

## DIVISION OF SECURITIES

### General information (COM)

#### Duties

The Division of Securities (“Division”) administers and enforces the Ohio Securities Act found in Chapter 1707 of the Ohio Revised Code. The Division licenses broker-dealers, securities salespersons, investment advisers, investment adviser representatives and investment officers. The Division also registers securities offered for sale to Ohioans. When Ohio’s securities laws are violated, the Division can pursue administrative actions, civil injunctive actions and criminal referrals. Ohio is considered a model state in its licensing, registration, and enforcement practices. The Division works closely with stakeholders in promulgating rules making Ohio a safe marketplace for the investing public.

#### Membership *(Current members, chairperson and other officers, and selection process.)*

Andrea Seidt – Ohio Securities Commissioner; appointed by the Governor

Roger L. Patrick, Jr. – Division Counsel; appointed by the Commissioner

Janice Hitzeman – Attorney Inspector; appointed by the Commissioner

John Crist – Compliance Director; appointed by the Commissioner

#### Budget *(Current budget, description of budgeting process, sources of funding, and expected increases or decreases in budget or funding in future years.)*

The Division of Securities is self-funded through the licensing and registration revenue outlined in the Ohio Revised Code Chapter 1707. All of these fees are paid into the State Treasury to the credit of the Securities fund (Fund 5500). The Division receives no General Revenue funding, but rather is a consistent contributor of excess revenue to GRF. The Division also receives money from settlements that is paid into the State Treasury to the credit of the Securities Enforcement and Education fund (Fund 5GKO).

**Workload** *(Assess current, past, and anticipated workload. Has the workload increased or decreased significantly in the preceding six years?)*

The workload has increased significantly over the last few years with an increase in the number of licensees with the compliance section. The number of cases with a number of those resulting in criminal convictions have increased significantly as well.

**Staffing** *(How many staff are currently employed by the Division? What are their roles? Are staffing levels proportionate to the Division's current and anticipated workload?)*

There are 39 FTE in the Division of Securities.

Commissioner, Assistant to the Commissioner, Division Counsel, Attorney Inspector, 2 Deputy Attorney Inspector, 7 Enforcement Attorneys, 3 Investigators, 2 Forensic Accountants, Compliance Director, 4 Compliance Attorneys, Examination Programs Administrator, 5 Examiners and 10 Administrative staff in various support roles. There are currently 3 vacancies.

The Division anticipates increasing staffing to meet the demands of the workload in the next few years.

**Administrative hearings and public complaints** *(Describe the Division's processes for administering discipline and addressing complaints. Assess the efficiency of the processes.)*

The Division follows the administrative hearing process that is outlined in Chapter 119.

## Bureau of Workers' Compensation chief investment officer

### Survey response (COM)

Description
According to ORC 1707.164, no person shall act as a bureau of workers' compensation chief investment officer unless the person is licensed as a bureau of workers' compensation chief investment officer by the division of securities.

Type <i>(License, specialty license for medical reimbursement, government certification, registration, bonding or insurance, inspection, or process regulation. See R.C. 4798.01 for relevant definitions.)</i>
License

If the regulation is a registration, certification, or license requirement, please complete the following:	
Number issued annually	1
Number renewed annually	1

If the regulation is a registration, certification, or license requirement, please complete the following:	
Have there been significant increases or decreases in active registrations, certifications or licenses in the preceding six years?	No
Education or training requirements	N/A
Experience requirements	N/A
Examination requirements ( <i>Who administers the exam? How is the exam and administrator selected? What fees are charged? Does the Division receive any proceeds of those fees? If so, how are the proceeds used?</i> )	Applicant shall include documentation that the applicant has been designated as a chartered financial analyst by the CFA Institute and remains in good standing as required by division (A) of section 4123.441 of the Revised Code.
Continuing education requirements ( <i>Including a description of the curriculum and the process of setting it.</i> )	N/A
Initial fee	\$50
Duration	Annually expiring on June 30 <sup>th</sup> .
Renewal fee ( <i>If different from initial fee, please explain why.</i> )	\$50

**If the regulation is a registration, certification, or license requirement, please complete the following:**

<p><b>Does the Division recognize uniform licensure requirements or allow for reciprocity?</b></p>	<p>According to ORC 1707.165(D)(2), The division shall issue a license to act as a bureau of workers' compensation chief investment officer in accordance with Chapter 4796. of the Revised Code to an applicant if either of the following applies:</p> <p>(a) The applicant holds a license in another state.</p> <p>(b) The applicant has satisfactory work experience, a government certification, or a private certification as described in that chapter as a bureau of workers' compensation chief investment officer in a state that does not issue that license.</p>
<p><b>Are there any similar national registrations, certifications, or licenses? Could they be used as a substitute for the state regulation?</b></p>	<p>No</p>
<p><b>Are there any circumstances in which an individual may practice elements of the occupation without being regulated by the Division?</b></p>	<p>No</p>
<p><b>Is the Division permitted to exercise discretion in determining whether to register, certify, or license an individual?</b></p>	<p>Yes</p>
<p><b>Other information</b> <i>(Significant attributes or prerequisites to licensure not addressed in this chart.)</i></p>	

**Oversight and disciplinary authority of the Division respecting individuals engaged in the occupation.**

The Division has the authority to investigate applicants, licensees and/or persons suspected of engaging in unlicensed activity. Chapter 1707 permits this to be accomplished in a number of ways including the issuance of subpoenas, examination of records, interviewing individuals, the issuance of orders, etc. The Division may also seek administrative actions, pursue civil remedies or refer cases for criminal prosecution.

