

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u> </u>	(Y/N)
ADOPTED AS AMENDED	<u> </u>	(Y/N)
ADOPTED W/O OBJECTION	<u> </u>	(Y/N)
FAILED TO ADOPT	<u> </u>	(Y/N)
WITHDRAWN	<u> </u>	(Y/N)
OTHER	<u> </u>	

1 Committee/Subcommittee hearing bill: Insurance & Banking
 2 Subcommittee

3 Representative Eagle offered the following:

4

5 **Amendment (with title amendment)**

6 Remove everything after the enacting clause and insert:

7 Section 1. Subsections (5), (6), (10), (11), (12), (14),
 8 and (15) of section 517.12, Florida Statutes, are amended to
 9 read:

10 517.12 Registration of dealers, associated persons, and
 11 investment advisers, ~~and branch offices.~~

12 (5) No dealer or investment adviser shall conduct business
 13 from a branch office within this state unless the branch office
 14 is notice filed with the office pursuant to s.
 15 517.1202. ~~registered with the office pursuant to the provisions~~
 16 ~~of this section.~~

17 (6) A dealer, associated person, or investment adviser, ~~or~~
 18 ~~branch office,~~ in order to obtain registration, must file with
 19 the office a written application, on a form which the commission
 20 may by rule prescribe. The commission may establish, by rule,

Amendment No. 1

21 procedures for depositing fees and filing documents by
22 electronic means provided such procedures provide the office
23 with the information and data required by this section. Each
24 dealer or investment adviser must also file an irrevocable
25 written consent to service of civil process similar to that
26 provided for in s. 517.101. The application shall contain such
27 information as the commission or office may require concerning
28 such matters as:

29 (a) The name of the applicant and the address of its
30 principal office and each office in this state.

31 (b) The applicant's form and place of organization; and,
32 if the applicant is a corporation, a copy of its articles of
33 incorporation and amendments to the articles of incorporation
34 or, if a partnership, a copy of the partnership agreement.

35 (c) The applicant's proposed method of doing business and
36 financial condition and history, including a certified financial
37 statement showing all assets and all liabilities, including
38 contingent liabilities of the applicant as of a date not more
39 than 90 days prior to the filing of the application.

40 (d) The names and addresses of all associated persons of
41 the applicant to be employed in this state and the offices to
42 which they will be assigned.

43 (10) An applicant for registration shall pay an assessment
44 fee of \$200, in the case of a dealer or investment adviser, or
45 \$50, in the case of an associated person. An associated person
46 may be assessed an additional fee to cover the cost for the
47 fingerprint cards to be processed by the office. Such fee shall
48 be determined by rule of the commission. ~~Each dealer and each~~

Amendment No. 1

49 ~~investment adviser shall pay an assessment fee of \$100 for each~~
50 ~~office in this state.~~ Such fees become the revenue of the state,
51 except for those assessments provided for under s. 517.131(1)
52 until such time as the Securities Guaranty Fund satisfies the
53 statutory limits, and are not returnable in the event that
54 registration is withdrawn or not granted.

55 (11) If the office finds that the applicant is of good
56 repute and character and has complied with the provisions of
57 this chapter and the rules made pursuant hereto, it shall
58 register the applicant. The registration of each dealer,
59 investment adviser, ~~branch office,~~ and associated person expires
60 on December 31 of the year the registration became effective
61 unless the registrant has renewed his or her registration on or
62 before that date. ~~The commission may establish by rule~~
63 ~~procedures for renewing the registration of a branch office~~
64 ~~through the Central Registration Depository.~~ Registration may be
65 renewed by furnishing such information as the commission may
66 require, together with payment of the fee required in subsection
67 (10) for dealers, investment advisers, or associated persons, ~~or~~
68 ~~branch offices~~ and the payment of any amount lawfully due and
69 owing to the office pursuant to any order of the office or
70 pursuant to any agreement with the office. Any dealer,
71 investment adviser, or associated person, ~~or branch office~~
72 registrant who has not renewed a registration by the time the
73 current registration expires may request reinstatement of such
74 registration by filing with the office, on or before January 31
75 of the year following the year of expiration, such information
76 as may be required by the commission, together with payment of

Amendment No. 1

77 the fee required in subsection (10) for dealers, investment
78 advisers, or associated persons, ~~or branch office~~ and a late fee
79 equal to the amount of such fee. Any reinstatement of
80 registration granted by the office during the month of January
81 shall be deemed effective retroactive to January 1 of that year.

