

By the Committee on Financial Services and Representatives  
Safley, Lippman, Sanderson, Bainter, Ball, Edwards, Rayson,  
Effman, Flanagan, Lawson, Dennis and Maygarden

1                                   A bill to be entitled  
2           An act relating to securities transactions;  
3           amending s. 517.021, F.S.; revising  
4           definitions; amending s. 517.051, F.S.;  
5           deleting an exemption from securities  
6           registration requirements for investment  
7           companies; amending s. 517.07, F.S.;  
8           prohibiting the sale of certain securities;  
9           requiring the Department of Banking and Finance  
10          to issue a permit upon granting a registration;  
11          amending s. 517.081, F.S.; providing additional  
12          authority to the Department of Banking and  
13          Finance relating to registration requirements;  
14          providing for filing certain alternative  
15          information; providing requirements; amending  
16          ss. 517.082 and 517.101, F.S.; deleting  
17          obsolete cross references; amending s. 517.12,  
18          F.S.; exempting commodity trading advisers from  
19          certain registration requirements under certain  
20          circumstances; providing for a reduced  
21          assessment fee under certain circumstances;  
22          amending s. 517.1203, F.S.; providing for  
23          termination of allocation of certain assessment  
24          fee revenues to the Securities Guaranty Fund  
25          under certain circumstances; amending s.  
26          517.131, F.S.; specifying an allocation of  
27          certain assessment fee revenues to the  
28          Securities Guaranty Fund under certain  
29          circumstances; providing effective dates.

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31 Be It Enacted by the Legislature of the State of Florida:

1           Section 1. Effective upon this act becoming a law,  
2 subsection (2) of section 517.021, Florida Statutes, is  
3 amended, subsections (8)-(18) of said section are redesignated  
4 as subsections (9)-(19), respectively, a new subsection (8) is  
5 added to said section, and paragraph (b) of redesignated  
6 subsection (11) is amended, to read:

7           517.021 Definitions.--When used in this chapter,  
8 unless the context otherwise indicates, the following terms  
9 have the following respective meanings:

10           (2) "Associated person" means any of the following:

11           (a) Any partner, officer, director, or branch manager  
12 of a dealer or investment adviser or any person occupying a  
13 similar status or performing similar functions;

14           (b) Any natural person directly or indirectly  
15 controlling or controlled by such dealer or investment  
16 adviser, other than an employee whose function is only  
17 clerical or ministerial; or

18           (c) Any natural person, other than a dealer, employed,  
19 appointed, or authorized by a dealer, investment adviser, or  
20 issuer to sell securities in any manner or act as an  
21 investment adviser as defined in this section.

22  
23 The partners of a partnership and the executive officers of a  
24 corporation or other association registered as a dealer, and  
25 any person whose transactions in this state are limited to  
26 those transactions described in s. 15(h)(2) of the Securities  
27 Exchange Act of 1934, are not "associated persons" within the  
28 meaning of this definition.

29           (8) "Federal covered security" means any security that  
30 is a covered security under s. 18(b) of the Securities Act of  
31 1933 or rules and regulations adopted thereunder.

1           ~~(11)~~(10)

2           (b) The term "investment adviser" does not include the  
3 following:

4           1. Any licensed practicing attorney or certified  
5 public accountant who renders or performs any of such services  
6 in connection with the regular practice of his profession;

7           2. Any bank authorized to do business in this state;

8           3. Any bank holding company as defined in the Bank  
9 Holding Company Act of 1956, as amended, authorized to do  
10 business in this state;

11           4. Any trust company having trust powers which it is  
12 authorized to exercise in the state, which trust company  
13 renders or performs services in a fiduciary capacity  
14 incidental to the exercise of its trust powers;

15           5. Any person who renders investment advice  
16 exclusively to insurance or investment companies; ~~or~~

17           6. Any person who does not hold himself out to the  
18 general public as an investment adviser and has at least 6 but  
19 no more than 15 clients within 12 consecutive months in this  
20 state; or.

