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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/25/2014	.	
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The Committee on Banking and Insurance (Richter) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause  
and insert:

Section 1. Paragraph (k) of subsection (1) of section  
655.005, Florida Statutes, is amended to read:

655.005 Definitions.—

(1) As used in the financial institutions codes, unless the  
context otherwise requires, the term:

(k) "Financial institutions codes" means:



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11           1. Chapter 655, relating to financial institutions  
12 generally;  
13           2. Chapter 657, relating to credit unions;  
14           3. Chapter 658, relating to banks and trust companies;  
15           4. Chapter 660, relating to trust business;  
16           5. Chapter 662, relating to family trust companies;  
17           6.5. Chapter 663, relating to international banking;  
18           7.6. Chapter 665, relating to associations; and  
19           8.7. Chapter 667, relating to savings banks.  
20           Section 2. Chapter 662, Florida Statutes, consisting of ss.  
21 662.10-662.151, Florida Statutes, to be entitled "Family Trust  
22 Companies," is created.  
23           Section 3. Section 662.10, Florida Statutes, is created to  
24 read:  
25           662.10 Short title.—This chapter may be cited as the  
26 "Florida Family Trust Company Act."  
27           Section 4. Section 662.102, Florida Statutes, is created to  
28 read:  
29           662.102 Purpose.—The purpose of the Family Trust Company  
30 Act is to establish requirements for licensing family trust  
31 companies, to provide regulation of those persons who provide  
32 fiduciary services to family members of no more than two  
33 families and their related interests as a family trust company,  
34 and to establish the degree of regulatory oversight required of  
35 the Office of Financial Regulation over such companies. Unlike  
36 trust companies formed under chapter 658, there is no public  
37 interest to be served outside of ensuring that fiduciary  
38 activities performed by a family trust company are restricted to  
39 family members and their related interests and as otherwise



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40 provided for in this chapter. Therefore, family trust companies  
41 are not financial institutions within the meaning of the  
42 financial institutions codes, and licensure of these companies  
43 pursuant to chapters 658 and 660 should not be required as it  
44 would not promote the purposes of the codes as set forth in s.  
45 655.001. Consequently, the Office of Financial Regulation is not  
46 responsible for regulating family trust companies to ensure  
47 their safety and soundness, and the responsibility of the office  
48 is limited to ensuring that fiduciary services provided by such  
49 companies are restricted to family members and related interests  
50 and not to the general public.

51 Section 5. Section 662.111, Florida Statutes, is created to  
52 read:

53 662.111 Definitions.—As used in this chapter, the term:

54 (1) "Applicant" means the corporation or limited liability  
55 company on whose behalf an application for a license to operate  
56 as a licensed family trust company is submitted under s.  
57 662.121.

58 (2) "Authorized representative" means an officer or  
59 director of a family trust company, licensed family trust  
60 company, or foreign licensed family trust company, if organized  
61 as a corporation; or a manager, officer, or member of a family  
62 trust company, licensed family trust company, or foreign  
63 licensed family trust company, if organized as a limited  
64 liability company.

65 (3) "Capital account" means the aggregate value of  
66 unimpaired capital stock based on the par value of the shares,  
67 plus any unimpaired surplus and undivided profits or retained  
68 earnings of a family trust company organized as a corporation;



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69 or the initial cash investment remitted for membership interests  
70 in a family trust company organized as a limited liability  
71 company, plus any undivided profits or retained earnings of the  
72 limited liability company.

73 (4) "Capital stock" means the shares of stock issued to  
74 create nonwithdrawable capital for a corporation, or membership  
75 interests issued to create nonwithdrawable capital for a limited  
76 liability company.

77 (5) "Collateral kinship" means a relationship that is not  
78 lineal but derives from a common ancestor.

79 (6) "Commercial banking" means the business of receiving  
80 demand and time deposits, paying checks, or lending money to the  
81 public.

82 (7) "Commission" means the Financial Services Commission.

83 (8) "Controlling stockholder or member" means an individual  
84 who owns or has the ability or power to directly or indirectly  
85 vote at least 10 percent or more of the outstanding shares,  
86 membership interest, or membership units of the family trust  
87 company or licensed family trust company.

88 (9) "Designated relative" means a common ancestor of a  
89 family, who may be a living or deceased person, and who is so  
90 designated in the application for a license or annual license.

91 (10) "Family affiliate" means a company or other entity in  
92 which one or more family members own, control, or have the power  
93 to directly or indirectly vote more than 50 percent of a class  
94 of voting securities of that company or other entity.

95 (11) "Family member" means:

96 (a) A designated relative.

97 (b) A person within the fourth degree of lineal kinship to



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98 a designated relative of a family trust company, or a person  
99 within the sixth degree of lineal kinship to a designated  
100 relative of a licensed family trust company.

101 (c) A person within the seventh degree of collateral  
102 kinship to a designated relative of a family trust company, or a  
103 person within the ninth degree of collateral kinship to a  
104 designated relative of a licensed family trust company.

105 (d) The spouse or former spouse of an individual qualifying  
106 as a family member and an individual who is within the fifth  
107 degree of lineal kinship to that spouse or former spouse.