82 (12) (a) The office may issue a license to a dealer,
83 investment adviser, or associated person, ~~or branch office~~ to
84 evidence registration under this chapter. The office may require
85 the return to the office of any license it may issue prior to
86 issuing a new license.

87 (b) Every dealer, investment adviser, or federal covered
88 adviser shall promptly file with the office, as prescribed by
89 rules adopted by the commission, notice as to the termination of
90 employment of any associated person registered for such dealer
91 or investment adviser in this state and shall also furnish the
92 reason or reasons for such termination.

93 (c) Each dealer or investment adviser shall designate in
94 writing to, and register with, the office a manager for each
95 office the dealer or investment adviser has in this state.

96 (14) Every dealer or, investment adviser, ~~or branch office~~
97 registered or required to be registered or branch office notice
98 filed or required to be notice filed with the office shall keep
99 records of all currency transactions in excess of \$10,000 and
100 shall file reports, as prescribed under the financial
101 recordkeeping regulations in 31 C.F.R. part 103, with the office
102 when transactions occur in or from this state. All reports
103 required by this subsection to be filed with the office shall be
104 confidential and exempt from s. 119.07(1) except that any law

Amendment No. 1

105 enforcement agency or the Department of Revenue shall have
106 access to, and shall be authorized to inspect and copy, such
107 reports.

108 (15) (a) In order to facilitate uniformity and streamline
109 procedures for persons who are subject to registration or
110 notification in multiple jurisdictions, the commission may adopt
111 by rule uniform forms that have been approved by the Securities
112 and Exchange Commission, and any subsequent amendments to such
113 forms, if the forms are substantially consistent with the
114 provisions of this chapter. Uniform forms that the commission
115 may adopt to administer this section include, but are not
116 limited to:

117 1. Form BR, Uniform Branch Office Registration Form,
118 adopted October 2005.

119 2. Form U4, Uniform Application for Securities Industry
120 Registration or Transfer, adopted October 2005.

121 3. Form U5, Uniform Termination Notice for Securities
122 Industry Registration, adopted October 2005.

123 4. Form ADV, Uniform Application for Investment Adviser
124 Registration, adopted October 2003.

125 5. Form ADV-W, Notice of Withdrawal from Registration as
126 an Investment Adviser, adopted October 2003.

127 6. Form BD, Uniform Application for Broker-Dealer
128 Registration, adopted July 1999.

129 7. Form BDW, Uniform Request for Broker-Dealer Withdrawal,
130 adopted August 1999.

131 (b) In lieu of filing with the office the applications
132 specified in subsection (6), the fees required by subsection

Amendment No. 1

133 (10), the renewals required by subsection (11), and the
134 termination notices required by subsection (12), the commission
135 may by rule establish procedures for the deposit of such fees
136 and documents with the Central Registration Depository or the
137 Investment Adviser Registration Depository of the Financial
138 Industry Regulatory Authority, as developed under contract with
139 the North American Securities Administrators Association, Inc.
140

141 Section 2. Section 517.1202, Florida Statutes, is created
142 to read:

143 517.1202 Notice filing requirements for branch offices.-

144 (1) It is unlawful for a dealer or investment adviser to
145 conduct business from a branch office in this state unless the
146 dealer or investment adviser has made a branch office notice
147 filing with this office. A notice filing under this section
148 shall consist of a form which the commission may prescribe by
149 rule. The commission may establish, by rule, procedures for the
150 deposit of fees and filing of documents by electronic means if
151 the procedures provide the office with the information and data
152 required by this section.

153 (2) A notice filing shall be effective upon receipt by the
154 office of the form and filing fee. Each dealer and each
155 investment adviser shall pay a filing fee of \$100 for each
156 branch office in this state.

157 (3) A notice filing shall expire on December 31 of the year
158 in which the filing became effective unless the dealer or
159 investment adviser has renewed the filing on or before that
160 date. A dealer or investment adviser may renew a branch office

Amendment No. 1

161 notice filing by furnishing to the office such information as
162 the commission or office may require, together with a renewal
163 fee of \$100 and the payment of any amount due and owing the
164 office pursuant to any agreement with the office. Any dealer or
165 investment adviser who has not renewed a branch office notice
166 filing by the time a current notice filing expires may request
167 reinstatement of such notice filing by filing with the office,
168 on or before January 31 of the year following the year the
169 notice filing expires, such information as the commission or
170 office may require, together with the filing fee of \$100 and a
171 late fee equal to \$100. Any reinstatement of a branch office
172 notice filing granted by the office during the month of January
173 shall be deemed effective retroactive to January 1 of that year.

