

## Oklahoma Department of Securities

Lead Administrator: Irving Faught

Lead Financial Officer: Melanie Hall

FY'13 Budgeted FTE						
	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
Administration General	0.7	0.0	0.5	0.6	0.0	0.6
Regulation General	0.1	0.0	2.7	0.4	1.6	0.8
Data Processing	0.8	0.0	1.0	0.0	1.0	0.8
Securities Registration	1.0	0.0	1.3	0.3	0.0	2.0
Registration Firms/Agts	0.8	0.0	3.9	0.6	0.4	3.7
Investigation/Enforcem't	0.8	0.0	14.4	0.4	2.0	12.8
Investor Education	0.3	0.0	0.5	0.5	0.3	0.0
Investor Education/OU	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>4.5</b>	<b>0</b>	<b>24.3</b>	<b>2.8</b>	<b>5.3</b>	<b>20.7</b>

FTE History					
	2013 Budgeted	2012	2009	2008	2003
Administration General	1.2	1.2	1.4	1.1	1.1
Regulation General	2.8	2.0	2.9	2.6	2.6
Data Processing	1.8	1.8	1.8	1.9	2.1
Securities Registration	2.3	2.0	2.0	2.1	3.1
Registration Firms/Agts	4.7	5.1	3.9	4.4	7.7
Investigation/Enforcem't	15.2	13.1	12.9	13.0	10.7
Investor Education	0.8	0.9	0.9	0.7	0.2
Investor Education/OU	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>28.8</b>	<b>26.1</b>	<b>25.8</b>	<b>25.8</b>	<b>27.5</b>

FY'13 Projected Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
Administration General	\$0	\$0	\$249,784	\$0	\$0	\$249,784
Regulation General	\$0	\$0	\$689,223	\$0	\$0	\$689,223
Data Processing	\$0	\$0	\$274,107	\$0	\$0	\$274,107
Securities Registration	\$0	\$0	\$332,063	\$0	\$0	\$332,063
Registration Firms/Agts	\$0	\$0	\$659,068	\$0	\$0	\$659,068
Investigation/Enforcem't	\$0	\$0	\$2,354,697	\$0	\$0	\$2,354,697
Investor Education	\$0	\$0	\$134,070	\$0	\$0	\$134,070
Investor Education/OU	\$0	\$0	\$2,384,596	\$0	\$0	\$2,384,596
Capital Outlay	\$0	\$0	\$282,870	\$0	\$0	\$282,870
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,360,478</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,360,478</b>

\*Source of "Other" and % of "Other" total for each.

FY'12 Carryover by Funding Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
FY'12 Carryover	\$0	\$0	\$8,312,845	\$0	\$0	\$8,312,845

\*Source of "Other" and % of "Other" total for each.

What Changes did the Agency Make between FY'12 and FY'13	
1.) Are there any services no longer provided because of budget cuts?	<b>no</b>
2.) What services are provided at a higher cost to the user?	<b>none</b>
3.) What services are still provided but with a slower response rate?	<b>financial investigations</b>

FY'14 Requested Division/Program Funding By Source							
	Appropriations	Federal	Revolving	Other	Total	% Change	
Administration General	\$0	\$0	\$249,784	\$0	\$249,784	0.00%	
Regulation General	\$0	\$0	\$689,223	\$0	\$689,223	0.00%	
Data Processing	\$0	\$0	\$274,107	\$0	\$274,107	0.00%	
Securities Registration	\$0	\$0	\$332,063	\$0	\$332,063	0.00%	
Registration Firms/Agts	\$0	\$0	\$659,068	\$0	\$659,068	0.00%	
Investigation/Enforcem't	\$0	\$0	\$2,354,697	\$0	\$2,354,697	0.00%	
Investor Education	\$0	\$0	\$134,070	\$0	\$134,070	0.00%	
Investor Education/OU	\$0	\$0	\$700,000	\$0	\$700,000	-70.64%	
Capital Outlay	\$0	\$0	\$598,445	\$0	\$598,445	111.56%	
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,991,457</b>	<b>\$0</b>	<b>\$5,991,457</b>	<b>-18.60%</b>	

\*Source of "Other" and % of "Other" total for each.