108 (e) A family affiliate.

109 (f) A trust established by a family member if the trust is  
110 funded exclusively by one or more family members. A trust to  
111 which property has been transferred as a result of a family  
112 member's exercise of a power of appointment shall be deemed  
113 established by that family member if all qualified beneficiaries  
114 of the appointee trust are family members.

115 (g) A trust established by an individual who is not a  
116 family member if all of the noncharitable qualified  
117 beneficiaries of the trust are family members, except that a  
118 trust composed exclusively of nonindividual qualified  
119 beneficiaries is considered to be a family member if all of the  
120 nonindividual qualified beneficiaries are charitable foundations  
121 or other charitable entities as described in paragraph (j).

122 (h) The probate estate of a family member.

123 (i) The probate estate of an individual who is not a family  
124 member if all of the noncharitable beneficiaries of the estate  
125 are family members, except that an estate composed exclusively  
126 of nonindividual beneficiaries is considered to be a family



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127 member if all of the nonindividual beneficiaries are charitable  
128 foundations or other charitable entities as described in  
129 paragraph (j).

130 (j) A charitable foundation or other charitable entity in  
131 which a majority of the governing body is composed of family  
132 members.

133 (12) "Family trust company" means a corporation or limited  
134 liability company that:

135 (a) Is exclusively owned by one or more family members.

136 (b) Is organized or qualified to do business in this state.

137 (c) Acts or proposes to act as a fiduciary to serve one or  
138 more family members.

139 (d) Does not serve as a fiduciary for a person, entity,  
140 trust, or estate that is not a family member, except that it may  
141 serve as a fiduciary for up to 35 individuals who are not family  
142 members if the individuals are current or former employees of  
143 the family trust company or one or more trusts, companies, or  
144 other entities that are family members.

145 (13) "Family trust company-affiliated party" means:

146 (a) A director, officer, manager, employee, or controlling  
147 stockholder or member of a family trust company, licensed family  
148 trust company, or foreign licensed family trust company; or

149 (b) A stockholder, a member, or any other person as  
150 determined by the office who participates in the affairs of a  
151 family trust company, licensed family trust company, or foreign  
152 licensed family trust company.

153 (14) "Financial institutions codes" has the same meaning as  
154 provided in s. 655.005(1).

155 (14) "Foreign licensed family trust company" means a family



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156 trust company that:

157 (a) Is licensed by a state in the United States other than  
158 this state or the District of Columbia.

159 (b) Has its principal place of business in a state in the  
160 United States other than this state or the District of Columbia.

161 (c) Is operated in accordance with family or private trust  
162 company laws of the state in which it is licensed or of the  
163 District of Columbia.

164 (d) Is subject to statutory or regulatory mandated  
165 supervision by the state in which the principal place of  
166 business is located or by the District of Columbia.

167 (e) Is not owned by, or a subsidiary of, a corporation,  
168 limited liability company, or other business entity that is  
169 organized in or licensed by any foreign country as defined in s.  
170 663.01(3).

171 (16) "Licensed family trust company" means a family trust  
172 company that operates in accordance with this chapter and has  
173 been issued a license that has not been revoked or suspended by  
174 the office.

175 (17) "Lineal kinship" means a family member who is in the  
176 direct line of ascent or descent from a designated relative.

177 (18) "Office" means the Office of Financial Regulation.

178 (19) "Officer" of a family trust company means an  
179 individual, regardless of whether the individual has an official  
180 title or receives a salary or other compensation, who may  
181 participate in the major policymaking functions of a family  
182 trust company, other than as a director. The term does not  
183 include an individual who may have an official title and  
184 exercise discretion in the performance of duties and functions,



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185 but who does not participate in determining the major policies  
186 of the family trust company and whose decisions are limited by  
187 policy standards established by other officers, regardless of  
188 whether the policy standards have been adopted by the board of  
189 directors. The chair of the board of directors, the president,  
190 the chief officer, the chief financial officer, the senior trust  
191 officer, and all executive vice presidents of a family trust  
192 company, and all managers if organized as a limited liability  
193 company, are presumed to be executive officers unless such  
194 officer is excluded, by resolution of the board of directors or  
195 members or by the bylaws or operating agreement of the family  
196 trust company, other than in the capacity of a director, from  
197 participating in major policymaking functions of the family  
198 trust company, and such excluded officer does not actually  
199 participate therein.

200 (20) "Qualified beneficiary" has the same meaning as  
201 provided in s. 736.0103.

202 Section 6. Section 662.112, Florida Statutes, is created to  
203 read:

204 662.112 Degrees of kinship.—Degrees of kinship shall be  
205 calculated by adding the number of steps from a designated  
206 relative through each person to the family member, directly in  
207 the case of lineal kinship, or through the common ancestor in  
208 the case of collateral kinship.

209 Section 7. Section 662.114, Florida Statutes, is created to  
210 read:

211 662.114 Family trust company and foreign licensed family  
212 trust company licensing not required.—A family trust company or  
213 foreign licensed family trust company is not required to be a





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214 licensed family trust company.