**How much revenue is derived from fees charged by the Division to individuals engaged in the occupation (such as license and renewal fees)? How is that revenue used?**

There is only one licensed BWC/CIO so the revenue generated is \$50 (renewal figures). This money is deposited with the State Treasurer and applied to the Securities Fund which is used for payroll and expenses related to operating the Division.

**Describe any federal regulations that apply to the occupation. Does federal law require the state to regulate the occupation?**

N/A

**What is the harm that the regulation seeks to prevent? (See, R.C. 4798.02(B).)**

The licensing regulation seeks to protect the public by ensuring that individuals in a position of trust with public funds or investor monies are reputable and competent according to qualifications that the General Assembly has set forth in the Ohio Revised Code and through rules promulgated under the powers granted by statute to the Division.

**Is the regulation effective at preventing the harm described above? Are there other, less restrictive ways to prevent the harm?**

Yes, it is effective and are the least restrictive means to prevent such harm.

**Are there any changes the Division would like to see implemented?**

No

## Surrounding state comparison (LSC) (as of September 6, 2024)

Under Ohio law, no person may act as a Bureau of Workers' Compensation chief investment officer unless the person is licensed as a Bureau of Workers' Compensation chief investment officer by the Division of Securities.<sup>23</sup> To be issued a license, an individual must pay a \$50 license fee, and pass an examination designated by the Division or achieve a specified professional designation. The license is valid for one year and may be renewed for a fee of \$50.<sup>24</sup>

The license application must include documentation that the applicant has been designated as a chartered financial analyst by the CFA Institute and remains in good standing.<sup>25</sup>

Indiana, Kentucky, Michigan, Pennsylvania, and West Virginia have no equivalent license.

## Dealer in securities

### Survey response (COM)

Description
According to 1707.14, No person shall act as a dealer, unless the person is licensed as a dealer by the division of securities unless exempt. The exceptions are listed in the statute and in rules promulgated by the Division.

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<sup>23</sup> R.C. 1707.164.

<sup>24</sup> R.C. 1707.17.

<sup>25</sup> O.A.C. 1301:6-3-16.5(B).

**Type** (License, specialty license for medical reimbursement, government certification, registration, bonding or insurance, inspection, or process regulation. See R.C. 4798.01 for relevant definitions.)

License

**If the regulation is a registration, certification, or license requirement, please complete the following:**

<b>Number issued annually</b>	1,827 in FY24
<b>Number renewed annually</b>	1,830 in FY23
<b>Have there been significant increases or decreases in active registrations, certifications or licenses in the preceding six years?</b>	No
<b>Education or training requirements</b>	N/A
<b>Experience requirements</b>	N/A

**If the regulation is a registration, certification, or license requirement, please complete the following:**

<b>Examination requirements</b> ( <i>Who administers the exam? How is the exam and administrator selected? What fees are charged? Does the Division receive any proceeds of those fees? If so, how are the proceeds used?</i> )	N/A
<b>Continuing education requirements</b> ( <i>Including a description of the curriculum and the process of setting it.</i> )	N/A
<b>Initial fee</b>	\$200
<b>Duration</b>	Annually with an expiration of December 31 <sup>st</sup>
<b>Renewal fee</b> ( <i>If different from initial fee, please explain why.</i> )	\$200
<b>Does the Division recognize uniform licensure requirements or allow for reciprocity?</b>	No
<b>Are there any similar national registrations, certifications, or licenses? Could they be used as a substitute for the state regulation?</b>	No

**If the regulation is a registration, certification, or license requirement, please complete the following:**

<p><b>Are there any circumstances in which an individual may practice elements of the occupation without being regulated by the Division?</b></p>	<p>Only if they qualify for one of the exemptions listed in ORC 1707.14</p>
<p><b>Is the Division permitted to exercise discretion in determining whether to register, certify, or license an individual?</b></p>	<p>If the person has engaged in deceptive acts or practices or is found to not be of good business repute, the Division has the authority, through the Chapter 119 administrative process, to deny a license application, refuse to renew, suspend, or revoke a license.</p>
<p><b>Other information</b> (<i>Significant attributes or prerequisites to licensure not addressed in this chart.</i>)</p>	

**Oversight and disciplinary authority of the Division respecting individuals engaged in the occupation.**

The Division has the authority to investigate applicants, licensees and/or persons suspected of engaging in unlicensed activity. Chapter 1707 permits this to be accomplished in a number of ways including the issuance of subpoenas, examination of records, interviewing individuals, the issuance of orders, etc.

**How much revenue is derived from fees charged by the Division to individuals engaged in the occupation (such as license and renewal fees)? How is that revenue used?**

\$365,400 (renewal figures). This money is deposited with the State Treasurer and applied to the Securities Fund which is used for payroll and expenses related to operating the Division.

**Describe any federal regulations that apply to the occupation. Does federal law require the state to regulate the occupation?**

31 CFR Part 1023

**What is the harm that the regulation seeks to prevent? (See, R.C. 4798.02(B).)**

The licensing regulation seeks to protect the public by ensuring that individuals in a position of trust with public funds or investor monies are reputable and competent according to qualifications that the General Assembly has set forth in the Ohio Revised Code and through rules promulgated under the powers granted by statute to the Division.

Is the regulation effective at preventing the harm described above? Are there other, less restrictive ways to prevent the harm?

Yes, it is effective and are the least restrictive means to prevent such harm.

Are there any changes the Division would like to see implemented?