174 (4) A branch office notice filing under this section shall
175 be summarily suspended by the office if the notice filer fails
176 to provide to the office, within 30 days after a written request
177 by the office, all of the information required by this section
178 and the rules adopted under this section. The summary suspension
179 shall be in effect for the branch office until such time as the
180 notice filer submits the requested information to the office,
181 pays a fine as prescribed by s. 517.221(3), and the entry of a
182 final order. At such time, the suspension will be lifted. For
183 purposes of s. 120.60(6), failure to provide all information
184 required by this section and the underlying rules constitutes
185 immediate and serious danger to the public health, safety, and
186 welfare. If the notice filer fails to provide all of the
187 requested information within a period of 90 days, the notice
188 filing will be revoked by the office.

Amendment No. 1

189 (5) Notification under this section may be revoked by the
190 office if the notice filer made payment to the office for a
191 branch office notice filing with a check or electronic
192 transmission of funds that is dishonored by the notice filer's
193 financial institution.

194 (6) The commission may require, by rule, a dealer or
195 investment adviser who has made a branch office notice filing
196 pursuant to this section to file amendments with the office.

197 (7) A branch office notice filing may be terminated by
198 filing notice of such termination with the office. Unless
199 another date is specified by the dealer or investment adviser,
200 such notice shall be effective upon its receipt by the office.

201 (8) All fees collected under this section become the
202 revenue of the state, except for those assessments provided for
203 under s. 517.131(1) until such time as the Securities Guaranty
204 Fund satisfies the statutory limits, and are not returnable in
205 the event that a branch office notice filing is withdrawn.

206
207 Section 3. Section 517.1205, Florida Statutes, is
208 amended to read:

209 517.1205 Registration of associated persons specific as to
210 securities dealer, investment adviser, or federal covered
211 adviser identified at time of registration approval.—Inasmuch as
212 this chapter is intended to protect investors in securities
213 offerings and other investment transactions regulated by that
214 chapter, its provisions are to be construed to require full and
215 fair disclosure of all, but only, those matters material to the
216 investor's evaluation of the offering or other transaction. It

Amendment No. 1

217 should, furthermore, be construed to impose the standards
218 provided by law on all those seeking to participate in the
219 state's securities industry through registration as a securities
220 dealer, investment adviser, or associated person. To this end,
221 it is declared to be the intent of the Legislature that the
222 registration of associated persons required by law is specific
223 to the securities dealer, investment adviser, or federal covered
224 adviser identified at the time such registration is approved.
225 Notwithstanding any interpretation of law to the contrary, the
226 historical practice of the Department of Banking and Finance,
227 reflected in its rules, that requires a new application for
228 registration from a previously registered associated person when
229 that person seeks to be associated with a new securities dealer
230 or investment adviser is hereby ratified and approved as
231 consistent with legislative intent. It is, finally, declared to
232 be the intent of the Legislature that while approval of an
233 application for registration of a securities dealer, investment
234 adviser, or associated person, ~~or branch office~~ requires a
235 finding of the applicant's good repute and character, such
236 finding is precluded by a determination that the applicant may
237 be denied registration on grounds provided by law.

238
239 Section 4. Subsections (2) and (3) of Section 517.121,
240 Florida Statutes, are amended to read:

241 517.121 Books and records requirements; examinations.—

242 (2) The office shall, at intermittent periods, examine the
243 affairs and books and records of each registered dealer,
244 investment adviser, ~~branch office, or~~ associated person, or

Amendment No. 1

245 branch office notice filed with the office, or require such
246 records and reports to be submitted to it as required by rule of
247 the commission, to determine compliance with this act.

248 (3) Registration under s. 517.12 or notification under s.
249 517.1202 may be summarily suspended by the office pursuant to s.
250 120.60(6) if the registrant or notice filed branch office fails
251 to promptly provide to the office, after a written request, any
252 of the records required by this section and the rules adopted
253 under this section. The suspension may be rescinded if the
254 registrant or notice filed branch office submits the requested
255 records to the office. For purposes of s. 120.60(6), failure to
256 provide substantially all of such records constitutes immediate
257 and serious danger to the public health, safety, and welfare.