215 Section 8. Section 662.115, Florida Statutes, is created to  
216 read:

217 662.115 Applicability of chapter to a family trust company  
218 or foreign licensed family trust company.-

219 (1) A family trust company that is not a licensed family  
220 trust company or a foreign licensed family trust company is  
221 subject to the provisions of this chapter unless the provisions  
222 are expressly limited in applicability to a licensed family  
223 trust company or foreign licensed family trust company.

224 (2) A licensed family trust company is subject to the  
225 provisions of this chapter that expressly refer to a licensed  
226 family trust company or that are not expressly limited to a  
227 family trust company that is not a licensed family trust company  
228 or to a foreign licensed family trust company.

229 (3) A foreign licensed family trust company is subject to  
230 the provisions of this chapter that expressly state that such  
231 provisions apply to a foreign licensed family trust company.

232 Section 9. Section 662.120, Florida Statutes, is created to  
233 read:

234 662.120 Maximum number of designated relatives.-

235 (1) A family trust company may not have more than one  
236 designated relative.

237 (2) A licensed family trust company may not have more than  
238 two designated relatives, and the designated relatives may not  
239 have a common ancestor within five generations.

240 Section 10. Section 662.121, Florida Statutes, is created  
241 to read:

242 662.121 Application for licensed family trust company;



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243 fees.—An applicant seeking to operate as a licensed family trust  
244 company must file an application with the office on forms  
245 prescribed by the office, accompanied by a nonrefundable \$10,000  
246 application fee to be deposited into the Financial Institutions'  
247 Regulatory Trust Fund pursuant to s. 655.049 for the purpose of  
248 administering this chapter. The application must contain or be  
249 accompanied by:

250 (1) The name of the proposed licensed family trust company.

251 (2) A copy of the articles of incorporation or articles of  
252 organization and the bylaws or operating agreement of the  
253 proposed licensed family trust company.

254 (3) The physical address and mailing address of the  
255 proposed licensed family trust company, which must be located in  
256 this state.

257 (4) A statement describing in detail the services that will  
258 be provided to family members by the proposed licensed family  
259 trust company.

260 (5) The name and biographical information of each  
261 individual who will initially serve as a director, officer,  
262 manager, or member acting in a managerial capacity of the  
263 proposed licensed family trust company.

264 (6) The name and biographical information of each  
265 individual who owns or has the ability or power to directly or  
266 indirectly vote at least 10 percent or more of the outstanding  
267 shares, membership interest, or membership units of the proposed  
268 licensed family trust company.

269 (7) The names of the designated relatives.

270 (8) The amount of the initial capital account of the  
271 proposed licensed family trust company and the form in which the



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272 capital was paid and will be maintained.

273 (9) The type and amount of bonds or insurance that will be  
274 procured and maintained on directors, officers, managers, or  
275 members acting in a managerial capacity or employees pursuant to  
276 s. 662.126.

277 (10) A statement signed by the applicant, or by the  
278 individual signing on behalf of the proposed licensed family  
279 trust company, under penalty of perjury, affirming that the  
280 following statements are true:

281 (a) The proposed licensed family trust company is not  
282 currently transacting business with the general public.

283 (b) No director, officer, manager, or member served as a  
284 director, officer, or manager, or acted in a managerial  
285 capacity, for a trust company or any other financial institution  
286 that had a license issued under the financial institutions codes  
287 or by the Federal Government or any other state, the District of  
288 Columbia, a territory of the United States, or a foreign country  
289 that was suspended or revoked within the 10 years preceding the  
290 date of the application.

291 (c) No director, officer, manager, or member acting in a  
292 managerial capacity has been convicted of, pled guilty or nolo  
293 contendere, regardless of whether adjudication of guilt is  
294 entered by the court, to a violation of the financial  
295 institutions codes, including s. 655.50, chapter 896, or similar  
296 state or federal law or related rule, or to a crime involving  
297 fraud, misrepresentation, or moral turpitude.

298 (d) No director, officer, manager, or member acting in a  
299 managerial capacity has had a professional license suspended or  
300 revoked within the 10 years preceding the date of the



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301 application.

302 (e) All information contained in the application is true  
303 and correct to the best knowledge of the individual signing the  
304 application on behalf of the proposed licensed family trust  
305 company.

306 (11) Any other additional information reasonably required  
307 by the office.

308 Section 11. Section 662.1215, Florida Statutes, is created  
309 to read:

310 662.1215 Investigation of license applicants.—

311 (1) For the purpose of this section, the application is not  
312 deemed to be filed until the applicant has provided the office  
313 with all information required to be included pursuant to s.  
314 662.121.

315 (2) Upon filing an application for a license to operate as  
316 a licensed family trust company, the office shall conduct an  
317 investigation to confirm:

318 (a) That the persons who will serve as directors or  
319 officers of the corporation or, if the applicant is a limited  
320 liability company, managers or members acting in a managerial  
321 capacity, have not:

322 1. Been convicted of, or entered a plea of nolo contendere  
323 to, a crime involving fraud, misrepresentation, or moral  
324 turpitude;

325 2. Been convicted of, or pled nolo contendere to, a  
326 violation of the financial institutions codes, including s.  
327 655.50, chapter 896, or similar state or federal law;

328 3. Been directors, officers, managers, or members of a  
329 financial institution licensed or chartered under the financial



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330 institutions codes or by the Federal Government or any other  
331 state, the District of Columbia, a territory of the United  
332 States, or a foreign country, whose license or charter was  
333 suspended or revoked within the 10 years preceding the date of  
334 the application;

335 4. Had a professional license suspended or revoked within  
336 the 10 years preceding the date of the application; or

337 5. Made a false statement of material fact on the  
338 application.

