



## Ohio Revised Code

### Section 3309.157 Designation of Ohio-qualified agents - selection policy - utilization - annual report.

Effective: March 27, 2013

Legislation: House Bill 510 - 129th General Assembly

---

(A) As used in this section and in section 3309.159 of the Revised Code:

(1) "Agent" means a dealer, as defined in section 1707.01 of the Revised Code, who is licensed under sections 1707.01 to 1707.45 of the Revised Code or under comparable laws of another state or of the United States.

(2) "Minority business enterprise" has the same meaning as in section 122.71 of the Revised Code.

(3) "Ohio-qualified agent" means an agent designated as such by the school employees retirement board.

(4) "Ohio-qualified investment manager" means an investment manager designated as such by the school employees retirement board.

(5) "Principal place of business" means an office in which the agent regularly provides securities or investment advisory services and solicits, meets with, or otherwise communicates with clients.

(B) The school employees retirement board shall, for the purposes of this section, designate an agent as an Ohio-qualified agent if the agent meets all of the following requirements:

(1) The agent is subject to taxation under Chapter 5725., 5726., 5733., 5747., or 5751. of the Revised Code.

(2) The agent is authorized to conduct business in this state.

(3) The agent maintains a principal place of business in this state and employs at least five residents of this state.



(C) The school employees retirement board shall adopt and implement a written policy to establish criteria and procedures used to select agents to execute securities transactions on behalf of the retirement system. The policy shall address each of the following:

- (1) Commissions charged by the agent, both in the aggregate and on a per share basis;
- (2) The execution speed and trade settlement capabilities of the agent;
- (3) The responsiveness, reliability, and integrity of the agent;
- (4) The nature and value of research provided by the agent;
- (5) Any special capabilities of the agent.

(D)(1) The board shall, at least annually, establish a policy with the goal to increase utilization by the board of Ohio-qualified agents for the execution of domestic equity and fixed income trades on behalf of the retirement system, when an Ohio-qualified agent offers quality, services, and safety comparable to other agents otherwise available to the board and meets the criteria established under division (C) of this section.

(2) The board shall review, at least annually, the performance of the agents that execute securities transactions on behalf of the board.

(3) The board shall determine whether an agent is an Ohio-qualified agent, meets the criteria established by the board pursuant to division (C) of this section, and offers quality, services, and safety comparable to other agents otherwise available to the board. The board's determination shall be final.

(E) The board shall, at least annually, submit to the Ohio retirement study council a report containing the following information:

- (1) The name of each agent designated as an Ohio-qualified agent under this section;



- (2) The name of each agent that executes securities transactions on behalf of the board;
- (3) The amount of equity and fixed-income trades that are executed by Ohio-qualified agents, expressed as a percentage of all equity and fixed-income trades that are executed by agents on behalf of the board;
- (4) The compensation paid to Ohio-qualified agents, expressed as a percentage of total compensation paid to all agents that execute securities transactions on behalf of the board;
- (5) The amount of equity and fixed-income trades that are executed by agents that are minority business enterprises, expressed as a percentage of all equity and fixed-income trades that are executed by agents on behalf of the board;
- (6) Any other information requested by the Ohio retirement study council regarding the board's use of agents.