

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.
30
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, present subsections (8) and (9) of that section, are
4 redesignated as subsections (9) and (10), respectively,
5 present subsection (10) is renumbered as subsection (11) and
6 amended, present subsections (11) through (18) are
7 redesignated as subsections (12) through (19), respectively,
8 and a new subsection (8) is added to that section to read:

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

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

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

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

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

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

31

1 (8) "Federal covered security" means any security that
2 is a covered security under s. 18(b) of the Securities Act of
3 1933 or rules and regulations adopted thereunder.

4 (11)(10)(a) "Investment adviser" includes any person
5 who for compensation engages for all or part of his time,
6 directly or indirectly, or through publications or writings,
7 in the business of advising others as to the value of
8 securities or as to the advisability of investments in,
9 purchasing of, or selling of securities, except a dealer whose
10 performance of these services is solely incidental to the
11 conduct of his business as a dealer and who receives no
12 special compensation for such services.

13 (b) The term "investment adviser" does not include the
14 following:

15 1. Any licensed practicing attorney or certified
16 public accountant whose performance ~~who renders or performs~~
17 ~~any~~ of such services is solely incidental to the ~~in connection~~
18 ~~with the regular~~ practice of his profession;

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

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

23 4. Any trust company having trust powers which it is
24 authorized to exercise in the state, which trust company
25 renders or performs services in a fiduciary capacity
26 incidental to the exercise of its trust powers;

27 5. Any person who renders investment advice
28 exclusively to insurance or investment companies; or

29 6. Any person who does not hold himself out to the
30 general public as an investment adviser and has no more than
31 15 clients within 12 consecutive months in this state.

1 Section 2. Effective July 9, 1997, subsection (11) of
2 section 517.021, Florida Statutes, is amended to read:

3 517.021 Definitions.--When used in this chapter,
4 unless the context otherwise indicates, the following terms
5 have the following respective meanings:

6 (11)(a) "Investment adviser" includes any person who
7 for compensation engages for all or part of his time, directly
8 or indirectly, or through publications or writings, in the
9 business of advising others as to the value of securities or
10 as to the advisability of investments in, purchasing of, or
11 selling of securities, except a dealer whose performance of
12 these services is solely incidental to the conduct of his
13 business as a dealer and who receives no special compensation
14 for such services.

15 (b) The term "investment adviser" does not include the
16 following:

17 1. Any licensed practicing attorney or certified
18 public accountant whose performance of such services is solely
19 incidental to the practice of his profession;

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

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

24 4. Any trust company having trust powers which it is
25 authorized to exercise in the state, which trust company
26 renders or performs services in a fiduciary capacity
27 incidental to the exercise of its trust powers;

28 5. Any person who renders investment advice
29 exclusively to insurance or investment companies; ~~or~~

30 6. Any person who does not hold himself out to the
31 general public as an investment adviser and has at least 6 but

1 no more than 15 clients within 12 consecutive months in this
2 state; or.

3 7. Any person whose transactions in this state are
4 limited to those transactions described in s. 222(d) of the
5 Investment Advisers Act of 1940. Those clients listed in
6 subparagraph 5. may not be included when determining the
7 number of clients of an investment adviser for purposes of s.
8 222(d) of the Investment Advisers Act of 1940.

9 Section 3. Effective upon this act becoming a law,
10 section 517.051, Florida Statutes, 1996 Supplement, is amended
11 to read:

12 517.051 Exempt securities.--~~Except as provided in~~
13 ~~subsection (11),~~The exemptions provided herein from the
14 registration requirements of s. 517.07 are self-executing and
15 do not require any filing with the department prior to
16 claiming such exemption. Any person who claims entitlement to
17 any of these exemptions bears the burden of proving such
18 entitlement in any proceeding brought under this chapter. The
19 registration provisions of s. 517.07 do not apply to any of
20 the following securities:

21 (1) A security issued or guaranteed by the United
22 States or any territory or insular possession of the United
23 States, by the District of Columbia, or by any state of the
24 United States or by any political subdivision or agency or
25 other instrumentality thereof; provided that no person shall
26 directly or indirectly offer or sell securities, other than
27 general obligation bonds, under this subsection if the issuer
28 or guarantor is in default or has been in default any time
29 after December 31, 1975, as to principal or interest:

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

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

3
4 except by an offering circular containing a full and fair
5 disclosure as prescribed by rule of the department.

6 (2) A security issued or guaranteed by any foreign
7 government with which the United States is maintaining
8 diplomatic relations at the time of the sale or offer of sale
9 of the security, or by any state, province, or political
10 subdivision thereof having the power of taxation or
11 assessment, which security is recognized at the time it is
12 offered for sale in this state as a valid obligation by such
13 foreign government or by such state, province, or political
14 subdivision thereof issuing the security.