339 (b) That the name of the proposed company complies with s.  
340 662.123.

341 (c) That capital accounts of the proposed company conform  
342 to s. 662.124 and that fidelity bonds and errors and omissions  
343 insurance coverage required under s. 662.126 are issued and  
344 effective.

345 (d) That the articles of incorporation or articles of  
346 organization conform to s. 662.123(1).

347 (3) If the investigation required under this section  
348 confirms that the applicant has met the requirements of ss.  
349 662.1225, 662.123(1), 662.124, 662.125, and 662.126, and that  
350 the persons who will serve as directors or officers of the  
351 corporation or the managers or members acting in a managerial  
352 capacity of the limited liability company, as applicable,  
353 satisfy the criteria set forth in subsection (2), the office  
354 shall issue a license authorizing the applicant to operate as a  
355 licensed family trust company.

356 (4) If the office determines the criteria in subsection (2)  
357 have not been met, the office shall serve notice of its intent  
358 to deny the application and of the applicant's opportunity to



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359 request a hearing pursuant to ss. 120.569 and 120.57.

360 Section 12. Section 662.122, Florida Statutes, is created  
361 to read:

362 662.122 Registration of a family trust company or a foreign  
363 licensed family trust company.-

364 (1) A family trust company that is not applying under s.  
365 662.121 to become a licensed family trust company must register  
366 with the office before beginning operations in this state. The  
367 registration application must:

368 (a) Provide the name of the designated relative.

369 (b) State that the family trust company is a family trust  
370 company as defined under this chapter and that its operations  
371 will comply with ss. 662.1225, 662.125, 662.131, and 662.134.

372 (c) Provide the current telephone number and street address  
373 of the physical location in this state of its principal place of  
374 operations where its books and records will be maintained.

375 (d) List the name and current street address in this state  
376 of its registered agent.

377 (2) A foreign licensed family trust company must register  
378 with the office before beginning operations in this state.

379 (a) The registration application must state that its  
380 operations will comply with ss. 662.1225, 662.125, 662.131, and  
381 662.134 and that it is currently in compliance with the family  
382 trust company laws and regulations of its principal  
383 jurisdiction.

384 (b) The registration application must provide:

385 1. The current telephone number and street address of the  
386 physical location of its principal place of business in its  
387 principal jurisdiction.



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388       2. The current telephone number and street address of the  
389 physical location in this state of its principal place of  
390 operations where its books and records pertaining to its  
391 operations in this state will be maintained.

392       3. The current telephone number and street address of the  
393 physical location of any other offices located within this  
394 state.

395       4. The name and current street address in this state of its  
396 registered agent.

397       (c) The registration must include a certified copy of a  
398 certificate of good standing, or an equivalent document,  
399 authenticated by the official having custody of records in the  
400 jurisdiction where the foreign licensed family trust company is  
401 organized, along with satisfactory proof that the company is  
402 organized in a manner similar to a family trust company as  
403 defined under this chapter.

404       (3) The registration application required under this  
405 section for a family trust company and a foreign licensed family  
406 trust company must be accompanied by a nonrefundable  
407 registration fee of \$5,000.

408       (4) Registration applications required by this section  
409 shall be submitted on a form prescribed by the office and be  
410 signed, under penalty of perjury, by an officer or director if  
411 the family trust company is organized as a corporation, or by a  
412 manager, officer, or member if the family trust company is  
413 organized as a limited liability company.

414       (5) All fees received by the office pursuant to this  
415 section shall be deposited into the Financial Institutions'  
416 Regulatory Trust Fund pursuant to s. 655.049 for purposes of



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417 administering this chapter.

418       Section 13. Section 662.1225, Florida Statutes, is created  
419 to read:

420       662.1225 Requirements for a family trust company, licensed  
421 family trust company, and foreign licensed family trust  
422 company.—

423       (1) A family trust company and a licensed family trust  
424 company shall maintain:

425       (a) A principal office physically located in this state  
426 where original or true copies of all records and accounts of the  
427 family trust company or licensed family trust company may be  
428 accessed and made readily available for examination by the  
429 office in accordance with this chapter. A family trust company  
430 or licensed family trust company may also maintain one or more  
431 branch offices within or outside of this state.

432       (b) A registered agent who has an office in this state at  
433 the street address of the registered agent.

434       (c) All applicable state and local business licenses,  
435 charters, and permits.

436       (d) A deposit account with a state-chartered or national  
437 financial institution that has a principal or branch office in  
438 this state.

439       (2) In order to operate in this state, a foreign licensed  
440 family trust company must be in good standing in its principal  
441 jurisdiction and maintain:

442       (a) An office physically located in this state where  
443 original or true copies of all records and accounts of the  
444 foreign licensed family trust company pertaining to its  
445 operations in this state may be accessed and made readily





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446 available for examination by the office in accordance with this  
447 chapter.