258

259 Section 5. Paragraphs (j) and (n) of subsection (1) of
260 Section 517.161, Florida Statutes, are amended to read:

261 517.161 Revocation, denial, or suspension of registration
262 of dealer, investment adviser, or associated person, ~~or branch~~
263 ~~office.~~-

264 (1) Registration under s. 517.12 may be denied or any
265 registration granted may be revoked, restricted, or suspended by
266 the office if the office determines that such applicant or
267 registrant; any member, principal, or director of the applicant
268 or registrant or any person having a similar status or
269 performing similar functions; or any person directly or
270 indirectly controlling the applicant or registrant:

271 (j) Has been convicted of, or has entered a plea of guilty
272 or nolo contendere to, regardless of whether adjudication was

Amendment No. 1

273 withheld, a crime against the laws of this state or any other
274 state or of the United States or of any other country or
275 government which relates to registration as a dealer, investment
276 adviser, issuer of securities, or associated person, ~~or branch~~
277 ~~office~~; which relates to the application for such registration;
278 or which involves moral turpitude or fraudulent or dishonest
279 dealing;

280 (n) Made payment to the office for a registration ~~or~~
281 ~~notice filing~~ with a check or electronic transmission of funds
282 that is dishonored by the applicant's or, registrant's, ~~or~~
283 ~~notice filer's~~ financial institution.

284
285 Section 6. Paragraph (b) of subsection (2) of Section
286 517.1611, Florida Statutes, is amended to read:

287 517.1611. Guidelines.—

288 (2) The commission shall adopt by rule disqualifying
289 periods pursuant to which an applicant will be disqualified from
290 eligibility for registration based upon criminal convictions,
291 pleas of nolo contendere, or pleas of guilt, regardless of
292 whether adjudication was withheld, by the applicant; any
293 partner, member, officer, or director of the applicant or any
294 person having a similar status or performing similar functions;
295 or any person directly or indirectly controlling the applicant.

296 (b) The disqualifying periods shall be related to crimes
297 involving registration as a dealer, investment adviser, issuer
298 of securities, or associated person, ~~or branch office~~ or the
299 application for such registration or involving moral turpitude
300 or fraudulent or dishonest dealing.

Amendment No. 1

301 Section 7. Subsection (1) of Section 517.211, Florida
302 Statutes, is amended to read:

303 517.211 Remedies available in cases of unlawful sale.—

304 (1) Every sale made in violation of either s. 517.07 or s.
305 517.12(1), (4), (5), (9), (11), (13), (16), or (18) may be
306 rescinded at the election of the purchaser, except a sale made
307 in violation of the provisions of s. 517.1202(3) ~~517.12(11)~~
308 relating to a renewal of a branch office notification
309 ~~registration~~ shall not be subject to this section, and a sale
310 made in violation of the provisions of s. 517.12(13) relating to
311 filing a change of address amendment shall not be subject to
312 this section. Each person making the sale and every director,
313 officer, partner, or agent of or for the seller, if the
314 director, officer, partner, or agent has personally participated
315 or aided in making the sale, is jointly and severally liable to
316 the purchaser in an action for rescission, if the purchaser
317 still owns the security, or for damages, if the purchaser has
318 sold the security. No purchaser otherwise entitled will have the
319 benefit of this subsection who has refused or failed, within 30
320 days of receipt, to accept an offer made in writing by the
321 seller, if the purchaser has not sold the security, to take back
322 the security in question and to refund the full amount paid by
323 the purchaser or, if the purchaser has sold the security, to pay
324 the purchaser an amount equal to the difference between the
325 amount paid for the security and the amount received by the
326 purchaser on the sale of the security, together, in either case,
327 with interest on the full amount paid for the security by the
328 purchaser at the legal rate, pursuant to s. 55.03, for the

Amendment No. 1

329 period from the date of payment by the purchaser to the date of
330 repayment, less the amount of any income received by the
331 purchaser on the security.

332
333 Section 8. This act shall take effect October 1, 2013.
334

335 -----
336 **T I T L E A M E N D M E N T**

337 Remove lines 2-8 and insert:

338 An act relating to the registration of branch offices conducting
339 securities transactions; amending s. 517.12, F.S.; providing
340 requirements for registration of dealers, associated persons,
341 and investment advisers; creating s. 517.1202, F.S.; providing
342 notice filing requirements and procedures for branch offices;
343 authorizing the Office of Financial Regulation to request
344 additional information related to a notice filing; amending s.
345 517.1205, F.S.; excluding branch offices from registration
346 requirements for associated persons; amending s. 517.121, F.S.;
347 providing that branch offices that have notice filed with the
348 office are subject to books and records requirements; amending
349 s. 517.161, F.S.; excluding branch offices from disciplinary
350 proceedings over registered persons; amending s. 517.161, F.S.;
351 excluding branch offices from the commission's authority to
352 adopt rules regarding disqualifying periods for certain
353 applicants for registration; amending s. 517.211, F.S.; to
354 provide that purchasers may rescind sales for certain
355 violations, except for violations relating to a renewal of a
356 branch office notification; providing an effective date.