No

**Surrounding state comparison (LSC) (as of September 6, 2024)**

Dealer in Securities						
	Ohio	Indiana	Kentucky	Michigan	Pennsylvania	West Virginia
Type of regulation (Name of regulation)	License (Dealer license) <i>(R.C. 1707.14)</i>	License (Broker-dealer registration) <i>(Ind. Code 23-19-4-1)</i>	License (Broker-dealer registration) <i>(Ky. Rev. Stat. 292.330)</i>	License (Broker-dealer registration) <i>(Mich. Comp. Laws 451.2401)</i>	Registration (Broker-dealer registration) <i>(70 P.S. 1-301(a))</i>	License (Broker-dealer registration) <i>(W. Va. Code 32-2-201)</i>
Education or training	N/A	N/A	N/A	N/A	N/A	N/A

Dealer in Securities						
	Ohio	Indiana	Kentucky	Michigan	Pennsylvania	West Virginia
Experience	N/A	N/A	N/A	N/A	N/A	N/A
Exam	Yes, for a natural person associated with the dealer; Registered options principal, series 4; General securities principal, series 24; Investment company and variable contracts products principal, series 26; Direct participation programs principal, series 39; Municipal securities principal, series 53; or Uniform Combined State Law exam, series 66, administered by FINRA	Yes <i>(710 Ind. Admin. Code 4-7-2)</i>	Yes; Uniform Investment Advisor Law exam or General Securities Representative exam and Uniform Combined State Law exam, administered by FINRA <i>(808 Ky. Admin. Regs. 10:260)</i>	Yes; Uniform Securities Agent State Law exam or Uniform Combined State Law exam and General Securities Representative exam <i>(Mich. Admin. Code R. 451.4.9)</i>	N/A	Yes <i>(W. Va. Code R. 111-1-11)</i>

Dealer in Securities						
	Ohio	Indiana	Kentucky	Michigan	Pennsylvania	West Virginia
	<i>(R.C. 1707.15; O.A.C. 1301:6-3-15)</i>					
Continuing education	N/A	N/A	N/A	N/A	N/A	N/A
Initial licensure fee	\$200 <i>(R.C. 1707.17 (B)(1))</i>	\$250 <i>(Ind. Code 23-19-4-10)</i>	\$120 <i>(Ky. Rev. Stat. 292.335)</i>	\$300 <i>(Mich. Comp. Laws 451.2410(1))</i>	\$350 <i>(70 P.S. 1-602 (d.1))</i>	\$300 <i>(W. Va. Code 32-2-202(c))</i>
License duration	One year <i>(R.C. 1707.17 (A)(1))</i>	One year <i>(Ind. Code 23-19-4-6(e))</i>	One year <i>(Ky. Rev. Stat. 292.331(2))</i>	One year <i>(Mich. Comp. Laws 451.2406(4))</i>	One year <i>(70 P.S. 1-301(e))</i>	One year <i>(W. Va. Code 32-2-201(d))</i>
Renewal fee	\$200 <i>(R.C. 1707.17 (B)(1))</i>	\$125 <i>(Ind. Code 23-19-4-10)</i>	\$120 <i>(Ky. Rev. Stat. 292.335)</i>	\$300 <i>(Mich. Comp. Laws 451.2410(1))</i>	\$350 <i>(70 P.S. 1-602 (d.1))</i>	\$300 <i>(W. Va. Code 32-2-202(c))</i>

## Investment advisor

### Survey response (COM)

#### Description

According to ORC 1707.141, no person shall act as an investment advisor in Ohio unless they meet one of the requirements set forth in that section. ORC 1707.141 requires the investment advisor to either be licensed by the Division, qualify for an exception listed within the statute or be registered with the United States Securities and Exchange Commission and provide notice and fee to the Division.

**Type** *(License, specialty license for medical reimbursement, government certification, registration, bonding or insurance, inspection, or process regulation. See R.C. 4798.01 for relevant definitions.)*

License

**If the regulation is a registration, certification, or license requirement, please complete the following:**

**Number issued annually**

3,301

**Number renewed annually**

3,279

**If the regulation is a registration, certification, or license requirement, please complete the following:**

<b>Have there been significant increases or decreases in active registrations, certifications or licenses in the preceding six years?</b>	Yes
<b>Education or training requirements</b>	N/A
<b>Experience requirements</b>	N/A
<b>Examination requirements</b> ( <i>Who administers the exam? How is the exam and administrator selected? What fees are charged? Does the Division receive any proceeds of those fees? If so, how are the proceeds used?</i> )	N/A
<b>Continuing education requirements</b> ( <i>Including a description of the curriculum and the process of setting it.</i> )	N/A
<b>Initial fee</b>	\$100
<b>Duration</b>	Annually expiring on December 31 <sup>st</sup>
<b>Renewal fee</b> ( <i>If different from initial fee, please explain why.</i> )	\$100

If the regulation is a registration, certification, or license requirement, please complete the following:	
Does the Division recognize uniform licensure requirements or allow for reciprocity?	No
Are there any similar national registrations, certifications, or licenses? Could they be used as a substitute for the state regulation?	No
Are there any circumstances in which an individual may practice elements of the occupation without being regulated by the Division?	If they meet an exception set forth in 1707.141
Is the Division permitted to exercise discretion in determining whether to register, certify, or license an individual?	If the person has engaged in deceptive acts or practices or is found to not be of good business repute, the Division has the authority, through the Chapter 119 administrative process, to deny a license application, refuse to renew, suspend, or revoke a license.
Other information (Significant attributes or prerequisites to licensure not addressed in this chart.)	