448 (b) A registered agent who has an office in this state at  
449 the street address of the registered agent.

450 (c) All applicable state and local business licenses,  
451 charters, and permits.

452 (d) A deposit account with a state-chartered or national  
453 financial institution that has a principal or branch office in  
454 this state.

455 Section 14. Section 662.123, Florida Statutes, is created  
456 to read:

457 662.123 Organizational documents; use of term "family  
458 trust" in name.-

459 (1) The articles of incorporation, certificate of  
460 incorporation, or articles of organization of a family trust  
461 company or licensed family trust company must contain:

462 (a) The name adopted by the company, which must distinguish  
463 the company from any other trust company formed in this state or  
464 engaged in the business of a trust company, family trust  
465 company, or licensed family trust company in this state. If the  
466 term "trust" is included in the name adopted by a family trust  
467 company, it must be immediately preceded by the term "family" so  
468 as to distinguish the entity from a trust company operating  
469 under chapter 658. This paragraph does not apply to a foreign  
470 licensed family trust company using a fictitious name that is  
471 registered and maintained pursuant to s. 865.09 and that  
472 distinguishes it.

473 (b) The purpose for which the company is formed, which must  
474 clearly identify the restricted activities permissible to a



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475 family trust company or licensed family trust company under this  
476 chapter.

477 (c) A statement that the company will not offer its  
478 services to the general public.

479 (d) A statement affirming that the articles of  
480 incorporation, certificate of incorporation, or articles of  
481 organization will not be amended without prior written notice to  
482 the office.

483 (2) A proposed amendment to the articles of incorporation,  
484 articles of organization, bylaws, or articles of organization of  
485 a limited liability company, family trust company, or licensed  
486 family trust company must be submitted to the office for review  
487 at least 30 days before it is filed or effective. An amendment  
488 is not considered filed or effective if the office issues a  
489 notice of disapproval with respect to the proposed amendment.

490 (3) The term "family trust" in the name adopted by a family  
491 trust company or licensed family trust company does not  
492 disqualify the name from being allowed under s. 605.0112 or s.  
493 607.0401.

494 Section 15. Section 662.124, Florida Statutes, is created  
495 to read:

496 662.124 Minimum capital account required.—

497 (1) A licensed family trust company that has one designated  
498 relative may not be organized or operated with an owners'  
499 capital account of less than \$250,000. The minimum capital  
500 account shall be increased to \$350,000 if two designated  
501 relatives of the licensed family trust company are named in the  
502 application for a license or in the annual license renewal. A  
503 family trust company may not be organized or operated with a



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504 capital account of less than \$250,000.

505 (2) The full amount of the initial capital account of a  
506 family trust company or licensed family trust company must be  
507 composed of one or more of the asset groups described in s.  
508 662.132(1)(a), exclusive of all organization expenses.

509 Section 16. Section 662.125, Florida Statutes, is created  
510 to read:

511 662.125 Directors or managers.—

512 (1) Exclusive authority to manage a family trust company or  
513 licensed family trust company is vested in a board of directors,  
514 if a corporation, or a board of directors or managers, if a  
515 limited liability company.

516 (2) A family trust company or licensed family trust company  
517 shall have at least three directors, if a corporation, or three  
518 directors or managers, if a limited liability company. At least  
519 one director or manager of the company must be a resident of  
520 this state.

521 (3) The licensed family trust company shall notify the  
522 office of the proposed appointment of an individual to the board  
523 of directors or addition as a member, or the appointment or  
524 employment of an individual as an officer or manager or member  
525 acting in a managerial capacity or equivalent position, at least  
526 60 days before such appointment or employment becomes effective,  
527 if the company:

528 (a) Has been licensed for less than 2 years.

529 (b) Has undergone a change in control within the preceding  
530 2 years.

531 (c) Is operating under a cease and desist order.

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533 The notification must include the name and such biographical  
534 information as the office may reasonably require.

535 (4) A licensed family trust company may not appoint an  
536 individual to the board of directors, add a member, or appoint  
537 or employ an officer or manager or member acting in a managerial  
538 capacity or equivalent, if the office issues a notice of  
539 disapproval with respect to that person.

540 (5) The office shall issue a notice of disapproval if the  
541 office finds that the proposed appointment or employment of a  
542 person would otherwise cause the licensed family trust company  
543 to violate any of the requirements set forth in s.

544 662.121(10)(b)-(d) or s. 662.1215(2)(a).

545 Section 17. Section 662.126, Florida Statutes, is created  
546 to read:

547 662.126 Fidelity bonds; insurance.—

548 (1) The directors or managers of a licensed family trust  
549 company shall procure and maintain fidelity bonds on all active  
550 officers, directors, managers, members acting in a managerial  
551 capacity, and employees of the company, regardless of whether  
552 they receive a salary or other compensation from the company, in  
553 order to indemnify the company against loss because of a  
554 dishonest, fraudulent, or criminal act or omission on their  
555 part, whether acting alone or in combination with other persons.

556 (2) Each fidelity bond shall be issued in an amount of at  
557 least \$1 million.

