

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
204 NORTH ROBINSON AVENUE, SUITE 400
OKLAHOMA CITY, OKLAHOMA 73102-7001



IN THE MATTER OF:

Extended Time for Temporary Holds
In Rule 660:11-15-2

**ORDER DECLARING BROKER-DEALERS AND INVESTMENT ADVISERS ISSUING
TEMPORARY HOLDS UNDER RULE 660:11-15-2 MAY EXTEND THE ALLOWABLE
HOLD TIME AS PROVIDED FOR IN FINRA RULE 2165**

WHEREAS, Rule 660:11-15-2 of the Rules of the Oklahoma Securities Commission and the Administrator of the Oklahoma Department of Securities, Okla. Admin. Code, tit. 660, provides that broker-dealers and investment advisers may place a temporary hold on a transaction or disbursement of funds or securities on the account of a protected adult and that broker-dealers and investment advisers will have immunity from administrative liability if their actions are in compliance with Rule 660:11-15-2;

WHEREAS, subparagraph (d)(2)(B) of Rule 660:11-15-2 provides that such a temporary hold will expire not later than 15 business days after it was placed unless the firm has a reasonable belief that financial exploitation of the protected adult has occurred, is occurring, has been attempted, or will be attempted, in which case the firm may extend the hold for up to an additional 10 business days;

WHEREAS, Rule 660:11-15-2 was in part based on the Financial Industry Regulatory Authority, Inc.'s ("FINRA") Rule 2165 that provides FINRA member broker-dealers and their

associated persons with a safe harbor when placing temporary holds on the accounts of protected adults and, when originally promulgated, allowed the hold to remain in place up to 25 days;

WHEREAS, FINRA Rule 2165 was amended on March 17, 2022, to allow FINRA member broker-dealers to extend a hold for up to another 30 days upon reasonable belief that financial exploitation of the protected adult has occurred, is occurring, has been attempted, or will be attempted;

WHEREAS, the inconsistency between Rule 660:11-15-2 and FINRA Rule 2165 creates a conflict for FINRA member broker-dealers registered under the Oklahoma Uniform Securities Act of 2004 ("Securities Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (2024), as they could be exposed to administrative liability in Oklahoma if they extend a hold past the 25 days allowed by Rule 660:11-15-2;

WHEREAS, Section 1-608 of the Securities Act states that maximizing uniformity in federal and state regulatory standards is a general policy of the Securities Act;

WHEREAS, the Administrator has determined that restricting FINRA member broker-dealers that are also registered under the Securities Act to the hold times allowed in Rule 660:11-15-2 will create confusion and cause unnecessary difficulty for those broker-dealers as they attempt to protect vulnerable adults from financial exploitation;

WHEREAS, the Administrator has determined that immunizing all broker-dealers and investment advisers from administrative liability should they, in good faith and in exercising reasonable care, extend a hold on the account of a vulnerable adult for up to another 30 days, is necessary and appropriate for the protection of investors and is consistent with the purposes of the Securities Act;

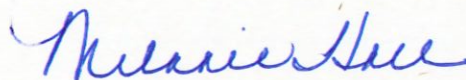
WHEREAS, the Administrator believes that it is necessary and appropriate in the public interest and for the protection of investors and that it is consistent with the purposes of the Securities Act to immediately resolve the conflict created by the inconsistency in hold times allowed by Rule 660:11-15-2 and FINRA Rule 2165 until the formal rulemaking process can be conducted to resolve the conflict;

WHEREAS, Section 1-605 of the Securities Act provides that the Administrator may issue orders necessary or appropriate to carry out the Act.

IT IS HEREBY ORDERED that:

1. An Oklahoma-registered broker-dealer or investment adviser will not have administrative liability in Oklahoma if the firm extends a hold placed under 660:11-15-2 for not more than 30 days after the date on which the hold would have expired under paragraph (d)(2)(B) of that rule so long as the firm has a reasonable belief that financial exploitation of the protected adult has occurred, is occurring, has been attempted, or will be attempted.
2. This Order is effective as of December 1, 2024.

DATED this 3rd day of January, 2025.



Melanie Hall, Administrator of the
Oklahoma Department of Securities