15 (3) A security issued or guaranteed by:

16 (a) A national bank, a federally chartered savings and
17 loan association, or a federally chartered savings bank, or
18 the initial subscription for equity securities in such
19 national bank, federally chartered savings and loan
20 association, or federally chartered savings bank;

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

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

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

28 (4) A security issued or guaranteed, as to principal,
29 interest, or dividend, by a corporation owning or operating a
30 railroad or any other public service utility; provided that
31 such corporation is subject to regulation or supervision

1 whether as to its rates and charges or as to the issue of its
 2 own securities by a public commission, board, or officer of
 3 the government of the United States, of any state, territory,
 4 or insular possession of the United States, of any
 5 municipality located therein, of the District of Columbia, or
 6 of the Dominion of Canada or of any province thereof; also
 7 equipment securities based on chattel mortgages, leases, or
 8 agreements for conditional sale of cars, motive power, or
 9 other rolling stock mortgaged, leased, or sold to or furnished
 10 for the use of or upon such railroad or other public service
 11 utility corporation or where the ownership or title of such
 12 equipment is pledged or retained in accordance with the
 13 provisions of the laws of the United States or of any state or
 14 of the Dominion of Canada to secure the payment of such
 15 equipment securities; and also bonds, notes, or other
 16 evidences of indebtedness issued by a holding corporation and
 17 secured by collateral consisting of any securities hereinabove
 18 described; provided, further, that the collateral securities
 19 equal in fair value at least 125 percent of the par value of
 20 the bonds, notes, or other evidences of indebtedness so
 21 secured.

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

- 26 (a) A bank,
- 27 (b) A trust company,
- 28 (c) A savings institution,
- 29 (d) A building or savings and loan association,
- 30 (e) An international development bank, or
- 31 (f) A credit union;

1
2 or the initial subscription for equity securities of any
3 institution listed in paragraphs (a)-(f), provided such
4 institution is subject to the examination, supervision, or
5 control of this state.

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

12 (7) Securities of nonprofit agricultural cooperatives
13 organized under the laws of this state when the securities are
14 sold or offered for sale to persons principally engaged in
15 agricultural production or selling agricultural products.

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

28 (9) A security issued by a corporation organized and
29 operated exclusively for religious, educational, benevolent,
30 fraternal, charitable, or reformatory purposes and not for
31 pecuniary profit, no part of the net earnings of which

1 corporation inures to the benefit of any private stockholder
2 or individual; provided that no person shall directly or
3 indirectly offer or sell securities under this subsection
4 except by an offering circular containing full and fair
5 disclosure, as prescribed by the rules of the department, of
6 all material information, including, but not limited to, a
7 description of the securities offered and terms of the
8 offering, a description of the nature of the issuer's
9 business, a statement of the purpose of the offering and the
10 intended application by the issuer of the proceeds thereof,
11 and financial statements of the issuer prepared in conformance
12 with generally accepted accounting principles.

13 (10) Any insurance or endowment policy or annuity
14 contract or optional annuity contract or self-insurance
15 agreement issued by a corporation, insurance company,
16 reciprocal insurer, or risk retention group subject to the
17 supervision of the insurance commissioner or bank
18 commissioner, or any agency or officer performing like
19 functions, of any state or territory of the United States or
20 the District of Columbia.

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

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

29 ~~1. An application for exemption to sell which shall be~~
30 ~~executed by the issuer, any person on whose behalf the~~
31 ~~offering is made, a dealer registered under this chapter, or~~

1 ~~any duly authorized agent of any such person, setting forth~~
2 ~~the name and address of the applicant, the name and address of~~
3 ~~the issuer, and the title of the securities to be offered and~~
4 ~~sold.~~

5 ~~2. A copy of the cover page of the initial~~
6 ~~registration statement as filed with the Securities and~~
7 ~~Exchange Commission unless the federal registration is~~
8 ~~effective prior to filing with the department.~~

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

11 ~~4. A \$1,000 fee.~~

12 ~~5. An irrevocable written consent to service and~~
13 ~~resolution as described in s. 517.101, for any initial~~
14 ~~registration or upon request by the department.~~

15 ~~6. Copies of such documents filed with the Securities~~
16 ~~and Exchange Commission as the department may require.~~

17 ~~(b) An exemption under this section is effective when~~
18 ~~the federal registration statement becomes effective or as of~~
19 ~~the date the application for exemption is filed with the~~
20 ~~department, whichever is later, provided, in addition to the~~
21 ~~items listed in paragraph (a), the department has received~~
22 ~~written notification of effective registration under the~~
23 ~~Investment Company Act of 1940 within 10 business days after~~
24 ~~the date federal registration is granted. Failure to provide~~
25 ~~to the department the information required by this subsection~~
26 ~~within 60 days after the date the registration statement~~
27 ~~becomes effective with the Securities and Exchange Commission~~
28 ~~is a violation of this chapter.~~