558 (3) In lieu of the fidelity bonds required under subsection  
559 (1), a licensed family trust company may increase its capital  
560 account required under s. 662.124 by \$1 million so that if it  
561 has one designated relative, it is organized or operated with a



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562 capital account of at least \$1.25 million, or if it has two  
563 designated relatives, it is organized or operated with a capital  
564 account of at least \$1.35 million.

565 (4) The licensed family trust company shall also procure  
566 and maintain an errors and omissions insurance policy of at  
567 least \$1 million in which it is listed as the insured to cover  
568 the acts and omissions of officers, directors, managers, and  
569 members acting in a managerial capacity, regardless of whether  
570 the person receives a salary or other compensation from the  
571 company.

572 (5) A family trust company or licensed family trust company  
573 may also procure and maintain other insurance policies necessary  
574 or desirable in connection with the business of the company,  
575 including, but not limited to, one or more casualty insurance  
576 policies.

577 (6) A family trust company that is not a licensed family  
578 trust company may procure and maintain fidelity bonds as  
579 described in this section.

580 (7) A family trust company that is not a licensed family  
581 trust company may procure and maintain errors and omissions  
582 insurance coverage as described in this section.

583 Section 18. Section 662.127, Florida Statutes, is created  
584 to read:

585 662.127 Segregation of books, records, and assets;  
586 fiduciary assets not liable.-

587 (1) Each family trust company and licensed family trust  
588 company shall maintain its fiduciary books and records separate  
589 and distinct from other records of the company and shall  
590 segregate all assets held in any fiduciary capacity from other



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591 assets of the company.

592 (2) Assets received or held in a fiduciary capacity by a  
593 family trust company or licensed family trust company are not  
594 subject to the debts or obligations of the company.

595 Section 19. Section 662.128, Florida Statutes, is created  
596 to read:

597 662.128 Annual renewal.-

598 (1) Within 30 days after the end of each calendar year,  
599 family trust companies, licensed family trust companies, and  
600 foreign licensed family trust companies shall file their annual  
601 renewal application with the office.

602 (2) The license renewal application filed by a licensed  
603 family trust company must include a verified statement that:

604 (a) The licensed family trust company operated in full  
605 compliance with this chapter, chapter 896, or similar state or  
606 federal law, or any related rule or regulation. The application  
607 must include proof acceptable to the office that the company is  
608 a family trust company as defined under this chapter.

609 (b) Describes any material changes to its operations,  
610 principal place of business, directors, officers, managers,  
611 members acting in a managerial capacity, and designated  
612 relatives since the end of the preceding calendar year.

613 (3) The registration renewal application filed by a family  
614 trust company must include a verified statement by an officer of  
615 the company that it is a family trust company as defined under  
616 this chapter and that its operations are in compliance with ss.  
617 662.1225, 662.125, 662.131, and 662.134; chapter 896; or similar  
618 state or federal law, or any related rule or regulation, and  
619 include the name of its designated relative or relatives, if



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620 applicable, and the street address for its principal place of  
621 business.

622 (4) The registration renewal application filed by a foreign  
623 licensed family trust company must include a verified statement  
624 that its operations are in compliance with ss. 662.1225,  
625 662.125, 662.131, and 662.134 and in compliance with the family  
626 trust company laws and regulations of its principal  
627 jurisdiction. It must also provide:

628 (a) The current telephone number and street address of the  
629 physical location of its principal place of business in its  
630 principal jurisdiction.

631 (b) The current telephone number and street address of the  
632 physical location in this state of its principal place of  
633 operations where its books and records pertaining to its  
634 operations in this state are maintained.

635 (c) The current telephone number and address of the  
636 physical location of any other offices located in this state.

637 (d) The name and current street address in this state of  
638 its registered agent.

639 (e) Documentation satisfactory to the office that the  
640 foreign licensed family trust company is in compliance with the  
641 family trust company laws and regulations of its principal  
642 jurisdiction.

643 (5) The annual renewal application shall be submitted on a  
644 form prescribed by the office and signed under penalty of  
645 perjury by an authorized representative.

646 (6) A fee of \$750 for a family trust company, \$1,500 for a  
647 licensed family trust company, and \$1,000 for a foreign licensed  
648 family trust company shall be submitted with the annual renewal



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649 application. All fees received by the office pursuant to this  
650 section shall be deposited into the Financial Institutions'  
651 Regulatory Trust Fund pursuant to s. 655.049 for the purpose of  
652 administering this chapter.

653 Section 20. Section 662.129, Florida Statutes, is created  
654 to read:

655 662.129 Discontinuing business.—If a licensed family trust  
656 company desires to discontinue business as a licensed family  
657 trust company, it must file with the office a certified copy of  
658 the resolution of the board of directors, or members if a  
659 limited liability company, authorizing that action. Upon  
660 discharge from all fiduciary duties which it has undertaken, the  
661 licensed family trust company shall provide certification of  
662 such discharge and voluntarily relinquish its license to operate  
663 as a licensed family trust company to the office, whereupon it  
664 shall be released from any fidelity bonds that it maintained  
665 pursuant to s. 662.126(1).

