

PUBLIC NOTICE

At 10:00 a.m. on June 5, 2003, the Ohio Division of Securities will hold a public hearing regarding the Division's intent to repeal Ohio Administrative Rule 1301:6-3-15.1 in its entirety and replace it with a new version of 1301:6-3-15.1. 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 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 new rule 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 new rule is summarized in the following:

OAC 1301:6-3-15.1. The new rule re-organizes the current provisions, placing most of the definitions at the beginning of the rule for ease in reading and understanding. Procedural provisions including initial licensure, updates, amendments and renewals are contained in paragraph (B). Paragraph (C) contains the minimum competency or designation requirements for licensees, and paragraph (D) pertains to an investment adviser's duty of reasonable supervision of its representatives. Books and records maintenance and retention provisions are contained in paragraph (E) and apply to investment advisers licensed, or required to be licensed, with the Division. Paragraph (F) pertains to the prevention of misuse of nonpublic information. Paragraph (G) contains disclosure requirements (the "brochure rule") that investment advisers must provide to clients prior to entering advisory contracts. Paragraph (G) also contains disclosure requirements for investment advisers involved in wrap fee programs. Paragraph (H) pertains to investment advisory contracts and compensation parameters. Lastly, paragraph (I) pertains to an investment adviser's withdrawal from licensure, and provisions pertaining to discontinuation of employment or affiliation of an investment adviser representative with an investment adviser are located in paragraph (J).

The purpose in rescinding the current version of the rule and proposing a new rule is to avoid confusion, provide clarity, and to provide updated provisions that parallel federal provisions pertaining to investment advisers. The proposed new rule reformats the current provisions. In addition, certain provisions of the current rule were adopted by "parity" authority contained in Revised Code 1707.20(F) {now Revised Code 1707.201} and will, without further action, expire on June 30, 2004. Therefore, repeal of the current rule in its entirety and in conjunction with proposed updates and formatting will avoid confusion to readers with regard to what changes would otherwise expire on June 30, 2004.