



Ohio Revised Code

Section 1707.19

Effective: September 29, 2005

Legislation: House Bill 66

(A) An original license, or a renewal thereof, applied for by a dealer or salesperson of securities, or by an investment adviser, investment adviser representative, bureau of workers' compensation chief investment officer, or state retirement system investment officer, may be refused, and any such license granted may be suspended and, after notice and hearing in accordance with Chapter 119. of the Revised Code, may be revoked, by the division of securities, if the division determines that the applicant or the licensed dealer, salesperson, investment adviser, investment adviser representative, bureau of workers' compensation chief investment officer, or state retirement system investment officer:

- (1) Is not of good business repute;
- (2) Is conducting an illegitimate or fraudulent business;
- (3) Is, in the case of a dealer or investment adviser, insolvent;
- (4) Has knowingly violated any provision of sections 1707.01 to 1707.45 of the Revised Code, or any regulation or order made thereunder;
- (5) Has knowingly made a false statement of a material fact or an omission of a material fact in an application for a license, in a description or application that has been filed, or in any statement made to the division under such sections;
- (6) Has refused to comply with any lawful order or requirement of the division under section 1707.23 of the Revised Code;
- (7) Has been guilty of any fraudulent act in connection with the sale of any securities or in connection with acting as an investment adviser, investment adviser representative, bureau of workers' compensation chief investment officer, or state retirement system investment officer;



(8) Conducts business in purchasing or selling securities at such variations from the existing market as in the light of all the circumstances are unconscionable;

(9) Conducts business in violation of such rules and regulations as the division prescribes for the protection of investors, clients, or prospective clients;

(10)(a) Has failed to furnish to the division any information with respect to the purchases or sales of securities within this state that may be reasonably requested by the division as pertinent to the protection of investors in this state.

(b) Has failed to furnish to the division any information with respect to acting as an investment adviser, investment adviser representative, bureau of workers' compensation chief investment officer, or state retirement system investment officer within this state that may be reasonably requested by the division.

(B) For the protection of investors the division may prescribe reasonable rules defining fraudulent, evasive, deceptive, or grossly unfair practices or devices in the purchase or sale of securities.

(C) For the protection of investors, clients, or prospective clients, the division may prescribe reasonable rules regarding the acts and practices of an investment adviser or an investment adviser representative.

(D) Pending any investigation or hearing provided for in sections 1707.01 to 1707.45 of the Revised Code, the division may order the suspension of any dealer's, salesperson's, investment adviser's, investment adviser representative's, bureau of workers' compensation chief investment officer's, or state retirement system investment officer's license by notifying the party concerned of such suspension and the cause for it. If it is a salesperson whose license is suspended, the division shall also notify the dealer employing the salesperson. If it is an investment adviser representative whose license is suspended, the division also shall notify the investment adviser with whom the investment adviser representative is employed or associated. If it is a state retirement system investment officer whose license is suspended, the division shall also notify the state retirement system with whom the state retirement system investment officer is employed. If it is a bureau of workers' compensation



chief investment officer whose license is suspended, the division shall also notify the bureau of workers' compensation.

(E)(1) The suspension or revocation of the dealer's license suspends the licenses of all the dealer's salespersons.

(2) The suspension or revocation of the investment adviser's license suspends the licenses of all the investment adviser's investment adviser representatives. The suspension or revocation of an investment adviser's registration under section 203 of the "Investment Advisers Act of 1940," 15 U.S.C. 80b-3, suspends the licenses of all the investment adviser's investment adviser representatives.

(F) It is sufficient cause for refusal, revocation, or suspension of the license in case of a partnership, partnership association, corporation, or unincorporated association if any general partner of the partnership, manager of the partnership association, or executive officer of the corporation or unincorporated association is not of good business repute or has been guilty of any act or omission which would be cause for refusing or revoking the license of an individual dealer, salesperson, investment adviser, or investment adviser representative.