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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/09/2013	.	
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The Committee on Banking and Insurance (Montford) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause and insert:

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

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

(5) No dealer or investment adviser shall conduct business from a branch office within this state unless the branch office is notice-filed with the office pursuant to s. 517.1202



837952

13 ~~registered with the office pursuant to the provisions of this~~  
14 ~~section.~~

15 (6) A dealer, associated person, or investment adviser, ~~or~~  
16 ~~branch office~~, in order to obtain registration, must file with  
17 the office a written application, on a form which the commission  
18 may by rule prescribe. The commission may establish, by rule,  
19 procedures for depositing fees and filing documents by  
20 electronic means provided such procedures provide the office  
21 with the information and data required by this section. Each  
22 dealer or investment adviser must also file an irrevocable  
23 written consent to service of civil process similar to that  
24 provided for in s. 517.101. The application shall contain such  
25 information as the commission or office may require concerning  
26 such matters as:

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

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

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

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

41 (10) An applicant for registration shall pay an assessment



837952

42 fee of \$200, in the case of a dealer or investment adviser, or  
43 \$50, in the case of an associated person. An associated person  
44 may be assessed an additional fee to cover the cost for the  
45 fingerprint cards to be processed by the office. Such fee shall  
46 be determined by rule of the commission. ~~Each dealer and each~~  
47 ~~investment adviser shall pay an assessment fee of \$100 for each~~  
48 ~~office in this state.~~ Such fees become the revenue of the state,  
49 except for those assessments provided for under s. 517.131(1)  
50 until such time as the Securities Guaranty Fund satisfies the  
51 statutory limits, and are not returnable in the event that  
52 registration is withdrawn or not granted.

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



837952

71 current registration expires may request reinstatement of such  
72 registration by filing with the office, on or before January 31  
73 of the year following the year of expiration, such information  
74 as may be required by the commission, together with payment of  
75 the fee required in subsection (10) for dealers, investment  
76 advisers, or associated persons, ~~or branch office~~ and a late fee  
77 equal to the amount of such fee. Any reinstatement of  
78 registration granted by the office during the month of January  
79 shall be deemed effective retroactive to January 1 of that year.

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

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

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

94 (14) Every dealer or, investment adviser, ~~or branch office~~  
95 registered or required to be registered, or branch office  
96 notice-filed or required to be notice-filed, with the office  
97 shall keep records of all currency transactions in excess of  
98 \$10,000 and shall file reports, as prescribed under the  
99 financial recordkeeping regulations in 31 C.F.R. part 103, with



837952

100 the office when transactions occur in or from this state. All  
101 reports required by this subsection to be filed with the office  
102 shall be confidential and exempt from s. 119.07(1) except that  
103 any law enforcement agency or the Department of Revenue shall  
104 have access to, and shall be authorized to inspect and copy,  
105 such reports.

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

115 1. Form BR, Uniform Branch Office Registration Form,  
116 adopted October 2005.

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

119 3. Form U5, Uniform Termination Notice for Securities  
120 Industry Registration, adopted October 2005.

121 4. Form ADV, Uniform Application for Investment Adviser  
122 Registration, adopted October 2003.

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

125 6. Form BD, Uniform Application for Broker-Dealer  
126 Registration, adopted July 1999.

127 7. Form BDW, Uniform Request for Broker-Dealer Withdrawal,  
128 adopted August 1999.



837952

129           (b) In lieu of filing with the office the applications  
130 specified in subsection (6), the fees required by subsection  
131 (10), the renewals required by subsection (11), and the  
132 termination notices required by subsection (12), the commission  
133 may by rule establish procedures for the deposit of such fees  
134 and documents with the Central Registration Depository or the  
135 Investment Adviser Registration Depository of the Financial  
136 Industry Regulatory Authority, as developed under contract with  
137 the North American Securities Administrators Association, Inc.

138           Section 2. Section 517.1202, Florida Statutes, is created  
139 to read:

140           517.1202 Notice filing requirements for branch offices.—

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

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

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



837952

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

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

186 (5) Notification under this section may be revoked by the



837952

187 office if the notice filer makes payment to the office for a  
188 branch office notice filing with a check or electronic  
189 transmission of funds which is dishonored by the notice filer's  
190 financial institution.

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

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

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

203 Section 3. Section 517.1205, Florida Statutes, is amended  
204 to read:

205 517.1205 Registration of associated persons specific as to  
206 securities dealer, investment adviser, or federal covered  
207 adviser identified at time of registration approval.—Inasmuch as  
208 this chapter is intended to protect investors in securities  
209 offerings and other investment transactions regulated by that  
210 chapter, its provisions are to be construed to require full and  
211 fair disclosure of all, but only, those matters material to the  
212 investor's evaluation of the offering or other transaction. It  
213 should, furthermore, be construed to impose the standards  
214 provided by law on all those seeking to participate in the  
215 state's securities industry through registration as a securities





837952

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

234 Section 4. Subsections (2) and (3) of section 517.121,  
235 Florida Statutes, are amended to read:

236 517.121 Books and records requirements; examinations.—

237 (2) The office shall, at intermittent periods, examine the  
238 affairs and books and records of each registered dealer,  
239 investment adviser, ~~branch office, or~~ associated person, or  
240 branch office notice-filed with the office, or require such  
241 records and reports to be submitted to it as required by rule of  
242 the commission, to determine compliance with this act.

