Question	Answer
1. Board Name	Division of Securities
2. Point of Contact	Abby Schafer, Legislative Director
3. Describe the board's primary purpose, goals and objectives, and licenses issued.	The Division's primary purpose is to administer and enforce the Ohio Securities Act, found in Chapter 1707 of the Ohio Revised Code. The act requires the licensure of firms and professionals engaged in the securities markets on behalf of Ohio investors. The Division's primary goals are to protect Ohio investors and position Ohio securities markets for healthy, sustainable growth. It seeks to achieve those goals by making Ohio a welcome home for securities professionals and other market participants; providing fair access to capital, especially for start-ups and other small companies seeking to create jobs and grow their business; and preserving the wealth and capital of Ohio families and businesses through smart policy, education, examination, and enforcement. The Division has licensing authority for investment advisers, investment adviser representatives, dealers, agents, investment officers at the state retirement systems and the Bureau of Worker's Compensation, and funding portals.
4. Describe the board's annual workload. How many staff are employed?	The Division has a heavy workload, which has continued to increase year-over-year as the result of its growing licensee population as well as increases in the number and complexity of investor complaints. The Division currently licenses over 260,000 firms and individuals, which population has increased by approximately 41,000 licenses (19%) since the last occupational licensure review in 2020. This is the second largest licensee population in the state (second only to nurses). In 2024, the Division received 302 investor complaints and continued its work on 157 pending investigations. The Division's investigations resulted in the filing of 46 administrative actions, 10 criminal indictments, and 5 criminal convictions in 2024. The Division's staffing has not increased commensurate with the increased workload. The Division has added 2 full-time positions (fintech specialists) since the last review, resulting in an 0.5% staffing increase. The Division currently employs 40 full-time employees, who are each assigned to one of the Division's three sections: (1) Administration (4 employees); (2) Compliance (18 employees); and (3) Enforcement (18 employees).
5. How many new licenses does the board issue annually? How many renewed licenses are issued annually? How much does a new license cost? How much does a renewal cost?	In 2024, the Division issued 46,143 new licenses and renewed a total of 253,043 licenses. The Division charges the same fee for both new licenses and renewals, as is standard practice across states. Below is a chart of the Division's fees based on license type. Fee amounts are published in R.C. 1707.17(B). Annual Fee (new or renewal) Dealer Firm $200 Salesperson $60 Ohio Investment Adviser Firm $100 SEC Investment Adviser Firm Notice Filing $100 Investment Adviser Representative (IAR) $35 State Retirement System or BWC Investment Officer $50 Funding Portal $100 Currently, the Division's fees fall right in the middle of the range charged at the state level nationally. For securities salespersons, the Division's largest licensing

	category by population with over 240,000 licenses, the Division's $60 licensing fee is 17% lower than the state mean of $72.
6. In the past 5 years, has there been any consideration to lower the licensure cost?	The Division is currently reviewing its fee structure.
7. How much revenue is procured from the licensure fees? What does this revenue fund?	Licensing fees produced over $17 million in revenue in 2024, up approximately $2.5 million (17%) since the last review in 2020. This revenue is the primary source of funding for all Division operations: Administration, Compliance, and Enforcement. Most of this revenue is generated through the licensure of securities salespersons, which represent 90% of the Division's total licensing population.
8. Are there any federal regulations, or regulations required to be met outside of the existing licensure requirements that have to be complied with? Does federal law require the board to be renewed in some form?	Dealers and salespersons that are registered at the federal level with either the SEC and/or FINRA would need to comply with federal licensing requirements, which are incorporated by reference into Ohio statute and administrative code, where applicable. Federal law does not govern the operation or renewal of the Division.
9. Does the board issue an examination prior to licensure? Does the board issue continuing education courses? If so, how often is continuing education necessary? If the examination or continuing education requirements are done outside the board then what determines the selection of an outside organization to host it?	The Division examines state licensure applicants for compliance with state requirements prior to licensure. As the Division's licensees act as financial intermediaries who can access and control Ohio customer funds, state requirements include fingerprinting and criminal background checks. Federally-registered licensees (FINRA firms and SEC investment advisers) are given reciprocity and automatically registered in Ohio without examination. The Division, by rule, waives examination and credential requirements ("competency requirements") to give occupational reciprocity to individual investment adviser representative and securities salesperson applicants who hold or have held the same license in another state within two years of filing their application in Ohio. The Division does not currently require continuing education for licensees but is currently considering a future requirement for state investment adviser representatives ("IARs"). Around half of the states in the country now have continuing education requirements for this license type, which programs are accredited through the North American Securities Administrators Association. Salespersons in every state have continuing education requirements at the federal level with FINRA. All continuing education requirements for all licensees (IAR and salesperson) in the United States are administered through FINRA to allow centralized reporting.
10. How many other states regulate the occupation or occupations under the board's jurisdiction? Is a license required to engage in that occupation or those occupations in other states?	All state jurisdictions regulate the occupations under the Division's jurisdiction, except for the investment officers of the state retirement systems and BWC. Although the Division has not conducted a 50-state survey, the Division is not aware of any other states requiring these specific licenses. The additions to the Ohio Securities Act regarding licensure of SRSIOs (state retirement system investment officers) came about in June 2004, together with other investment

	management reforms under Senate Bill 133, and appear in R.C. 1707.162 - 1707.163. Similarly, the licensing requirement for the BWCCIO was enacted in September 2005, as part of House Bill 66. See R.C. 1707.164 -1707.165. A license is required to engage in all other licensed occupations in all other states.
11. Has the operation of the board inhibited economic growth, reduced efficiency, or increased the cost of government?	No.
12. Are there any licenses that are no longer issued by the board?	No.
13. Is there anything that the board would like to see changed or implemented in regards to occupational licensing within the scope of this legislative review?	No.
14. Has the board recommended statutory changes to the general assembly that would benefit the public as opposed to the persons regulated by the board, if any, and have those recommendations and other policies been adopted and implemented?	Yes, the Division has recommended statutory changes to the general assembly to benefit the public as opposed to the regulated industry. Some have been adopted and implemented while others have not. One example of a statutory change that was adopted since the last review was the Division's creation of an investor recovery fund to provide partial restitution to victims of investment fraud. The fund was created in 2022, operationalized in 2023, and has resulted in the award of more than $2 million in restitution relief to 129 Ohio victims. It has been a great public protection success.
15. Is the preservation of the board and the board's licenses necessary to protect the public's health, safety, or welfare?	Yes, preservation of the Division and its licenses is necessary to protect the public's health, safety, and welfare. The Division is the only state authority charged with the regulation of the sale of securities products in Ohio, the licensure of securities professionals working with Ohio investors, as well as the only authority empowered to investigate securities crimes and violations of the Ohio Securities Act on behalf of Ohio victims. There is no other regulator (federal or state) that focuses specifically on Ohio's regulated firms or professionals and there is no one uniquely positioned to protect Ohio investors the way that the Division is. The licensing laws help the Division proactively screen out fraud and bad actors from the Ohio market. Without the Division, there would be little recourse and no restitution assistance for Ohio victims of investment fraud and securities act violations.
16. Could the public be protected or served in an alternate or less restrictive manner? If applicable, please identify any licenses or functions of the board that	The Division does not believe the public would be protected or well served by elimination or relaxation of its licensing laws.

could be eliminated or consolidated.	
17. Any additional notes or comments the board believes the committee should be aware of?	No.