21           7. Any person whose transactions in this state are  
22 limited to those transactions described in s. 222(d) of the  
23 Investment Advisers Act of 1940. Those clients listed in  
24 subparagraph 5. shall not be included when determining the  
25 number of clients of an investment adviser for purposes of s.  
26 222(d) of the Investment Advisers Act of 1940.

27           Section 2. Effective upon this act becoming a law,  
28 section 517.051, Florida Statutes, 1996 Supplement, is amended  
29 to read:

30           517.051 Exempt securities.--~~Except as provided in~~  
31 ~~subsection (11),~~The exemptions provided herein from the

1 registration requirements of s. 517.07 are self-executing and  
2 do not require any filing with the department prior to  
3 claiming such exemption. Any person who claims entitlement to  
4 any of these exemptions bears the burden of proving such  
5 entitlement in any proceeding brought under this chapter. The  
6 registration provisions of s. 517.07 do not apply to any of  
7 the following securities:

8 (1) A security issued or guaranteed by the United  
9 States or any territory or insular possession of the United  
10 States, by the District of Columbia, or by any state of the  
11 United States or by any political subdivision or agency or  
12 other instrumentality thereof; provided that no person shall  
13 directly or indirectly offer or sell securities, other than  
14 general obligation bonds, under this subsection if the issuer  
15 or guarantor is in default or has been in default any time  
16 after December 31, 1975, as to principal or interest:

17 (a) With respect to an obligation issued by the issuer  
18 or successor of the issuer; or

19 (b) With respect to an obligation guaranteed by the  
20 guarantor or successor of the guarantor,

21  
22 except by an offering circular containing a full and fair  
23 disclosure as prescribed by rule of the department.

24 (2) A security issued or guaranteed by any foreign  
25 government with which the United States is maintaining  
26 diplomatic relations at the time of the sale or offer of sale  
27 of the security, or by any state, province, or political  
28 subdivision thereof having the power of taxation or  
29 assessment, which security is recognized at the time it is  
30 offered for sale in this state as a valid obligation by such  
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1 foreign government or by such state, province, or political  
2 subdivision thereof issuing the security.

3 (3) A security issued or guaranteed by:

4 (a) A national bank, a federally chartered savings and  
5 loan association, or a federally chartered savings bank, or  
6 the initial subscription for equity securities in such  
7 national bank, federally chartered savings and loan  
8 association, or federally chartered savings bank;

9 (b) Any federal land bank, joint-stock land bank, or  
10 national farm loan association under the provisions of the  
11 Federal Farm Loan Act of July 17, 1916;

12 (c) An international bank of which the United States  
13 is a member; or

14 (d) A corporation created and acting as an  
15 instrumentality of the government of the United States.

16 (4) A security issued or guaranteed, as to principal,  
17 interest, or dividend, by a corporation owning or operating a  
18 railroad or any other public service utility; provided that  
19 such corporation is subject to regulation or supervision  
20 whether as to its rates and charges or as to the issue of its  
21 own securities by a public commission, board, or officer of  
22 the government of the United States, of any state, territory,  
23 or insular possession of the United States, of any  
24 municipality located therein, of the District of Columbia, or  
25 of the Dominion of Canada or of any province thereof; also  
26 equipment securities based on chattel mortgages, leases, or  
27 agreements for conditional sale of cars, motive power, or  
28 other rolling stock mortgaged, leased, or sold to or furnished  
29 for the use of or upon such railroad or other public service  
30 utility corporation or where the ownership or title of such  
31 equipment is pledged or retained in accordance with the

1 provisions of the laws of the United States or of any state or  
2 of the Dominion of Canada to secure the payment of such  
3 equipment securities; and also bonds, notes, or other  
4 evidences of indebtedness issued by a holding corporation and  
5 secured by collateral consisting of any securities hereinabove  
6 described; provided, further, that the collateral securities  
7 equal in fair value at least 125 percent of the par value of  
8 the bonds, notes, or other evidences of indebtedness so  
9 secured.