29 ~~(c) The exemption is effective for a period of 12~~
30 ~~months after the date of effectiveness in this state, unless~~
31 ~~renewed prior to expiration.~~

1 ~~(d) In lieu of filing with the department the~~
 2 ~~application, fees, and documents required for exemption, the~~
 3 ~~department may establish procedures for the deposit of fees~~
 4 ~~and filing of documents to be made through the Securities~~
 5 ~~Registration Depository as developed under contract with the~~
 6 ~~North American Securities Administrators Association, Inc.,~~
 7 ~~provided such procedures shall provide the department with the~~
 8 ~~information and data required by this subsection. If a filer~~
 9 ~~chooses not to use the Securities Registration Depository,~~
 10 ~~such filings, including the statutory fee, may be made~~
 11 ~~directly with the department.~~

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

14 517.07 Registration of securities.--

15 (1) It is unlawful and a violation of this chapter for
 16 any person to sell or offer to sell a security within this
 17 state unless the security is exempt under s. 517.051, is sold
 18 in a transaction exempt under s. 517.061, is a federal covered
 19 security, or is registered pursuant to this chapter.

20 (2) No securities that are required to be registered
 21 under this chapter except of a class exempt under any of the
 22 provisions of s. 517.051 or unless sold in any transaction
 23 exempt under any of the provisions of s. 517.061 shall be sold
 24 or offered for sale within this state unless such securities
 25 have been registered pursuant to this chapter, as hereinafter
 26 defined, and unless prior to each sale the purchaser is
 27 furnished with a prospectus meeting the requirements of rules
 28 adopted by the department. The department shall issue a
 29 permit when such registration has been granted by the
 30 department.

1 (3)~~(1)~~ The department shall issue a permit when
2 registration has been granted by the department. A permit to
3 sell securities is effective for 1 year from the date it was
4 granted. Registration of securities shall be deemed to
5 include the registration of rights to subscribe to such
6 securities if the application under s. 517.081 or s. 517.082
7 for registration of such securities includes a statement that
8 such rights are to be issued.

9 (4)~~(2)~~ A record of the registration of securities
10 shall be kept in the office of the department, in which
11 register of securities shall also be recorded any orders
12 entered by the department with respect to such securities.
13 Such register, and all information with respect to the
14 securities registered therein, shall be open to public
15 inspection.

16 (5)~~(3)~~ Notwithstanding any other provision of this
17 section, offers of securities required to be registered by
18 this section may be made in this state before the registration
19 of such securities if the offers are made in conformity with
20 rules adopted by the department.

21 Section 5. Subsection (3) of section 517.081, Florida
22 Statutes, is amended to read:

23 517.081 Registration procedure.--

24 (3) The department may require the applicant to submit
25 to the department the following information concerning the
26 issuer and such other relevant information as the department
27 may in its judgment deem necessary to enable it to ascertain
28 whether such securities shall be registered pursuant to the
29 provisions of this section:

30 (a) The names and addresses of the directors,
31 trustees, and officers, if the issuer be a corporation,

1 association, or trust; of all the partners, if the issuer be a
2 partnership; or of the issuer, if the issuer be an individual.

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

5 (c) The general character of the business actually to
6 be transacted by the issuer and the purposes of the proposed
7 issue.

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

9 (e) A balance sheet showing the amount and general
10 character of its assets and liabilities on a day not more than
11 90 days prior to the date of filing such balance sheet or such
12 longer period of time, not exceeding 6 months, as the
13 department may permit at the written request of the issuer on
14 a showing of good cause therefor.

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

17 (g)1. A specimen copy of the security and a copy of
18 any circular, prospectus, advertisement, or other description
19 of such securities.

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

29 a. An issuer seeking to register securities for resale
30 by persons other than the issuer.

31

1 b. An issuer who is subject to any of the
2 disqualifications described in 17 C.F.R. s. 230.262, adopted
3 pursuant to the Securities Act of 1933, or who has been or is
4 engaged or is about to engage in an activity that would be
5 grounds for denial, revocation, or suspension under s.
6 517.111. For purposes of this subparagraph, an issuer includes
7 an issuer's director, officer, shareholder who owns at least
8 10 percent of the shares of the issuer, promoter, or selling
9 agent of the securities to be offered or any officer,
10 director, or partner of such selling agent.

11 c. An issuer who is a development-stage company that
12 either has no specific business plan or purpose or has
13 indicated that its business plan is to merge with an
14 unidentified company or companies.

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

17 e. Any issuer the department determines is ineligible
18 if the form would not provide full and fair disclosure of
19 material information for the type of offering to be registered
20 by the issuer.

21 f. Any corporation which has failed to provide the
22 department the reports required for a previous offering
23 registered pursuant to this subparagraph.