Is the agency seeking any fee increases for FY'14?		\$ Amount
Increase 1		\$0

Federal Government Impact	
1.) How much federal money received by the agency is tied to a mandate by the Federal Government?	<b>not applicable</b>
2.) Are any of those funds inadequate to pay for the federal mandate?	<b>not applicable</b>
3.) What would the consequences be of ending all of the federal funded programs for your agency?	<b>not applicable</b>
4.) How will your agency be affected by federal budget cuts in the coming fiscal year?	<b>not applicable</b>
5.) Has the agency requested any additional federal earmarks or increases?	<b>not applicable</b>

Revolving Funds			
	FY'13	FY'14	\$ Change
200 Revolving Fund	\$4,582,614	\$4,652,176	\$69,562
205 Investor Education Revolving Fund	\$81,574.00	\$25,000	-\$56,574

Division and Program Descriptions	
Administration	<ul style="list-style-type: none"> <li>Program 1 Processing of incoming mail and revenues</li> <li>Program 2 Maintenance of accounting and financial management system</li> </ul>
Data Processing	<ul style="list-style-type: none"> <li>Program 1 Management and maintenance of all technology-related activities</li> </ul>
Registration of Securities	<ul style="list-style-type: none"> <li>Program 1 Review of registration applications for compliance with disclosure and other standards</li> </ul>
Firms/Professionals	<ul style="list-style-type: none"> <li>Program 1 Review of registration applications for compliance with securities regulations</li> <li>Program 2 Comprehensive, onsite examinations of the books, records and sales practices of registrants</li> </ul>
Investigations/Enforcement	<ul style="list-style-type: none"> <li>Program 1 Investigation of suspected violations and pursual of appropriate remedial actions or sanctions</li> </ul>
Investor Education	<ul style="list-style-type: none"> <li>Program 1 Development and delivery of education materials and services for investors and potential investors</li> </ul>

Performance Measure Review					
	FY12	FY'11	FY'10	FY'09	FY'08
<b>Administration</b> independent auditor's report with no internal control deficiencies noted	met	met	1 deficiency noted	1 deficiency noted	1 deficiency noted
<b>Data Processing</b> % of time during normal working hours that computer systems are down is < 3%	met	met	met	met	met
	<b>FY12</b>	<b>FY'11</b>	<b>FY'10</b>	<b>FY'09</b>	<b>FY'08</b>
<b>Registration of Securities</b>					
<b>Measure</b>					
1. Total applications processed by the Department					
Business Opportunity	0	4	3	2	4
Coordination	41	29	28	30	33
No Action	1	2	3	1	2
Qualification	0	2	0	2	4
Exemptions	87	77	90	110	109
Reg D Filings	636	612	620	0	0
Subdivided Land Sales	0	0	1	0	1
Public Trusts	117	118	145	0	0
2. Total applications granted or Registered					
Business Opportunity	0	0	0	1	1
Coordination	6	10	4	6	7
No Action	0	1	1	0	2
Qualification	0	0	0	1	3
Exemptions	72	51	63	46	59
Reg D Filings	533	465	537	0	0
Subdivided Land Sales	0	0	0	0	0
Public Trusts	116	22	107	0	0
3. Total applications processed with deficiencies or comments					
Business Opportunity	0	3	0	0	2
Coordination	25	21	16	19	10
No Action	1	0	1	0	1
Qualification	0	1	0	2	1
Exemptions	22	11	18	19	31
Reg D Filings	16	26	16	0	0
Subdivided Land Sales	0	0	0	0	0
Public Trusts	1	1	0	0	0
4. Total applications denied or withdrawn because of Department comment					
Business Opportunity	0	3	0	0	0
Coordination	1	4	2	1	3
No Action	0	0	0	0	0
Qualification	0	0	0	0	0
Exemptions	3	1	3	1	2
Reg D Filings	0	0	0	0	0
5. Total applications granted after correcting deficiencies					
Business Opportunity	0	0	0	0	1
Coordination	6	8	3	5	4
No Action	0	0	1	0	1
Qualification	0	0	0	1	1
Exemptions	17	4	9	17	27
Reg D Filings	10	14	13	0	0

6. Percentage of total applications granted after correcting deficiencies to total deficient applications

Business Opportunity	0.00%	0.00%	0.00%	0.00%	50.00%
Coordination	24.00%	38.00%	19.00%	26.00%	40.00%
No Action	0.00%	0.00%	100.00%	0.00%	100.00%
Qualification	0.00%	0.00%	0.00%	50.00%	100.00%
Exemptions	77.00%	36.00%	50.00%	89.00%	87.00%
Reg D Filings	62.00%	54.00%	81.00%	0.00%	0.00%