10 (5) A security issued or guaranteed by any of the  
11 following which are subject to the examination, supervision,  
12 or control of this state or of the Federal Deposit Insurance  
13 Corporation or the National Credit Union Association:

- 14 (a) A bank,  
15 (b) A trust company,  
16 (c) A savings institution,  
17 (d) A building or savings and loan association,  
18 (e) An international development bank, or  
19 (f) A credit union;

20  
21 or the initial subscription for equity securities of any  
22 institution listed in paragraphs (a)-(f), provided such  
23 institution is subject to the examination, supervision, or  
24 control of this state.

25 (6) A security, other than common stock, providing for  
26 a fixed return, which security has been outstanding in the  
27 hands of the public for a period of not less than 5 years, and  
28 upon which security no default in payment of principal or  
29 failure to pay the fixed return has occurred for an  
30 immediately preceding period of 5 years.

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1           (7) Securities of nonprofit agricultural cooperatives  
2 organized under the laws of this state when the securities are  
3 sold or offered for sale to persons principally engaged in  
4 agricultural production or selling agricultural products.

5           (8) A note, draft, bill of exchange, or banker's  
6 acceptance having a unit amount of \$25,000 or more which  
7 arises out of a current transaction, or the proceeds of which  
8 have been or are to be used for current transactions, and  
9 which has a maturity period at the time of issuance not  
10 exceeding 9 months exclusive of days of grace, or any renewal  
11 thereof which has a maturity period likewise limited. This  
12 subsection applies only to prime quality negotiable commercial  
13 paper of a type not ordinarily purchased by the general  
14 public; that is, paper issued to facilitate well-recognized  
15 types of current operational business requirements and of a  
16 type eligible for discounting by Federal Reserve banks.

17           (9) A security issued by a corporation organized and  
18 operated exclusively for religious, educational, benevolent,  
19 fraternal, charitable, or reformatory purposes and not for  
20 pecuniary profit, no part of the net earnings of which  
21 corporation inures to the benefit of any private stockholder  
22 or individual; provided that no person shall directly or  
23 indirectly offer or sell securities under this subsection  
24 except by an offering circular containing full and fair  
25 disclosure, as prescribed by the rules of the department, of  
26 all material information, including, but not limited to, a  
27 description of the securities offered and terms of the  
28 offering, a description of the nature of the issuer's  
29 business, a statement of the purpose of the offering and the  
30 intended application by the issuer of the proceeds thereof,  
31

1 and financial statements of the issuer prepared in conformance  
2 with generally accepted accounting principles.

3 (10) Any insurance or endowment policy or annuity  
4 contract or optional annuity contract or self-insurance  
5 agreement issued by a corporation, insurance company,  
6 reciprocal insurer, or risk retention group subject to the  
7 supervision of the insurance commissioner or bank  
8 commissioner, or any agency or officer performing like  
9 functions, of any state or territory of the United States or  
10 the District of Columbia.

11 ~~(11) The offer or sale of securities pursuant to a~~  
12 ~~registration statement filed under the Investment Company Act~~  
13 ~~of 1940 by an open-end management company or unit investment~~  
14 ~~trust shall be entitled to exemption in the manner provided in~~  
15 ~~paragraph (a), provided that prior to the offer or sale the~~  
16 ~~registration statement has become effective.~~

17 ~~(a) An application for exemption shall be filed with~~  
18 ~~the department and shall be accompanied by:~~

19 ~~1. An application for exemption to sell which shall be~~  
20 ~~executed by the issuer, any person on whose behalf the~~  
21 ~~offering is made, a dealer registered under this chapter, or~~  
22 ~~any duly authorized agent of any such person, setting forth~~  
23 ~~the name and address of the applicant, the name and address of~~  
24 ~~the issuer, and the title of the securities to be offered and~~  
25 ~~sold.~~