243 (3) Registration under s. 517.12 or notification under s.  
244 517.1202 may be summarily suspended by the office pursuant to s.



837952

245 120.60(6) if the registrant or notice-filed branch office fails  
246 to promptly provide to the office, after a written request, any  
247 of the records required by this section and the rules adopted  
248 under this section. The suspension may be rescinded if the  
249 registrant or notice-filed branch office submits the requested  
250 records to the office. For purposes of s. 120.60(6), failure to  
251 provide substantially all of such records constitutes immediate  
252 and serious danger to the public health, safety, and welfare.

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

255 517.161 Revocation, denial, or suspension of registration  
256 of dealer, investment adviser, or associated person, ~~or branch~~  
257 ~~office.~~-

258 (1) Registration under s. 517.12 may be denied or any  
259 registration granted may be revoked, restricted, or suspended by  
260 the office if the office determines that such applicant or  
261 registrant; any member, principal, or director of the applicant  
262 or registrant or any person having a similar status or  
263 performing similar functions; or any person directly or  
264 indirectly controlling the applicant or registrant:

265 (j) Has been convicted of, or has entered a plea of guilty  
266 or nolo contendere to, regardless of whether adjudication was  
267 withheld, a crime against the laws of this state or any other  
268 state or of the United States or of any other country or  
269 government which relates to registration as a dealer, investment  
270 adviser, issuer of securities, or associated person, ~~or branch~~  
271 ~~office~~; which relates to the application for such registration;  
272 or which involves moral turpitude or fraudulent or dishonest  
273 dealing;



837952

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

278 Section 6. Paragraph (b) of subsection (2) of section  
279 517.1611, Florida Statutes, is amended to read:

280 517.1611 Guidelines.—

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

289 (b) The disqualifying periods shall be related to crimes  
290 involving registration as a dealer, investment adviser, issuer  
291 of securities, or associated person, ~~or branch office~~ or the  
292 application for such registration or involving moral turpitude  
293 or fraudulent or dishonest dealing.

294 Section 7. Subsection (1) of section 517.211, Florida  
295 Statutes, is amended to read:

296 517.211 Remedies available in cases of unlawful sale.—

297 (1) Every sale made in violation of either s. 517.07 or s.  
298 517.12(1), (4), (5), (9), (11), (13), (16), or (18) may be  
299 rescinded at the election of the purchaser, except a sale made  
300 in violation of the provisions of s. 517.1202(3) ~~517.12(11)~~  
301 relating to a renewal of a branch office notification  
302 ~~registration~~ shall not be subject to this section, and a sale



837952

303 made in violation of the provisions of s. 517.12(13) relating to  
304 filing a change of address amendment shall not be subject to  
305 this section. Each person making the sale and every director,  
306 officer, partner, or agent of or for the seller, if the  
307 director, officer, partner, or agent has personally participated  
308 or aided in making the sale, is jointly and severally liable to  
309 the purchaser in an action for rescission, if the purchaser  
310 still owns the security, or for damages, if the purchaser has  
311 sold the security. No purchaser otherwise entitled will have the  
312 benefit of this subsection who has refused or failed, within 30  
313 days of receipt, to accept an offer made in writing by the  
314 seller, if the purchaser has not sold the security, to take back  
315 the security in question and to refund the full amount paid by  
316 the purchaser or, if the purchaser has sold the security, to pay  
317 the purchaser an amount equal to the difference between the  
318 amount paid for the security and the amount received by the  
319 purchaser on the sale of the security, together, in either case,  
320 with interest on the full amount paid for the security by the  
321 purchaser at the legal rate, pursuant to s. 55.03, for the  
322 period from the date of payment by the purchaser to the date of  
323 repayment, less the amount of any income received by the  
324 purchaser on the security.

325 Section 8. This act shall take effect October 1, 2013.

326  
327 ===== T I T L E A M E N D M E N T =====

328 And the title is amended as follows:

329 Delete everything before the enacting clause  
330 and insert:

331 A bill to be entitled



837952

332 An act relating to branch offices conducting  
333 securities transactions; amending s. 517.12, F.S.;  
334 providing for a branch office notice filing with the  
335 Office of Financial Regulation in lieu of  
336 registration; creating s. 517.1202, F.S.; prohibiting  
337 a securities dealer or investment advisor from  
338 conducting business from a branch office unless a  
339 specified notice has been filed with the office;  
340 providing requirements and procedures with respect to  
341 notice filing for branch offices; authorizing the  
342 Financial Services Commission to adopt rules relating  
343 to such notice filings; providing a fee for a branch  
344 office notice filing; providing for expiration,  
345 renewal, suspension, revocation, and termination of  
346 branch office notice filings under specified  
347 circumstances; providing applicability and  
348 construction with respect to fees collected for branch  
349 office notice filings; amending ss. 517.1205, 517.121,  
350 517.161, 517.1611, and 517.211, F.S.; conforming  
351 provisions to changes made by the act with respect to  
352 requiring branch office notice filings with the Office  
353 of Financial Regulation in lieu of registration;  
354 providing an effective date.