



## Ohio Revised Code

### Section 1707.14 Dealer's license.

Effective: October 8, 2001

Legislation: Senate Bill 32 - 124th General Assembly

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(A)(1) No person shall act as a dealer, unless the person is licensed as a dealer by the division of securities, except in the following cases:

(a) When the person is transacting business through or with a licensed dealer;

(b) When the securities are the subject matter of one or more transactions enumerated in divisions (B) to (L), (O) to (R), and (U) to (Y) of section 1707.03, or in section 1707.06 of the Revised Code, except when a commission, discount, or other remuneration is paid or given in consideration with transactions enumerated in divisions (O), (Q), (W), (X), and (Y) of section 1707.03, or in section 1707.06 of the Revised Code;

(c) When the person is an issuer selling securities issued by it or by its subsidiary, if such securities are specified under division (G) or (I) of section 1707.02, or under section 1707.04 of the Revised Code;

(d) When the person is participating in transactions exempt, under section 1707.34 of the Revised Code, from this chapter.

(2) Notwithstanding the exceptions to licensure set forth in divisions (A)(1)(a) to (d) of this section, no person other than an issuer selling its own securities shall engage in the business of selling securities to an institutional investor unless the person is licensed as a dealer or the division, by rule, finds that such licensure is not necessary for the protection of investors or in the public interest.

(B) Each dealer that in any twelve-month or shorter period, alone or with any other dealer with which it is affiliated, has total revenues of one hundred fifty thousand dollars or more derived from the business of buying, selling, or otherwise dealing in securities, and that at any time during such period has one hundred or more retail securities customers, shall be registered as a broker or dealer with the securities and exchange commission under the Securities Exchange Act of 1934, except the



following entities:

- (1) A bank;
- (2) A dealer that enters into and is in compliance with an undertaking accepted by the division, in which the dealer agrees that it will not engage in any transaction involving the buying, selling, or otherwise dealing in securities with any natural person in this state, except for transactions involving either of the following:
  - (a) Securities of corporations or associations that have qualified for treatment as nonprofit organizations pursuant to section 501(c)(3) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 501, as amended;
  - (b) Securities or transactions that are described in divisions (A)(1)(a) to (d) of this section.
- (C) Every dealer that must be registered as a broker or dealer with the securities and exchange commission pursuant to division (B) of this section shall become so registered no later than ninety days after the date on which the dealer meets the requirements for such registration.
- (D) The division by rule may exempt any dealer from complying with the licensing or registration requirements of this section, if the division finds that such licensing or registration is not necessary for the protection of investors or in the public interest.
- (E) As used in division (B) of this section, "retail securities customer" means a person that purchases from or through or sells securities to or through a dealer, and that is not an officer, a director, a principal, a general partner, or an employee of, the dealer. Each of the following is deemed to be a single retail securities customer:
  - (1) A husband and wife;
  - (2) A minor child and the minor child's parent or legal guardian;
  - (3) A corporation, a partnership, an association or other unincorporated entity, a joint stock



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company, or a trust.