666 Section 21. Section 662.130, Florida Statutes, is created  
667 to read:

668 662.130 Powers of family trust companies, licensed family  
669 trust companies, and foreign licensed family trust companies.—

670 (1) A family trust company and a licensed family trust  
671 company may, for its eligible members and individuals:

672 (a) Act as a sole or copersonal representative, executor,  
673 or curator for probate estates being administered in a state or  
674 jurisdiction other than this state.

675 (b) Act as an attorney in fact or agent under a power of  
676 attorney, other than a power of attorney governed by chapter  
677 709.





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678       (c) Except as provided in s. 662.131, act within or outside  
679 this state as a sole fiduciary or cofiduciary, including acting  
680 as a trustee, advisory agent, assignee, assignee for the benefit  
681 of creditors, authenticating agent, bailee, bond or indenture  
682 trustee, conservator, conversion agent, custodian, escrow agent,  
683 fiscal or paying agent, financial advisor, guardian, investment  
684 advisor or manager, managing agent, purchase agent, receiver,  
685 registrar, safekeeping or subscription agent, transfer agent,  
686 except for public companies, warrant agent, or similar  
687 capacities generally performed by corporate trustees, and in so  
688 acting possess, purchase, sell, invest, reinvest, safekeep, or  
689 otherwise manage or administer the real or personal property of  
690 eligible members and individuals.

691       (d) Exercise the powers of a corporation or limited  
692 liability company incorporated or organized under the laws of  
693 this state, or qualified to transact business as a foreign  
694 corporation or limited liability company under the laws of this  
695 state, which are reasonably necessary to enable it to fully  
696 exercise, in accordance with commonly accepted customs and  
697 usages, a power conferred under this chapter.

698       (e) Delegate duties and powers, including investment  
699 functions under s. 518.112, in accordance with the powers  
700 granted to a trustee under chapter 736 or other applicable law,  
701 and retain agents, attorneys, accountants, investment advisers,  
702 or other individuals or entities to advise or assist the family  
703 trust company, licensed family trust company, or foreign  
704 licensed family trust company in the exercise of its powers and  
705 duties under this chapter and chapter 736. Such exercise of  
706 power may include, but is not limited to, retaining a bank trust



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707 department, or a public trust company, other than another family  
708 trust company, licensed family trust company, or foreign  
709 licensed family trust company.

710 (f) Perform all acts necessary for exercising the powers  
711 enumerated in this section or authorized by this chapter and  
712 other applicable laws of this state.

713 (2) Except as otherwise provided in s. 662.131, a foreign  
714 licensed family trust company that is in good standing in its  
715 principal jurisdiction may exercise all the trust powers in this  
716 state that a Florida family trust company may exercise.

717 Section 22. Section 662.131, Florida Statutes, is created  
718 to read:

719 662.131 Prohibitions.—Notwithstanding any provision of this  
720 chapter, a family trust company, licensed family trust company,  
721 or foreign licensed family trust company may not:

722 (1) Engage in commercial banking; however, it may establish  
723 accounts at financial institutions for its own purposes or on  
724 behalf of family members to whom it provides services pursuant  
725 to this chapter.

726 (2) Engage in fiduciary services with the public unless  
727 licensed pursuant to chapter 658.

728 (3) Serve as a personal representative or a copersonal  
729 representative of a probate estate administered in this state.

730 (4) Serve as an attorney in fact or agent, including as a  
731 co-attorney in fact or co-agent, under a power of attorney  
732 pursuant to chapter 709.

733 Section 23. Section 662.132, Florida Statutes, is created  
734 to read:

735 662.132 Investments.—



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736 (1) The assets forming the minimum capital account of a  
737 family trust company or licensed family trust company must:

738 (a) Consist of cash, United States Treasury obligations, or  
739 any combination thereof.

740 (b) Have an aggregate market value of at least 100 percent  
741 of the company's required capital account, as specified in s.  
742 662.124. If the aggregate market value of 100 percent of the  
743 company's capital account is, at any time, less than the amount  
744 required under s. 662.124, the company has 5 business days to  
745 bring such capital account into compliance with s. 662.124.

746 (2) A family trust company or licensed family trust company  
747 may purchase or rent real or personal property for use in the  
748 conduct of the business and other activities of the company.

749 (3) Notwithstanding any other provision of law, a family  
750 trust company or licensed family trust company may invest funds  
751 for its own account, other than those required or allowed under  
752 subsection (1) or subsection (2), in any type or character of  
753 equity securities, debt securities, or other assets.

754 (4) Notwithstanding any other law, a family trust company  
755 or licensed family trust company may, while acting as a  
756 fiduciary, purchase directly from underwriters or distributors  
757 or in the secondary market:

758 (a) Bonds or other securities underwritten or distributed  
759 by:

760 1. The family trust company or licensed family trust  
761 company;

762 2. A family affiliate; or

763 3. A syndicate, including the family trust company,  
764 licensed family trust company, or family affiliate.



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765 (b) Securities of an investment company, including a mutual  
766 fund, closed-end fund, or unit investment trust, as defined  
767 under the federal Investment Company Act of 1940, for which the  
768 family trust company or licensed family trust company acts as an  
769 advisor, custodian, distributor, manager, registrar, shareholder  
770 servicing agent, sponsor, or transfer agent.