24
25 As a condition precedent to qualifying for use of the
26 simplified offering circular, a corporation shall agree to
27 provide the department with an annual financial report
28 containing a balance sheet as of the end of the issuer's
29 fiscal year and a statement of income for such year, prepared
30 in accordance with generally accepted accounting principles
31 and accompanied by an independent accountant's report. If the

1 issuer has more than 100 security holders at the end of a
2 fiscal year, the financial statements must be audited. Annual
3 financial reports must be filed with the department within 90
4 days after the close of the issuer's fiscal year for each of
5 the first 5 years following the effective date of the
6 registration.

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

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

15 (j) A statement showing the maximum price at which
16 such security is proposed to be sold, together with the
17 maximum amount of commission, including expenses, or other
18 form of remuneration to be paid in cash or otherwise, directly
19 or indirectly, for or in connection with the sale or offering
20 for sale of such securities.

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

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

28 (m) The amount of securities to be set aside and
29 disposed of and a statement of all securities issued from time
30 to time for promotional purposes.

31

1 (n) If the issuer is a corporation, there shall be
2 filed with the application a copy of its articles of
3 incorporation with all amendments and of its existing bylaws,
4 if not already on file in the department. If the issuer is a
5 trustee, there shall be filed with the application a copy of
6 all instruments by which the trust is created or declared and
7 in which it is accepted and acknowledged. If the issuer is a
8 partnership, unincorporated association, joint-stock company,
9 or any other form of organization whatsoever, there shall be
10 filed with the application a copy of its articles of
11 partnership or association and all other papers pertaining to
12 its organization, if not already on file in the department.

13 Section 6. Effective upon this act becoming a law,
14 subsection (1) of section 517.082, Florida Statutes, 1996
15 Supplement, is amended to read:

16 517.082 Notification registration.--

17 (1) Except as provided in subsection (3) ~~or exempt~~
18 ~~pursuant to s. 517.051(11)~~, securities offered or sold
19 pursuant to a registration statement filed under the
20 Securities Act of 1933 or the Investment Company Act of 1940
21 shall be entitled to registration by notification in the
22 manner provided in subsection (2), provided that prior to the
23 offer or sale the registration statement has become effective.

24 Section 7. Effective upon this act becoming a law,
25 subsection (1) of section 517.101, Florida Statutes, 1996
26 Supplement, is amended to read:

27 517.101 Consent to service.--

28 (1) Upon any initial application for registration
29 under s. 517.081 or s. 517.082, ~~upon any application for~~
30 ~~exemption pursuant to s. 517.051(11)~~, or upon request of the
31 department, the issuer shall file with such application the

1 irrevocable written consent of the issuer that in suits,
2 proceedings, and actions growing out of the violation of any
3 provision of this chapter, the service on the department of a
4 notice, process, or pleading therein, authorized by the laws
5 of this state, shall be as valid and binding as if due service
6 had been made on the issuer.

7 Section 8. Subsection (10) of section 517.12, Florida
8 Statutes, 1996 Supplement, is amended, and a new subsection
9 (19) is added to said section, to read:

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

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

1 returnable in the event that registration is withdrawn or not
2 granted.

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

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

8 (b) Advises or exercises trading discretion, with
9 respect to foreign currency options listed and traded
10 exclusively on the Philadelphia Stock Exchange, on behalf of
11 an "appropriate person" as defined by the Commodity Exchange
12 Act.

13
14 The exemption provided in this subsection does not apply to a
15 commodity trading adviser who engages in other activities that
16 require registration under this chapter.

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

19 517.1203 Allocation and disbursement of assessment
20 fees.--

21 (1) Notwithstanding s. 517.131(1) and until the
22 department determines by final order that sufficient funds
23 have been allocated to the Securities Guaranty Fund pursuant
24 to this section to satisfy all valid claims filed in
25 accordance with subsection (2), an additional amount equal to
26 25 percent of all revenues received as assessment fees
27 pursuant to s. 517.12(10) and (11) from persons applying for
28 or renewing registrations as associated persons shall be
29 allocated to the Securities Guaranty Fund and disbursed as
30 provided in this section. This assessment fee shall be part
31 of the regular license fee and shall be transferred to or

1 deposited into the Securities Guaranty Fund. The moneys
2 allocated to the Securities Guaranty Fund under this section
3 shall not be included in the calculation of the allocation of
4 the assessment fees referred to in s. 517.131(1)(b). Moneys
5 allocated under this section in excess of the valid claims
6 filed pursuant to subsection (2) shall be allocated to the
7 Anti-Fraud Trust Fund.

8 Section 10. Paragraph (a) of subsection (1) of section
9 517.131, Florida Statutes, 1996 Supplement, is amended to
10 read:

11 517.131 Securities Guaranty Fund.--

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

28 Section 11. Except as otherwise provided herein, this
29 act shall take effect October 1, 1997.

30
31