

THE FLORIDA SENATE
2013 SUMMARY OF LEGISLATION PASSED
Committee on Banking and Insurance

CS/HB 783 — Branch Offices Conducting Securities Transactions

by Insurance and Banking Subcommittee; Reps. Eagle and Raulerson (CS/SB 814 by Banking and Insurance Committee and Senator Brandes)

The bill provides notice filing requirements for branch offices and deletes the requirement that branch offices be registered. A key difference between the notice filing process of the bill and registration is that registration of a branch office is effective upon receipt of the filing and required fee by the Office of Financial Regulation (OFR), while registration is only effective after the OFR has reviewed the registration and approved it. Each dealer and each investment adviser must pay a filing fee of \$100 for each branch office in the state. As under current law, it is unlawful for a securities dealer or investment adviser to conduct business from a branch office that has not filed with the OFR, the only difference being the bill's requirement of a notice filing.

Each notice filing expires on December 31 of the year the filing was made, unless the filing is renewed on or before that date. A branch office notice is renewed when the dealer or securities adviser furnishes to the OFR any required information, a \$100 renewal fee, and any amount due and owing the office pursuant to an agreement with the OFR. If a branch office notice expires, the dealer or investment adviser may request reinstatement on or before January 31 of the following expiration by providing requested information, the \$100 renewal fee, and a \$100 late fee. A branch office reinstatement is effective retroactive to January 1 of that year. The bill authorizes the Financial Services Commission to require, by rule, a dealer or investment adviser to file amendments to a branch office notice filing.

The OFR must summarily suspend a branch office notice filing if the notice filer fails to provide to the OFR all information required as part of a filing within 30 days after the OFR makes a written request for such information. The summary suspension is effective until the notice filer submits the requested information to the OFR, pays an administrative fine pursuant to s. 517.221(3), F.S., and a final order is entered. For purposes of emergency suspension of licenses, failure to provide all information required pursuant to branch office notice filing is grounds for the emergency suspension of a license under s. 120.60(6), F.S., because such failure constitutes an immediate and serious danger to the public health, safety, and welfare. A notice filing must be revoked by the OFR if the notice filer fails to provide all requested information within 90 days. The OFR may revoke a branch office notice if the notice filer makes a payment to the OFR via check or electronic funds transmission (EFT) that is dishonored. A dealer or investment adviser may terminate a branch office notice filing by filing a notice of termination with the OFR, the effective date of which is either as specified in the notice of termination or upon receipt by the OFR if the notice does not specify an effective date.

If approved by the Governor, these provisions take effect October 1, 2013.

Vote: Senate 39-0; House 114-0