26 ~~2. A copy of the cover page of the initial~~  
27 ~~registration statement as filed with the Securities and~~  
28 ~~Exchange Commission unless the federal registration is~~  
29 ~~effective prior to filing with the department.~~

30 ~~3. A copy of the dated final prospectus or current~~  
31 ~~prospectus, whichever is dated later.~~



1           4. ~~A \$1,000 fee.~~  
2           5. ~~An irrevocable written consent to service and~~  
3 ~~resolution as described in s. 517.101, for any initial~~  
4 ~~registration or upon request by the department.~~  
5           6. ~~Copies of such documents filed with the Securities~~  
6 ~~and Exchange Commission as the department may require.~~  
7           (b) ~~An exemption under this section is effective when~~  
8 ~~the federal registration statement becomes effective or as of~~  
9 ~~the date the application for exemption is filed with the~~  
10 ~~department, whichever is later, provided, in addition to the~~  
11 ~~items listed in paragraph (a), the department has received~~  
12 ~~written notification of effective registration under the~~  
13 ~~Investment Company Act of 1940 within 10 business days after~~  
14 ~~the date federal registration is granted. Failure to provide~~  
15 ~~to the department the information required by this subsection~~  
16 ~~within 60 days after the date the registration statement~~  
17 ~~becomes effective with the Securities and Exchange Commission~~  
18 ~~is a violation of this chapter.~~  
19           (c) ~~The exemption is effective for a period of 12~~  
20 ~~months after the date of effectiveness in this state, unless~~  
21 ~~renewed prior to expiration.~~  
22           (d) ~~In lieu of filing with the department the~~  
23 ~~application, fees, and documents required for exemption, the~~  
24 ~~department may establish procedures for the deposit of fees~~  
25 ~~and filing of documents to be made through the Securities~~  
26 ~~Registration Depository as developed under contract with the~~  
27 ~~North American Securities Administrators Association, Inc.,~~  
28 ~~provided such procedures shall provide the department with the~~  
29 ~~information and data required by this subsection. If a filer~~  
30 ~~chooses not to use the Securities Registration Depository,~~  
31

1 ~~such filings, including the statutory fee, may be made~~  
2 ~~directly with the department.~~

3 Section 3. Effective upon this act becoming a law,  
4 section 517.07, Florida Statutes, is amended to read:

5 517.07 Registration of securities.--

6 (1) It is unlawful and a violation of this chapter for  
7 any person to sell or offer to sell a security within this  
8 state unless the security is exempt under s. 517.051, is sold  
9 in a transaction exempt under s. 517.061, is a federal covered  
10 security, or is registered pursuant to this chapter.

11 (2) No securities that are required to be registered  
12 under this chapter except of a class exempt under any of the  
13 provisions of s. 517.051 or unless sold in any transaction  
14 exempt under any of the provisions of s. 517.061 shall be sold  
15 or offered for sale within this state unless such securities  
16 have been registered pursuant to this chapter, as hereinafter  
17 defined, and unless prior to each sale the purchaser is  
18 furnished with a prospectus meeting the requirements of rules  
19 adopted by the department. The department shall issue a  
20 permit when such registration has been granted by the  
21 department.

22 (3)(1) The department shall issue a permit when  
23 registration has been granted by the department. A permit to  
24 sell securities is effective for 1 year from the date it was  
25 granted. Registration of securities shall be deemed to  
26 include the registration of rights to subscribe to such  
27 securities if the application under s. 517.081 or s. 517.082  
28 for registration of such securities includes a statement that  
29 such rights are to be issued.

30 (4)(2) A record of the registration of securities  
31 shall be kept in the office of the department, in which

1 register of securities shall also be recorded any orders  
2 entered by the department with respect to such securities.  
3 Such register, and all information with respect to the  
4 securities registered therein, shall be open to public  
5 inspection.

6 (5)~~(3)~~ Notwithstanding any other provision of this  
7 section, offers of securities required to be registered by  
8 this section may be made in this state before the registration  
9 of such securities if the offers are made in conformity with  
10 rules adopted by the department.

