

PUBLIC NOTICE

At 10:00 a.m. on Wednesday, June 27, 2007, 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, 1301:6-3-03, 1301:6-3-06, 1301:6-3-09, 1301:6-3-15, 1301:6-3-15.1, 1301:6-3-19 and 1301:6-3-44 and to adopt Ohio Administrative Rule 1301:6-3-14.2. 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 new 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 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 and proposed new rule are summarized in the following:

Proposed Amended Rules

OAC 1301:6-3-01. The proposed amendment deletes the "as in effect as of July 3, 2006" language from each incorporation of a federal statute or rule. Each incorporation by reference of a federal statute, rule or form will now read "as amended" to include any future amendments to the federal statute, rule or form pursuant to R.C. 1707.20(A)(2).

OAC 1301:6-3-03. The proposed amendment deletes the "as in effect as of September 1, 2003" language from each incorporation of a federal statute or rule. Each incorporation by reference of a federal statute, rule or form will now read "as amended" to include any future amendments to the federal statute, rule or form pursuant to R.C. 1707.20(A)(2).

OAC 1301:6-3-06. The proposed amendment deletes the "as in effect as of September 1, 2003" language from each incorporation of a federal statute or rule. Each incorporation by reference of a federal statute, rule or form will now read "as amended" to include any future amendments to the federal statute, rule or form pursuant to R.C. 1707.20(A)(2).

OAC 1301:6-3-09. The proposed amendment deletes the "as in effect as of March 21, 2005" language from each incorporation of a federal statute or rule. Each incorporation by reference of a federal statute, rule or form will now read "as amended" to include any future amendments to the federal statute, rule or form pursuant to R.C. 1707.20(A)(2).

OAC 1301:6-3-15. The proposed amendment deletes the "as in effect as of July 3, 2006" language from each incorporation of a federal statute or rule. Each incorporation by reference of a federal statute, rule or form will now read "as amended" to include any future amendments to the federal statute, rule or form pursuant to R.C. 1707.20(A)(2). Current paragraph (C) will be amended and current paragraphs (I), (J), (K) and (L) will be deleted as section 1707.14.2(A) of the Revised Code requires dealers licensed with the Division to comply with broker and dealer capital, custody, margin, financial responsibility, record-making, record-keeping, bonding, financial reporting and

operational reporting requirements under federal law and rules adopted by the Securities and Exchange Commission under those provisions. See Sections 15 and 17 of Securities Exchange Act of 1934, as amended, 48 Stat. 881, 15 U.S.C. 78(o) and (q). Paragraph (A)(3) will be amended to authorize the Division to withdraw a dealer's application that has been pending for more than one hundred and eighty days. Currently, Paragraph (A)(3) provides that a Dealer's application may be withdrawn if it is pending for more than one year. The proposed amendment to paragraph (C) confirms that the Division may require dealers to furnish copies of reports or documents upon request or examine the records of any dealer or applicant. Dealers that are not affiliated with the National Association of Securities Dealers, Inc. will be required to file paper copies of Forms BD, BR, U-4 and U-5 and the annual financial report.

OAC 1301:6-3-15.1. The proposed amendment deletes the "as in effect as of April 1, 2004" and "as in effect as of July 3, 2006" language from each incorporation of a federal statute or rule. Each incorporation by reference of a federal statute, rule or form will now read "as amended" to include any future amendments to the federal statute, rule or form pursuant to R.C. 1707.20(A)(2). Additionally, the "Effective July 3, 2006" language in paragraphs (B)(4) and (5) will be deleted.

OAC 1301:6-3-19. The proposed amendment deletes the "as in effect as of July 3, 2006" language from each incorporation of a federal statute or rule. Each incorporation by reference of a federal statute, rule or form will now read "as amended" to include any future amendments to the federal statute, rule or form pursuant to R.C. 1707.20(A)(2).

OAC 1301:6-3-44. The proposed amendment deletes the "as in effect as of July 3, 2006" language from each incorporation of a federal statute or rule. Each incorporation by reference of a federal statute, rule or form will now read "as amended" to include any future amendments to the federal statute, rule or form pursuant to R.C. 1707.20(A)(2).

Proposed Rule

OAC 1301:6-3-14.2. Pursuant to section 1707.14.2(C), the Division may adopt alternative financial and reporting requirements for dealers that are not required under federal law or the Ohio Securities Act to register as a broker or dealer with the Securities and Exchange Commission. A dealer not required to register with the Securities and Exchange Commission may elect to comply with the Division's alternative financial and reporting requirements in lieu of reporting requirements under federal law and rules adopted by the Securities and Exchange Commission under those provisions. See Sections 15 and 17 of Securities Exchange Act of 1934, as amended, 48 Stat. 881, 15 U.S.C. 78(o) and (q). The proposed rule sets forth financial and reporting requirements for dealers that are not required to register as a broker or dealer with the Securities and Exchange Commission, including a number of paragraphs from the current OAC 1301:6-3-15. In determining the alternative financial and reporting provisions in this proposed rule, the Division considered the size, scope and type of business of the dealer that may elect to comply with this proposed rule in lieu of the requirements under federal law and the protection of investors and customers of dealers electing to comply with this proposed rule.