STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
City Place, Suite 400
204 North Robinson
Oklahoma City, Oklahoma 73102

ORDER ADOPTING REVOKED AND AMENDING PERMANENT RULES

Pursuant to the requirements of Section 303 of the Oklahoma Administrative Procedures Act, a notice of rulemaking intent ("Notice") of the Administrator ("Administrator") of the Oklahoma Department of Securities ("Department") was published in The Oklahoma Register on February 18, 2020. The Notice concerned changes to the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities.

The following rules were specified in the Notice:

660:2-1-1. Purpose [AMENDED]
660:2-1-3. Definitions [AMENDED]
660:2-5-1. Official actions [AMENDED]
660:2-5-4. Summary orders [REVOKED]
660:2-7-3. Investigative processes [AMENDED]
660:2-9-1. Hearings in general [AMENDED]
660:2-9-3. Prehearing proceedings and processes [AMENDED]
660:2-9-4. Authority to subpoena witnesses [AMENDED]
660:2-9-5. Representation [AMENDED]
660:2-9-6. Conduct of individual proceeding [AMENDED]
660:2-11-4. Hours of inspection [AMENDED]
660:2-11-5. Procedures for inspection of records [AMENDED]
660:2-11-6. Procedures for copying records [AMENDED]
660:2-11-7. Fees [AMENDED]

As provided for in the Notice, all interested persons were afforded a thirty (30) day comment period to make written comments regarding the proposed rule amendments (the "Proposed Rule Amendments") and the revocation of Rule 660:2-5-4. Because of the impact of the COVID-19 pandemic, the Department extended the comment period to March 26, 2020.

A rule impact statement was prepared for the Proposed Rule Amendments and the revocation of Rule 660:2-5-4. The rule impact statement and the text of the Proposed Rule Amendments and the revocation of Rule 660:2-5-4 were posted on the Department's website as specified in the Notice. The Department electronically notified the person who had made a timely request for advance notice of the Department's rulemaking proceedings.

Also, as provided for by the Notice, a public hearing regarding the Proposed Rule Amendments was scheduled and conducted on March 27, 2020, at 10:00 a.m., by teleconference (due to the COVID-19 pandemic isolation restrictions) before the Administrator.

The only comments received with respect to any proposal in Chapter 2 were made by Department staff recommending the correction of scrivener errors and citations that were not in the precise form mandated by the OAC rules on rulemaking.

The Administrator reviewed and accepted the recommendations made by the Department staff.

AUTHORITY

Section 1-605.A of the Oklahoma Uniform Securities Act of 2004, 71 O.S. §§1-101 through 1-701 (2011 and Supp. 2019) ("Securities Act"), provides that the Administrator of the Department may:

1. Issue forms and orders and, after notice and comment, may adopt and amend rules necessary or appropriate to carry out this act and may repeal rules, including rules and forms governing registration statements, applications, notice filings, reports, and other records;

2. By rule, define terms, whether or not used in this act, but those definitions may not be inconsistent with this act; and

3. By rule, classify securities, persons, and transactions and adopt different requirements for different classes.

Section 1-605.B of the Securities Act limits this authority to situations in which the Administrator finds that the rule, form, order, or amendment is necessary or appropriate in the public interest or for the protection of investors and is consistent with the purposes intended by the Securities Act.

Section 1-608 of the Securities Act directs the Administrator to so act in order to achieve uniformity among the states and coordination with federal laws in the form and content of registration statements, applications, reports, and other records, including the adoption of uniform rules, forms, and procedures.

Section 662 of the Oklahoma Subdivided Land Sales Code provides:

A. The Administrator may make, amend and rescind any rules, forms and orders that are necessary to carry out this Code, including rules and forms governing applications for registration or licensing, reports and defining any terms, whether or not used in this Code, insofar as the definitions are not inconsistent with this Code. For the purpose of rules and forms, the Administrator may classify subdivided lands, persons and matters within his jurisdiction, and prescribe different requirements for different classes.

B. No rule, form or order may be made, amended or rescinded unless the Administrator finds that the action is necessary or appropriate in the public interest

and for the protection of purchasers. In prescribing rules and forms, the Administrator may cooperate with regulatory agencies of other units of government with a view to achieving maximum uniformity in the form and content of registration statements, applications and reports wherever practicable.

C. The Administrator may by rule or order prescribe the form and content of financial statements required under this Code, the circumstances under which consolidated financial statements shall be filed and whether any required financial statements shall be certified by independent or certified public accountants. All financial statements shall be prepared in accordance with generally accepted accounting practices unless otherwise permitted by rule or order.

D. No provision of this Code imposing any liability applies to any act done or omitted in good faith and conformity with any rule, form or order of the Administrator, notwithstanding that the rule, form or order may later be amended or rescinded or be determined to be invalid for any reason.

E. All rules and forms of the Administrator shall be published.

Section 816 of the Oklahoma Business Opportunity Sales Act provides:

A. The Administrator may make, amend, and rescind rules, forms and orders as are necessary to carry out the provisions of the Oklahoma Business Opportunity Sales Act including rules and forms governing disclosure documents, applications and reports, and defining any terms, whether or not used in the Oklahoma Business Opportunity Sales Act insofar as the definitions are not inconsistent with the provisions of the act. For the purpose of rules and forms, the Administrator may classify business opportunities, persons and matters within his or her jurisdiction, and prescribe different requirements for different classes.

B. No rule, form or order may be made, amended or rescinded unless the Administrator finds that the action is necessary or appropriate in the public interest or for the protection of the purchaser. In prescribing rules and forms the Administrator may cooperate with the administrators of other jurisdictions with a view to effectuating the policy of the Oklahoma Business Opportunity Sales Act to achieve maximum uniformity in the form and content of disclosure statements, applications, and reports whenever practicable.

C. No provision of the Oklahoma Business Opportunity Sales Act imposing any liability applies to any act done or omitted in good faith in conformity with any rule, form or order of the Administrator, notwithstanding that the rule, form or order may later be amended or rescinded or be determined by judicial or other authority to be invalid for any reason.

CONCLUSION OF LAW

The Administrator finds that the Proposed Rule Amendments and the revocation of 660:2-5-4 are necessary or appropriate in the public interest or for the protection of investors and are consistent with the purposes intended by the Securities Act, the Oklahoma Subdivided Land Sales Code, and the Oklahoma Business Opportunity Sales Act.

ORDER

BASED UPON AND SUBJECT TO THE FOREGOING, IT IS HEREBY ORDERED that Rule 660:2-5-4 is revoked and the Proposed Rule Amendments are adopted as set forth in the attached Exhibit A that includes the proposed amendments to rules in OAC 660:2.

WITNESS my Hand and the Official Seal of the Oklahoma Department of Securities at Oklahoma City, Oklahoma, and dated this 31st day of March, 2020.

(SEAL)

Melanie Hall

MELANIE HALL, ADMINISTRATOR OF THE OKLAHOMA DEPARTMENT OF SECURITIES