**Oversight and disciplinary authority of the Division respecting individuals engaged in the occupation.**

The Division has the authority to investigate applicants, licensees and/or persons suspected of engaging in unlicensed activity. Chapter 1707 permits this to be accomplished in a number of ways including the issuance of subpoenas, examination of records, interviewing individuals, the issuance of orders, etc. The Division may also seek administrative actions, pursue civil remedies or refer cases for criminal prosecution.

**How much revenue is derived from fees charged by the Division to individuals engaged in the occupation (such as license and renewal fees)? How is that revenue used?**

\$330,100 (renewal figures). This money is deposited with the State Treasurer and applied to the Securities Fund which is used for payroll and expenses related to operating the Division.

**Describe any federal regulations that apply to the occupation. Does federal law require the state to regulate the occupation?**

The Investment Advisers Act of 1940, codified at 15 U.S.C. § 80b-1 through 15 U.S.C. § 80b-21

**What is the harm that the regulation seeks to prevent? (See, R.C. 4798.02(B).)**

The licensing regulation seeks to protect the public by ensuring that individuals in a position of trust with public funds or investor monies are reputable and competent according to qualifications that the General Assembly has set forth in the Ohio Revised Code and through rules promulgated under the powers granted by statute to the Division.

**Is the regulation effective at preventing the harm described above? Are there other, less restrictive ways to prevent the harm?**

Yes, it is effective and are the least restrictive means to prevent such harm.

**Are there any changes the Division would like to see implemented?**

No.

## Surrounding state comparison (LSC) (as of September 6, 2024)

Investment Adviser						
	Ohio	Indiana	Kentucky	Michigan	Pennsylvania	West Virginia
Type of regulation (Name of regulation)	License  (Investment adviser license) <i>(R.C. 1707.141)</i>	License  (Investment adviser registration) <i>(Ind. Code 23-19-4-3)</i>	License  (Investment adviser registration) <i>(Ky. Rev. Stat. 292.330(8))</i>	License  (Investment adviser registration) <i>(Mich. Comp. Laws 451.2403)</i>	License  (Investment adviser registration) <i>(70 P.S. 1-301(c))</i>	License  (Investment adviser registration) <i>(W. Va. Code 32-2-201(c))</i>
Education or training	N/A	N/A	N/A	N/A	N/A	N/A
Experience	N/A	N/A	N/A	N/A	N/A	N/A
Exam	Yes, if sole proprietor; Uniform Investment Adviser Law exam, or Securities Industry Essentials exam, General Securities Representative exam, and Uniformed State Law exam <i>(O.A.C. 1301:6-3-15.1)</i>	Yes <i>(710 Ind. Admin. Code 4-9-6)</i>	Yes; Uniform Investment Advisor Law exam or General Securities Representative exam and Uniform Combined State Law exam administered by FINRA <i>(808 Ky. Admin. Regs. 10:260)</i>	Yes; Uniform Investment Adviser State Law exam or Uniform Combined State Law exam and General Securities Representative exam <i>(Mich. Admin. Code R. 451.4.12)</i>	Yes; Uniform Investment Adviser Law exam, General Securities Representative exam administered by FINRA and Uniform Combined State Law exam, or series 65 exam or series 7 and series 66 exams and no	Yes <i>(W. Va. Code R. 111-1-13)</i>

Investment Adviser						
	Ohio	Indiana	Kentucky	Michigan	Pennsylvania	West Virginia
					lapse in registration <i>(10 Pa. Code 303.032)</i>	
Continuing education	N/A	N/A	N/A	N/A	N/A	N/A
Initial licensure fee	\$100 <i>(R.C. 1707.17 (B)(3))</i>	\$100 <i>(Ind. Code 23-19-4-10(c))</i>	\$100 <i>(Ky. Rev. Stat. 292.335)</i>	\$200 <i>(Mich. Comp. Laws 451.2410(3))</i>	\$275 <i>(70 P.S. 1-602 (d.1))</i>	\$200 <i>(W. Va. Code 32-2-202(c))</i>
License duration	One year <i>(R.C. 1707.17 (A)(3))</i>	One year <i>(Ind. Code 23-19-4-6(e))</i>	One year <i>(Ky. Rev. Stat. 292.331(2))</i>	One year <i>(Mich. Comp. Laws 451.2406(4))</i>	One year <i>(70 P.S. 1-301(e))</i>	One year <i>(W. Va. Code 32-2-201(d))</i>
Renewal fee	\$100 <i>(R.C. 1707.17 (B)(3))</i>	\$50 <i>(Ind. Code 23-19-4-10(c))</i>	\$100 <i>(Ky. Rev. Stat. 292.335)</i>	\$200 <i>(Mich. Comp. Laws 451.2410(3))</i>	\$275 <i>(70 P.S. 1-602 (d.1))</i>	\$200 <i>(W. Va. Code 32-2-202(c))</i>

## Investment advisor representative

### Survey response (COM)

#### Description

According to ORC 1707.161 (A), No person shall act as an investment adviser representative, unless one of the following applies:

- (1) The person is licensed as an investment adviser representative by the division of securities.
- (2) The person is a natural person who is licensed as an investment adviser by the division, and does not act as an investment adviser representative for another investment adviser; however, a natural person who is licensed as an investment adviser by the division may act as an investment adviser representative for another investment adviser if the natural person also is licensed by the division, or is properly excepted from licensure, as an investment adviser representative of the other investment adviser.
- (3) The person is employed by or associated with an investment adviser registered under section 203 of the "Investment Advisers Act of 1940," 15 U.S.C. 80b-3, and does not have a place of business in this state.