11 Section 4. Subsection (3) of section 517.081, Florida  
12 Statutes, is amended to read:

13 517.081 Registration procedure.--

14 (3) The department may require the applicant to submit  
15 to the department the following information concerning the  
16 issuer and such other relevant information as the department  
17 may in its judgment deem necessary to enable it to ascertain  
18 whether such securities shall be registered pursuant to the  
19 provisions of this section:

20 (a) The names and addresses of the directors,  
21 trustees, and officers, if the issuer be a corporation,  
22 association, or trust; of all the partners, if the issuer be a  
23 partnership; or of the issuer, if the issuer be an individual.

24 (b) The location of the issuer's principal business  
25 office and of its principal office in this state, if any.

26 (c) The general character of the business actually to  
27 be transacted by the issuer and the purposes of the proposed  
28 issue.

29 (d) A statement of the capitalization of the issuer.

30 (e) A balance sheet showing the amount and general  
31 character of its assets and liabilities on a day not more than

1 90 days prior to the date of filing such balance sheet or such  
2 longer period of time, not exceeding 6 months, as the  
3 department may permit at the written request of the issuer on  
4 a showing of good cause therefor.

5 (f) A detailed statement of the plan upon which the  
6 issuer proposes to transact business.

7 (g)1. A specimen copy of the security and a copy of  
8 any circular, prospectus, advertisement, or other description  
9 of such securities.

10 2. The department shall adopt a form for a simplified  
11 offering circular to be used solely by corporations to  
12 register, under this section, securities of the corporation  
13 that are sold in offerings in which the aggregate offering  
14 price in any consecutive 12-month period does not exceed the  
15 lesser of the aggregate offering price in 17 C.F.R. s. 230.251  
16 or \$5 million. The following issuers shall not be eligible to  
17 submit a simplified offering circular adopted pursuant to this  
18 subparagraph:

19 a. An issuer seeking to register securities for resale  
20 by persons other than the issuer.

21 b. An issuer who is subject to any of the  
22 disqualifications described in 17 C.F.R. s. 230.262, adopted  
23 pursuant to the Securities Act of 1933, or who has been or is  
24 engaged or is about to engage in an activity that would be  
25 grounds for denial, revocation, or suspension under s.  
26 517.111. For purposes of this subparagraph, an issuer includes  
27 an issuer's director, officer, shareholder who owns at least  
28 10 percent of the shares of the issuer, promoter, or selling  
29 agent of the securities to be offered or any officer,  
30 director, or partner of such selling agent.

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1           c. An issuer who is a development-stage company that  
2 either has no specific business plan or purpose or has  
3 indicated that its business plan is to merge with an  
4 unidentified company or companies.

5           d. An issuer of offerings in which the specific  
6 business or properties cannot be described.

7           e. Any issuer the department determines is ineligible  
8 if the form would not provide full and fair disclosure of  
9 material information for the type of offering to be registered  
10 by the issuer.

11           f. Any corporation which has failed to provide the  
12 department the reports required for a previous offering  
13 registered pursuant to this subparagraph.

14  
15 As a condition precedent to qualifying for use of the  
16 simplified offering circular, a corporation shall agree to  
17 provide the department with an annual financial report  
18 containing a balance sheet as of the end of the issuer's  
19 fiscal year and a statement of income for such year, prepared  
20 in accordance with generally accepted accounting principles  
21 and accompanied by an independent accountant's report. If the  
22 issuer has more than 100 security holders at the end of a  
23 fiscal year, the financial statements must be audited. Annual  
24 financial reports must be filed with the department within 90  
25 days after the close of the issuer's fiscal year for each of  
26 the first 5 years following the effective date of the  
27 registration.

28           (h) A statement of the amount of the issuer's income,  
29 expenses, and fixed charges during the last fiscal year or, if  
30 in actual business less than 1 year, then for such time as the  
31 issuer has been in actual business.