7. Percentage of applications processed to applications with deficiencies

Business Opportunity	0.00%	75.00%	0.00%	0.00%	50.00%
Coordination	61.00%	72.00%	57.00%	63.00%	30.00%
No Action	100.00%	0.00%	33.00%	0.00%	50.00%
Qualification	0.00%	50.00%	0.00%	100.00%	25.00%
Exemptions	25.00%	14.00%	20.00%	17.00%	28.00%
Reg D Filings	3.00%	4.00%	3.00%	0.00%	0.00%

**FY12      FY'11      FY'10      FY'09      FY'08**

**Examinations**

**Measure**

1. Examinations completed within a designated number of days

0-30 days	0	6	1	6	0
31-60 days	0	3	0	0	3
61-90 days	2	5	0	2	3
Over 90 days	27	26	18	23	17
Totals	29	40	19	31	23

2. Number of examinations started

Broker-Dealer	5	8	10	15	17
Investment Adviser	28	31	7	14	15

3. Number of examinations completed

Broker-Dealer	8	15	10	14	14
Investment Adviser	21	25	9	18	9

4. Number of examinations completed with remedial action taken

Broker-Dealer	1	4	1	2	4
Investment Adviser	6	3	2	3	0

5. Percentage of registrants examined against whom final action has been taken

Broker-Dealer	37.5%	53.33%	10%	35.71%	0.76%
Investment Adviser	85.71%	60%	88.89%	88.89%	3.45%

**FY12      FY'11      FY'10      FY'09      FY'08**

**Firms/Professionals**

**Measure**

1. Number of applications processed

Broker-Dealer	79	122	105	113	128
Agent	24,127	30,098	25,682	31,756	30,671
Investment Adviser	40	23	14	20	18
Investment Adviser Rep.	706	791	878	2,142	972
Issuer Agent	117	133	116	111	134

2. Number of applicants registered during the fiscal year

Broker-Dealer	1,549	1,592	1,602	1,633	1,685
Agent	100,878	98,164	88,029	83,463	86,121
Investment Adviser	154	143	147	152	153
Investment Adviser Rep.	4,578	4,887	5,124	5,393	5,868
Issuer Agent	117	133	116	111	134

3. Number of applications denied or withdrawn because of Department comment

Broker-Dealer	3	2	3	3	2
Agent	0	0	0	0	2
Investment Adviser	4	5	8	5	5
Investment Adviser Rep.	1	0	0	0	0
Issuer Agent	0	0	0	0	0

4. Percentage of total applicants not registered to conduct business in Oklahoma because they fail to meet substantive registering requirements established to protect investors

Broker-Dealer	3.7%	1.63%	2.85%	2.65%	1.56%
Agent	0%	0%	0%	0%	0.006%
Investment Adviser	1%	21.7%	57.14%	25%	27.77%
Investment Adviser Rep.	0.14%	0%	0%	0%	0%
Issuer Agent	0%	0%	0%	0%	0%

	FY12	FY'11	FY'10	FY'09	FY'08
<b>Investigations/Enforcement Measure</b>					
1. % of respondents/defendants who are found to be repeat offenders is < 1%	met	met	met	met	met
2. % of targets who commit violations while under investigation is < 1%	met	met	met	met	met

	FY12	FY'11	FY'10	FY'09	FY'08
<b>Investor Education Measure</b>					
1. Estimated Number of Hardcopy Investor Protection Resources Provided at Outreach Events or by Donation	1,800	1,500	2,500	2,000	1,800
2. Estimated Number of Oklahomans Reached with Investor Protection Message Through Conference Participation and Presentations	1,800	1,700	1,700	600	703
3. Number of Awards Received for TV-Film and Print Outreach		3	3		
4. Total Oklahoma Circulation Reached with Print Investor Protection Messaging					1,853,821
5. Estimated Oklahoma Adults 50+Reached per Year					
Television	519,883	506,321	480,327	477,512	397,032
Radio	237,338	219,820	197,782	128,767	107,306
Out of Home (OOH)	197,782	367,309	350,356	332,356	338,014