**Type** *(License, specialty license for medical reimbursement, government certification, registration, bonding or insurance, inspection, or process regulation. See R.C. 4798.01 for relevant definitions.)*

License

If the regulation is a registration, certification, or license requirement, please complete the following:	
Number issued annually	21,360 in FY24
Number renewed annually	21,052 in FY23
Have there been significant increases or decreases in active registrations, certifications or licenses in the preceding six years?	Yes.
Education or training requirements	N/A
Experience requirements	<p>One of the conditions that an applicant can satisfy is showing the Division that the applicant was licensed as an investment adviser representative by the division or in another U.S. jurisdiction within the two years immediately preceding the date of the application. If they do not meet this requirement, then they must either pass one of the exams listed in the next section or hold one of the following professional designations in good standing:</p> <ul style="list-style-type: none"> <li>(a) “Certified Financial Planner” awarded by the “Certified Financial Planner Board of Standards, Inc.”;</li> <li>(b) Chartered financial analyst;</li> <li>(c) Chartered financial consultant;</li> <li>(d) Chartered investment counselor; or</li> <li>(e) Certified public accountant with a personal financial specialist designation.</li> </ul>

**If the regulation is a registration, certification, or license requirement, please complete the following:**

<p><b>Examination requirements</b> (<i>Who administers the exam? How is the exam and administrator selected? What fees are charged? Does the Division receive any proceeds of those fees? If so, how are the proceeds used?</i>)</p>	<p>Applicants that have not met either of the conditions listed in the experience requirements section above must have achieved a passing score within 2 years preceding the application on either:</p> <p>(a) The uniform investment adviser law exam (series 65); or</p> <p>(b) The securities industry essentials exam (SIE), the general securities representative exam (series 7), and the uniform combined state law exam (series 66);</p>
<p><b>Continuing education requirements</b> (<i>Including a description of the curriculum and the process of setting it.</i>)</p>	<p>N/A</p>
<p><b>Initial fee</b></p>	<p>\$35</p>
<p><b>Duration</b></p>	<p>Annually expiring on December 31st</p>
<p><b>Renewal fee</b> (<i>If different from initial fee, please explain why.</i>)</p>	<p>\$35</p>
<p><b>Does the Division recognize uniform licensure requirements or allow for reciprocity?</b></p>	<p>No</p>
<p><b>Are there any similar national registrations, certifications, or licenses? Could they be used as a substitute for the state regulation?</b></p>	<p>No</p>

**If the regulation is a registration, certification, or license requirement, please complete the following:**

<p><b>Are there any circumstances in which an individual may practice elements of the occupation without being regulated by the Division?</b></p>	<p>No</p>
<p><b>Is the Division permitted to exercise discretion in determining whether to register, certify, or license an individual?</b></p>	<p>If the person has engaged in deceptive acts or practices or is found to not be of good business repute, the Division has the authority, through the Chapter 119 administrative process, to deny a license application, refuse to renew, suspend, or revoke a license.</p>
<p><b>Other information</b> (<i>Significant attributes or prerequisites to licensure not addressed in this chart.</i>)</p>	

**Oversight and disciplinary authority of the Division respecting individuals engaged in the occupation.**

The Division has the authority to investigate applicants, licensees and/or persons suspected of engaging in unlicensed activity. Chapter 1707 permits this to be accomplished in a number of ways including the issuance of subpoenas, examination of records, interviewing individuals, the issuance of orders, etc. The Division may also seek administrative actions, pursue civil remedies or refer cases for criminal prosecution.

**How much revenue is derived from fees charged by the Division to individuals engaged in the occupation (such as license and renewal fees)? How is that revenue used?**

\$747,600 (renewal figures). This money is deposited with the State Treasurer and applied to the Securities Fund which is used for payroll and expenses related to operating the Division.

**Describe any federal regulations that apply to the occupation. Does federal law require the state to regulate the occupation?**

The Investment Advisers Act of 1940, codified at 15 U.S.C. § 80b-1 through 15 U.S.C. § 80b-21

**What is the harm that the regulation seeks to prevent? (See, R.C. 4798.02(B).)**

The licensing regulation seeks to protect the public by ensuring that individuals in a position of trust with public funds or investor monies are reputable and competent according to qualifications that the General Assembly has set forth in the Ohio Revised Code and through rules promulgated under the powers granted by statute to the Division.

Is the regulation effective at preventing the harm described above? Are there other, less restrictive ways to prevent the harm?

Yes, it is effective and are the least restrictive means to prevent such harm.

Are there any changes the Division would like to see implemented?

No.

**Surrounding state comparison (LSC) (as of September 6, 2024)**

Investment Adviser Representative						
	Ohio	Indiana	Kentucky	Michigan	Pennsylvania	West Virginia
Type of regulation (Name of regulation)	License (Investment adviser representative license) <i>(R.C. 1707.161)</i>	License (Investment adviser representative registration) <i>(Ind. Code 23-19-4-4)</i>	License (Investment adviser representative registration) <i>(Ky. Rev. Stat. 292.330(10))</i>	License (Investment adviser representative registration) <i>(Mich. Comp. Laws 451.2404)</i>	License (Investment adviser representative registration) <i>(70 P.S. 1-301(c))</i>	License (Investment adviser representative registration) <i>(W. Va. Code 32-2-201(e))</i>