1           (i) A statement of the issuer's cash sources and  
2 application during the last fiscal year or, if in actual  
3 business less than 1 year, then for such time as the issuer  
4 has been in actual business.

5           (j) A statement showing the maximum price at which  
6 such security is proposed to be sold, together with the  
7 maximum amount of commission, including expenses, or other  
8 form of remuneration to be paid in cash or otherwise, directly  
9 or indirectly, for or in connection with the sale or offering  
10 for sale of such securities.

11           (k) A copy of the opinion or opinions of counsel  
12 concerning the legality of the issue or other matters which  
13 the department may determine to be relevant to the issue.

14           (l) A detailed statement showing the items of cash,  
15 property, services, patents, good will, and any other  
16 consideration in payment for which such securities have been  
17 or are to be issued.

18           (m) The amount of securities to be set aside and  
19 disposed of and a statement of all securities issued from time  
20 to time for promotional purposes.

21           (n) If the issuer is a corporation, there shall be  
22 filed with the application a copy of its articles of  
23 incorporation with all amendments and of its existing bylaws,  
24 if not already on file in the department. If the issuer is a  
25 trustee, there shall be filed with the application a copy of  
26 all instruments by which the trust is created or declared and  
27 in which it is accepted and acknowledged. If the issuer is a  
28 partnership, unincorporated association, joint-stock company,  
29 or any other form of organization whatsoever, there shall be  
30 filed with the application a copy of its articles of  
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1 partnership or association and all other papers pertaining to  
2 its organization, if not already on file in the department.

3 Section 5. Effective upon this act becoming a law,  
4 subsection (1) of section 517.082, Florida Statutes, 1996  
5 Supplement, is amended to read:

6 517.082 Notification registration.--

7 (1) Except as provided in subsection (3) ~~or exempt~~  
8 ~~pursuant to s. 517.051(11)~~, securities offered or sold  
9 pursuant to a registration statement filed under the  
10 Securities Act of 1933 or the Investment Company Act of 1940  
11 shall be entitled to registration by notification in the  
12 manner provided in subsection (2), provided that prior to the  
13 offer or sale the registration statement has become effective.

14 Section 6. Effective upon this act becoming a law,  
15 subsection (1) of section 517.101, Florida Statutes, 1996  
16 Supplement, is amended to read:

17 517.101 Consent to service.--

18 (1) Upon any initial application for registration  
19 under s. 517.081 or s. 517.082, ~~upon any application for~~  
20 ~~exemption pursuant to s. 517.051(11)~~, or upon request of the  
21 department, the issuer shall file with such application the  
22 irrevocable written consent of the issuer that in suits,  
23 proceedings, and actions growing out of the violation of any  
24 provision of this chapter, the service on the department of a  
25 notice, process, or pleading therein, authorized by the laws  
26 of this state, shall be as valid and binding as if due service  
27 had been made on the issuer.

28 Section 7. Subsection (10) of section 517.12, Florida  
29 Statutes, 1996 Supplement, is amended, and a new subsection  
30 (19) is added to said section, to read:

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1           517.12 Registration of dealers, associated persons,  
2 investment advisers, and branch offices.--

3           (10) An applicant for registration shall pay an  
4 assessment fee of \$200, in the case of a dealer or investment  
5 adviser, or \$40, in the case of an associated person. The  
6 assessment fee of an associated person shall be reduced to \$30  
7 upon a determination, by final order of the department, that  
8 sufficient funds have been allocated to the Securities  
9 Guaranty Fund pursuant to s. 517.1203 to satisfy all valid  
10 claims filed in accordance with s. 517.1203(2).An associated  
11 person not having current fingerprint cards filed with the  
12 National Association of Securities Dealers or a national  
13 securities exchange registered with the Securities and  
14 Exchange Commission shall be assessed an additional fee to  
15 cover the cost for said fingerprint cards to be processed by  
16 the department. Such fee shall be determined by rule of the  
17 department. Each dealer and each investment adviser shall pay  
18 an assessment fee of \$100 for each office in this state,  
19 except its designated principal office. Such fees become the  
20 revenue of the state, except for those assessments provided  
21 for under s. 517.131(1) until such time as the Securities  
22 Guaranty Fund satisfies the statutory limits, and are not  
23 returnable in the event that registration is withdrawn or not  
24 granted.

