

PUBLIC NOTICE

At 10:00 a.m. on May 17, 2006, the Ohio Division of Securities will hold a public hearing regarding the Division's intent to amend Ohio Administrative Rule 1301:6-3-01, 1301:6-3-15, 1301:6-3-15.1, OAC 1301:6-3-16.1, 1301:6-3-16.3, 1301:6-3-19 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 or the Register of Ohio located at www.registerofohio.state.oh.us. The proposed rule amendments are summarized in the following:

OAC 1301:6-3-01. The purpose for the proposed amendment is to add the uniform definition of "branch office," which is incorporated in the new, uniform Form BR as part of the Division's required regulatory filings. The branch office definition and Form BR are nationwide initiatives spearheaded by the North American Securities Administrators Association ("NASAA"), the National Association of Securities Dealers ("NASD"), and the U.S. Securities and Exchange Commission ("SEC"), to create uniformity as to what constitutes a branch office and to create a uniform mechanism for filing. The addition of the term "promptly" will require licensees to amend or update filings within 30 calendar days of knowing of facts and circumstances giving rise to an amendment or update. The addition of this term mirrors the NASD requirements imposed upon dealers and their registered representatives.

OAC 1301:6-3-15. The purpose for the proposed amendment to 1301:6-3-15 is to clarify that the provisions within the rule that relate to a request to cancel a securities salesperson's license also relate to a request to cancel a securities salesperson's license application. Additionally, the rule is being amended to add language specifying that if an applicant's application has been pending for more than a year without correcting outstanding deficiencies, the Division may notify the Central Registration Depository ("CRD") and/or the Investment Adviser Registration Depository ("IARD") systems maintained by the National Association of Securities Dealers ("NASD"), to terminate the pending application. Finally, the rule requires dealers to notify the Division of branch offices by incorporating the new, uniform Form BR within our required regulatory filings. The branch office definition and Form BR are initiatives spearheaded by NASAA, the NASD, and the SEC, to create nationwide uniformity as to what constitutes a branch office and to create a uniform mechanism for filing.

OAC 1301:6-3-15.1. The purpose for the proposed amendment to 1301:6-3-15.1 is to clarify that the provisions within the rule that relate to a request to cancel a investment adviser representative's license also relate to a request to cancel a investment adviser representative's license application. Additionally, the rule is being amended to permit

the Division to terminate license applications that have been pending with deficiencies for over a year. Also, the rule requires investment advisers to notify the Division of branch offices by incorporating the new, uniform Form BR within our required regulatory filings. The Form BR is an initiative spearheaded by the NASD, SEC, and NASAA to create nationwide, a uniform mechanism for filing.

OAC 1301:6-3-16.1. The purpose for the proposed amendment to 1301:6-3-16.1 is to correct a cross reference to rule 1301:6-3-15.1.

OAC 1301:6-3-16.3. The purpose of the proposed amendment to 1301:6-3-16.3 is to clarify that the provisions within the rule that relate to a request to cancel a license also relate to a request to cancel a license application.

OAC 1301:6-3-19. The purpose of the proposed amendment to 1301:6-3-19 is to include within the prefatory language to Rule 19(D) the addition of BWC CIOs, which were recently added to the regulatory oversight of the Division. The addition of the term “bar” to the factors of good business repute, will reflect a type of sanction that has been imposed by both the NASD and SEC for many years, but was inadvertently omitted from the sanctions enumerated within the factors of good business repute. Finally, the amendment will include within the factors for consideration under the definition of “good business repute,” instances where the licensee or license applicant has been the subject of complaints, arbitrations or civil litigation, but will specifically exclude any complaints that have been denied or any arbitrations or civil actions that resulted in a judgment or an award against the party bringing the action. This will enhance investor protection by providing the Division with the authority to review non-regulatory actions against applicants and Ohio licensees, as one factor for consideration when determining the applicant’s or licensee’s good business repute.

OAC 1301:6-3-44. The purpose for the proposed amendment is to amend the rule to clarify that the term “advertisement” includes electronic media, such as the internet, DVDs, etc., not merely “written” communications. Also, the rule under “general prohibitions” is being amended to prohibit Ohio licensed investment advisers from making false representations to the Division.