit of 180 days as the time an IAR application may remain pending without action to provide for parity with BD rule.
1301:6-3-19(D)	Correct citation.
1301:6-3-39.1 (F)	Revise to omit service of process consent (in line with statutory change); add language to allow credit for any previously paid fee.
1301:6-3-44(A)	Update rule to include social media sites in the restrictions to false advertising.

1301:6-3-44(C)	Revise solicitor rule to include state securities regulatory violations among the disqualifying provisions.
1301:6-3-44(E)	Add a specific prohibition against any IA or IAR breaching their fiduciary duty to their client.
1301:6-3-48	Revise to indicate that retention of copies may be electronic; include records relating to all licensees (adding BWC and SRS officers); acknowledges that Division may receive electronic records and may dispose of hard copies once any document is converted to electronic format.