25           (19) The registration requirements of this section  
26 which apply to investment advisers and associated persons do  
27 not apply to a commodity trading adviser who:

28           (a) Is registered as such with the Commodity Futures  
29 Trading Commission pursuant to the Commodity Exchange Act.

30           (b) Advises or exercises trading discretion, with  
31 respect to foreign currency options listed and traded



1 exclusively on the Philadelphia Stock Exchange, on behalf of  
2 an "appropriate person" as defined by the Commodity Exchange  
3 Act.

4  
5 The exemption provided in this subsection does not apply to a  
6 commodity trading adviser who engages in other activities that  
7 require registration under this chapter.

8 Section 8. Subsection (1) of section 517.1203, Florida  
9 Statutes, 1996 Supplement, is amended to read:

10 517.1203 Allocation and disbursement of assessment  
11 fees.--

12 (1) Notwithstanding s. 517.131(1) and until the  
13 department determines by final order that sufficient funds  
14 have been allocated to the Securities Guaranty Fund pursuant  
15 to this section to satisfy all valid claims filed in  
16 accordance with subsection (2), an additional amount equal to  
17 25 percent of all revenues received as assessment fees  
18 pursuant to s. 517.12(10) and (11) from persons applying for  
19 or renewing registrations as associated persons shall be  
20 allocated to the Securities Guaranty Fund and disbursed as  
21 provided in this section. This assessment fee shall be part  
22 of the regular license fee and shall be transferred to or  
23 deposited into the Securities Guaranty Fund. The moneys  
24 allocated to the Securities Guaranty Fund under this section  
25 shall not be included in the calculation of the allocation of  
26 the assessment fees referred to in s. 517.131(1)(b). Moneys  
27 allocated under this section in excess of the valid claims  
28 filed pursuant to subsection (2) shall be allocated to the  
29 Anti-Fraud Trust Fund.

30  
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1           Section 9. Paragraph (a) of subsection (1) of section  
2 517.131, Florida Statutes, 1996 Supplement, is amended to  
3 read:

4           517.131 Securities Guaranty Fund.--

5           (1)(a) The Treasurer shall establish a Securities  
6 Guaranty Fund. An amount not exceeding 20 percent of all  
7 revenues received as assessment fees pursuant to s. 517.12(10)  
8 and (11) for dealers and investment advisers and an amount not  
9 exceeding 10 percent of all revenues received as assessment  
10 fees pursuant to s. 517.12(10) and (11) for associated persons  
11 shall be allocated to the fund. An additional amount not  
12 exceeding 3.5 percent of all revenues received as assessment  
13 fees for associated persons pursuant to s. 517.12(10) and (11)  
14 shall be allocated to the Securities Guaranty Fund upon a  
15 determination, by final order of the department, that  
16 sufficient funds have been allocated to the fund pursuant to  
17 s. 517.1203 to satisfy all valid claims filed in accordance  
18 with s. 517.1203(2).This assessment fee shall be part of the  
19 regular license fee and shall be transferred to or deposited  
20 in the Securities Guaranty Fund.

21           Section 10. Except as otherwise provided herein, this  
22 act shall take effect October 1, 1997.

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24           \*\*\*\*\*

25           HOUSE SUMMARY

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27           Deletes an exemption from securities registration  
28 requirements for investment companies. Prohibits the  
29 sale or offer to sell other than specified securities.  
30 Authorizes the Department of Banking and Finance to adopt  
31 simplified offering circular forms for specified issuers  
for uniformity purposes. Exempts commodity trading  
advisers from specified registration requirements.  
Reduces assessment fees for associated persons. Revises  
provisions relating to allocations to the Securities  
Guaranty Fund. See bill for details.