Investment Adviser Representative						
	Ohio	Indiana	Kentucky	Michigan	Pennsylvania	West Virginia
Education or training	N/A	N/A	N/A	N/A	N/A	N/A
Experience	N/A	N/A	N/A	N/A	N/A	N/A
Exam	No, if applicant holds specified credentials; otherwise, yes; Uniform Investment Adviser Law exam or Securities Industry Essentials exam, General Securities Representative exam, and Uniform Combined State Law exam <i>(R.C. 1707.161(D); O.A.C. 1301:6-3-16.1(B))</i>	Yes <i>(710 Ind. Admin. Code 4-9-6)</i>	Yes, unless registered in another state or holds specified credentials; Uniform Investment Advisor Law exam or General Securities Representative exam and Uniform Combined State Law exam, administered by FINRA <i>(808 Ky. Admin. Regs. 10:260)</i>	Yes; Uniform Investment Adviser State Law exam or Uniform Combined State Law exam and General Securities Representative exam <i>(Mich. Admin. Code R. 451.4.12)</i>	Yes; Uniform Investment Adviser Law exam or General Securities Representative exam administered by FINRA and Uniform Combined State Law exam, or either the series 65 exam or both the series 7 and series 66 exams <i>(10 Pa. Code 303.032)</i>	Yes <i>(W. Va. Code R. 111-1-13)</i>
Continuing education	N/A	N/A	Every 12 months, six credits of ethics and professional responsibility with	N/A	N/A	N/A

Investment Adviser Representative						
	Ohio	Indiana	Kentucky	Michigan	Pennsylvania	West Virginia
			at least three credits on ethics; and six credits of products and practice content, or has complied with FINRA's continuing education requirements <i>(Ky. Rev. Stat. 292.338)</i>			
Initial licensure fee	\$35 <i>(R.C. 1707.17 (B)(5))</i>	\$25 <i>(Ind. Code 23-19-4-10(d))</i>	\$50 <i>(Ky. Rev. Stat. 292.335)</i>	\$65 <i>(Mich. Comp. Laws 451.2410(4))</i>	\$80 <i>(70 P.S. 1-602 (d.1))</i>	\$75 <i>(W. Va. Code 32-2-202(c))</i>
License duration	One year <i>(R.C. 1707.17 (A)(2))</i>	One year <i>(Ind. Code 23-19-4-6(e))</i>	One year <i>(Ky. Rev. Stat. 292.331(2))</i>	One year <i>(Mich. Comp. Laws 451.2406(4))</i>	One year <i>(70 P.S. 1-301(e))</i>	One year <i>(W. Va. Code 32-2-201(d))</i>
Renewal fee	\$35 <i>(R.C. 1707.17 (B)(5))</i>	\$25 <i>(Ind. Code 23-19-4-10(d))</i>	\$50 <i>(Ky. Rev. Stat. 292.335)</i>	\$65 <i>(Mich. Comp. Laws 451.2410(4))</i>	\$80 <i>(70 P.S. 1-602 (d.1))</i>	\$75 <i>(W. Va. Code 32-2-202(c))</i>

## Salesperson of securities

### Survey response (COM)

Description
According to ORC 1707.16 (A), every salesperson of securities must be licensed by the division of securities and shall be employed, authorized, or appointed only by the licensed dealer specified in the salesperson's license. If the relationship between the salesperson and the dealer is severed, the salesperson's license shall be void.

Type <i>(License, specialty license for medical reimbursement, government certification, registration, bonding or insurance, inspection, or process regulation. See R.C. 4798.01 for relevant definitions.)</i>
License

If the regulation is a registration, certification, or license requirement, please complete the following:	
Number issued annually	231,963
Number renewed annually	230, 842

If the regulation is a registration, certification, or license requirement, please complete the following:	
<b>Have there been significant increases or decreases in active registrations, certifications or licenses in the preceding six years?</b>	Yes.
<b>Education or training requirements</b>	N/A
<b>Experience requirements</b>	The applicant must show that they have been licensed as a securities salesperson by the Division within 2 years preceding the date of application. Applicant's not meeting this requirement must pass one of the exam requirements listed in the next section. However, an applicant who has been licensed in another U.S. jurisdiction within 2 years preceding the application does not have to take the exams.
<b>Examination requirements</b> ( <i>Who administers the exam? How is the exam and administrator selected? What fees are charged? Does the Division receive any proceeds of those fees? If so, how are the proceeds used?</i> )	<p>According to OAC 1301:6-3-16(A)(2), an applicant who has not been licensed in Ohio or any other U.S. jurisdiction must have achieved a passing score on the following exams, or their successor exams, within two years of the date of filing an application with the division:</p> <ul style="list-style-type: none"> <li>(a) Either the uniform securities agent state law exam (series 63); or the uniform combined state law exam (series 66);</li> <li>(b) The securities industry essentials exam (SIE); and</li> <li>(c) The general securities representative exam (series 7), unless the applicant's proposed securities activities will be restricted, in which case the applicant needs to achieve a passing score on each exam that relates to the applicant's proposed securities activities: <ul style="list-style-type: none"> <li>(i) The investment company products and variable contracts representative exam (series 6);</li> <li>(ii) The direct participation programs limited representative exam (series 22);</li> <li>(iii) The municipal securities representative exam (series 52);</li> </ul> </li> </ul>

If the regulation is a registration, certification, or license requirement, please complete the following:	
	(iv) The investment banking representative exam (series 79); (v) The private securities offerings representative exam (series 82).
<b>Continuing education requirements</b> <i>(Including a description of the curriculum and the process of setting it.)</i>	N/A
<b>Initial fee</b>	\$60
<b>Duration</b>	Annually expiring on December 31 <sup>st</sup> .
<b>Renewal fee</b> <i>(If different from initial fee, please explain why.)</i>	\$60
<b>Does the Division recognize uniform licensure requirements or allow for reciprocity?</b>	No
<b>Are there any similar national registrations, certifications, or licenses? Could they be used as a substitute for the state regulation?</b>	No
<b>Are there any circumstances in which an individual may practice elements of the occupation without being regulated by the Division?</b>	No

**If the regulation is a registration, certification, or license requirement, please complete the following:**

**Is the Division permitted to exercise discretion in determining whether to register, certify, or license an individual?**

If the person has engaged in deceptive acts or practices or is found to not be of good business repute, the Division has the authority, through the Chapter 119 administrative process, to deny a license application, refuse to renew, suspend, or revoke a license.

**Other information** (*Significant attributes or prerequisites to licensure not addressed in this chart.*)

**Oversight and disciplinary authority of the Division respecting individuals engaged in the occupation.**

The Division has the authority to investigate applicants, licensees and/or persons suspected of engaging in unlicensed activity. Chapter 1707 permits this to be accomplished in a number of ways including the issuance of subpoenas, examination of records, interviewing individuals, the issuance of orders, etc. The Division may also seek administrative actions, pursue civil remedies or refer cases for criminal prosecution.

**How much revenue is derived from fees charged by the Division to individuals engaged in the occupation (such as license and renewal fees)? How is that revenue used?**

\$13,850,520 (renewal figures). This money is deposited with the State Treasurer and applied to the Securities Fund which is used for payroll and expenses related to operating the Division.

**Describe any federal regulations that apply to the occupation. Does federal law require the state to regulate the occupation?**

No.

**What is the harm that the regulation seeks to prevent? (See, R.C. 4798.02(B).)**

The licensing regulation seeks to protect the public by ensuring that individuals in a position of trust with public funds or investor monies are reputable and competent according to qualifications that the General Assembly has set forth in the Ohio Revised Code and through rules promulgated under the powers granted by statute to the Division.

**Is the regulation effective at preventing the harm described above? Are there other, less restrictive ways to prevent the harm?**

Yes, it is effective and are the least restrictive means to prevent such harm.

Are there any changes the Division would like to see implemented?

No

**Surrounding state comparison (LSC) (as of September 6, 2024)**

Salesperson of Securities						
	Ohio	Indiana	Kentucky	Michigan	Pennsylvania	West Virginia
Type of regulation (Name of regulation)	License (Salesperson license) <i>(R.C. 1707.16)</i>	License (Agent registration) <i>(Ind. Code 23-19-4-2)</i>	License (Agent registration) <i>(Ky. Rev. Stat. 292.330(3))</i>	License (Agent registration) <i>(Mich. Comp. Laws 451.2402(1))</i>	License (Agent registration) <i>(70 P.S. 1-301(a))</i>	License (Agent registration) <i>(W. Va. Code 32-2-201(b))</i>
Education or training	N/A	N/A	N/A	N/A	N/A	N/A
Experience	N/A	N/A	N/A	N/A	N/A	N/A
Exam	Yes; Uniform Securities Agent State Law exam, Uniform Combined State Law exam, or Securities Industry	Yes <i>(710 Ind. Admin. Code 4-8-2)</i>	Yes; Uniform Investment Advisor Law exam, or General Securities Representative exam and	Yes; Uniform Securities Agent State Law exam or the Uniform Combined State Law exam and General Securities	Yes; Securities exam for principals or registered representatives administered by FINRA or SEC	Yes; applicable qualifying exam required by the NASD, National Securities or Commodities exchanges, and/or

**Salesperson of Securities**

	<b>Ohio</b>	<b>Indiana</b>	<b>Kentucky</b>	<b>Michigan</b>	<b>Pennsylvania</b>	<b>West Virginia</b>
	Essentials exam and General Securities Representative exam <i>(R.C. 1707.16(C); O.A.C. 1301:6-3-16)</i>		Uniform Combined State Law exam, administered by FINRA <i>(808 Ky. Admin. Regs. 10:260)</i>	Representative exam <i>(Mich. Admin. Code R. 451.4.9)</i>	<i>(10 Pa. Code 303.031)</i>	the SEC, and Uniform Securities Agent State Law exam administered by NASD <i>(W. Va. Code R. 111-1-11)</i>
Continuing education	N/A	N/A	N/A	N/A	N/A	N/A
Initial licensure fee	\$60 <i>(R.C. 1707.17 (B)(2))</i>	\$25 <i>(Ind. Code 23-19-4-10)</i>	\$50 <i>(Ky. Rev. Stat. 292.335)</i>	\$65 <i>(Mich. Comp. Laws 2410(2))</i>	\$80 <i>(70 P.S. 1-602 (d.1))</i>	\$66 <i>(W. Va. Code 32-2-202(c))</i>
License duration	One year <i>(R.C. 1707.17(A))</i>	One year <i>(Ind. Code 23-19-4-6(e))</i>	One year <i>(Ky. Rev. Stat. 292.331(2))</i>	One year <i>(Mich. Comp. Laws 451.2406(4))</i>	One year <i>(70 P.S. 1-301(e))</i>	One year <i>(W. Va. Code 32-2-201(d))</i>
Renewal fee	\$60 <i>(R.C. 1707.17 (B)(2))</i>	\$25 <i>(Ind. Code 23-19-4-10)</i>	\$50 <i>(Ky. Rev. Stat. 292.335)</i>	\$65 <i>(Mich. Comp. Laws 2410(2))</i>	\$80 <i>(70 P.S. 1-602 (d.1))</i>	\$66 <i>(W. Va. Code 32-2-202(c))</i>

## State retirement system investment officer

### Survey response (COM)

Description
According to ORC 1707.162(A), No person shall act as a state retirement system investment officer unless the person is licensed as a state retirement system investment officer by the division of securities.

Type <i>(License, specialty license for medical reimbursement, government certification, registration, bonding or insurance, inspection, or process regulation. See R.C. 4798.01 for relevant definitions.)</i>
License

If the regulation is a registration, certification, or license requirement, please complete the following:	
Number issued annually	90 in FY24
Number renewed annually	92 in FY 23

If the regulation is a registration, certification, or license requirement, please complete the following:	
Have there been significant increases or decreases in active registrations, certifications or licenses in the preceding six years?	No
Education or training requirements	N/A
Experience requirements	N/A
Examination requirements ( <i>Who administers the exam? How is the exam and administrator selected? What fees are charged? Does the Division receive any proceeds of those fees? If so, how are the proceeds used?</i> )	<p>Applicants after September 15, 2004, must satisfy one of the following (1) pass the series 63, 65 or 66 examination administered by the Financial Industry Regulatory Authority (FINRA) or the Level One examination offered by the CFA Institute. (2) earned, and is in good standing with the organization that issued any of the following credentials:</p> <p>(a) “Certified Financial Planner” awarded by the “Certified Financial Planner Board of Standards, Inc.”;</p> <p>(b) Chartered financial analyst;</p> <p>(c) Chartered financial consultant;</p> <p>(d) Chartered investment counselor; or</p> <p>(e) Certified public accountant with a personal financial specialist designation.</p> <p>The Division does not receive any portion of the examination fees paid to the administering organizations.</p>

If the regulation is a registration, certification, or license requirement, please complete the following:	
<b>Continuing education requirements</b> <i>(Including a description of the curriculum and the process of setting it.)</i>	N/A
<b>Initial fee</b>	\$50
<b>Duration</b>	Annually expiring on June 13 <sup>th</sup> .
<b>Renewal fee</b> <i>(If different from initial fee, please explain why.)</i>	\$50
<b>Does the Division recognize uniform licensure requirements or allow for reciprocity?</b>	No
<b>Are there any similar national registrations, certifications, or licenses? Could they be used as a substitute for the state regulation?</b>	No
<b>Are there any circumstances in which an individual may practice elements of the occupation without being regulated by the Division?</b>	No

**If the regulation is a registration, certification, or license requirement, please complete the following:**

**Is the Division permitted to exercise discretion in determining whether to register, certify, or license an individual?**

Yes

**Other information** (*Significant attributes or prerequisites to licensure not addressed in this chart.*)

**Oversight and disciplinary authority of the Division respecting individuals engaged in the occupation.**

The Division has the authority to investigate applicants, licensees and/or persons suspected of engaging in unlicensed activity. Chapter 1707 permits this to be accomplished in a number of ways including the issuance of subpoenas, examination of records, interviewing individuals, the issuance of orders, etc. The Division may also seek administrative actions, pursue civil remedies or refer cases for criminal prosecution.

**How much revenue is derived from fees charged by the Division to individuals engaged in the occupation (such as license and renewal fees)? How is that revenue used?**

\$4,500 (renewal figures). This money is deposited with the State Treasurer and applied to the Securities Fund which is used for payroll and expenses related to operating the Division.

**Describe any federal regulations that apply to the occupation. Does federal law require the state to regulate the occupation?**

N/A

**What is the harm that the regulation seeks to prevent? (See, R.C. 4798.02(B).)**

The licensing regulation seeks to protect the public by ensuring that individuals in a position of trust with public funds or investor monies are reputable and competent according to qualifications that the General Assembly has set forth in the Ohio Revised Code and through rules promulgated under the powers granted by statute to the Division.

**Is the regulation effective at preventing the harm described above? Are there other, less restrictive ways to prevent the harm?**

Yes, it is effective and are the least restrictive means to prevent such harm.

Are there any changes the Division would like to see implemented?

No

### **Surrounding state comparison (LSC) (as of September 6, 2024)**

Under Ohio law, no person may act as a state retirement system investment officer unless the person is licensed as a state retirement system investment officer by the Division of Securities.<sup>26</sup> To be issued a license, an individual must pay a \$50 license fee and pass an examination designated by the Division or achieve a specified professional designation. The license is valid for one year and may be renewed for a fee of \$50.<sup>27</sup>

Specifically, the individual must have satisfied one of the following criteria:

1. Achieved a passing score on one of the following examinations:
  - a. Uniform securities agent state law examination, series 63 administered by the Financial Industry Regulatory Authority;
  - b. Uniform investment adviser law examination, series 65 administered by the Financial Industry Regulatory Authority;
  - c. Uniform combined state law examination, series 66 administered by the Financial Industry Regulatory Authority; or
  - d. Level one examination offered by the CFA Institute.
2. Earned, and is in good standing with the organization that issued, any one of the following credentials:
  - a. Certified Financial Planner awarded by the Certified Financial Planner Board of Standards, Inc.;
  - b. Chartered financial analyst;

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<sup>26</sup> R.C. 1707.162.

<sup>27</sup> R.C. 1707.17(B)(6).

- c. Chartered financial consultant;
- d. Chartered investment counselor; or
- e. Certified public accountant with a personal financial specialist designation.

An individual who was acting as a state retirement system investment officer on September 15, 2004, and has experience or equivalent education acceptable to the Division, may also be issued a license.<sup>28</sup>

Indiana, Kentucky, Michigan, Pennsylvania, and West Virginia have no equivalent license.<sup>29</sup>

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<sup>28</sup> R.C. 1707.163; O.A.C. 1301:6-3-16.3.

<sup>29</sup> Ind. Code 5-10-0.5-1, Ky. Rev. Stat. 61.650, Mich. Comp. Laws 38.1176, 24 P.S. 8538, and W. Va. Code 5-10-9.