771 (5) The authority granted in subsection (4) may be  
772 exercised only if:

773 (a) The investment is not expressly prohibited by the  
774 instrument, judgment, decree, or order establishing the  
775 fiduciary relationship.

776 (b) The family trust company or licensed family trust  
777 company procures in writing the consent of any cofiduciaries  
778 with discretionary investment powers to the investment.

779 (c) The family trust company or licensed family trust  
780 company discloses in writing to the person or persons to whom it  
781 sends account statements its intent to exercise the authority  
782 granted in subsection (4) before the first exercise of that  
783 authority, and each such disclosure reflects:

784 1. The nature of any interest the family trust company or  
785 licensed family trust company has, or is reasonably expected to  
786 have, in the underwriting or distribution of bonds or securities  
787 purchased.

788 2. The nature and amount of any fee or other compensation  
789 received, or reasonably expected to be received, by the family  
790 trust company or licensed family trust company in connection  
791 with the transaction.

792 3. The nature of the relationship between the family trust  
793 company or licensed family trust company and an investment



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794 company described in paragraph (4) (b) .  
795 4. The nature and amount of any fee or other compensation  
796 received, or reasonably expected to be received, by the family  
797 trust company or licensed family trust company for providing  
798 services to an investment company described in paragraph (4) (b) .  
799 (6) Subsections (4) and (5) do not affect the degree of  
800 prudence required of fiduciaries under the laws of this state.  
801 However, a purchase of bonds or securities pursuant to  
802 subsections (4) and (5) is not presumed to be affected by a  
803 conflict between the fiduciary's personal and fiduciary  
804 interests if such purchase:  
805 (a) Is negotiated at a fair price.  
806 (b) Is in accordance with:  
807 1. The interest of the qualified beneficiaries.  
808 2. The purposes of the trusts.  
809 (c) Otherwise complies with:  
810 1. The prudent investor rule in s. 518.11, or other prudent  
811 investor or similar rule under other applicable law, unless such  
812 compliance is waived in accordance with s. 518.11 or other  
813 applicable law.  
814 2. The terms of the instrument, judgment, decree, or order  
815 establishing the fiduciary relationship.  
816 (7) Notwithstanding subsections (1)-(6), a family trust  
817 company or licensed family trust company may not, while acting  
818 as a fiduciary, purchase a bond or security issued by the  
819 company or an affiliate thereof unless:  
820 (a) The family trust company or licensed family trust  
821 company is expressly authorized to do so by:  
822 1. The terms of the instrument creating the trust;



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823           2. A court order;  
824           3. The written consent of the settlor of the trust for  
825 which the family trust company or licensed family trust company  
826 is serving as trustee; or  
827           4. The written consent of every adult qualified beneficiary  
828 of the trust who, at the time of such purchase, is entitled to  
829 receive income under the trust or who would be entitled to  
830 receive a distribution of principal if the trust were  
831 terminated; and  
832           (b) The purchase of the security is at a fair price and  
833 complies with:  
834           1. The prudent investor rule in s. 518.11, or other prudent  
835 investor or similar rule under other applicable law, unless such  
836 compliance is waived in accordance with s. 518.11 or other  
837 applicable law.  
838           2. The terms of the instrument, judgment, decree, or order  
839 establishing the fiduciary relationship.  
840           (8) Except as otherwise expressly limited by this section,  
841 a family trust company or licensed family trust company, while  
842 acting as a fiduciary, is also authorized, without limiting any  
843 powers otherwise conferred on fiduciaries by law, to do any of  
844 the following, which are not presumed to be affected by a  
845 conflict between the fiduciary's personal and fiduciary  
846 interests:  
847           (a) Make an equity investment in a closely held entity that  
848 may or may not be marketable and that is directly or indirectly  
849 owned or controlled by one or more family members.  
850           (b) Place a security transaction using a broker who is a  
851 family member.



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852       (c) Enter into an agreement with a family member who is the  
853 settlor or a qualified beneficiary of a trust with respect to  
854 the appointment of the family trust company or licensed family  
855 trust company as a fiduciary of the trust, or with respect to  
856 the compensation of the family trust company and licensed family  
857 trust company for service as a fiduciary.

858       (d) Transact business with a family member.

859       (e) Transact business with or invest in any asset of  
860 another trust, estate, guardianship, or conservatorship for  
861 which the family trust company or licensed family trust company  
862 is a fiduciary or in which a family member has an interest.

863       (f) Deposit trust assets in a financial institution that is  
864 owned, controlled, or operated by one or more family members.

865       (g) Purchase, sell, hold, own, or invest in a security,  
866 bond, real or personal property, stock, or other asset of a  
867 family member.

868       (h) With or without adequate security, lend money to or  
869 borrow money from a family member or a trust, estate, or  
870 guardianship for which the family trust company or licensed  
871 family trust company serves as a fiduciary.

872       (9) If not inconsistent with and subject to the terms of  
873 subsections (4)-(8), the duty of loyalty under s. 736.0802  
874 applies to family trust companies, licensed family trust  
875 companies, and foreign licensed family trust companies when  
876 serving as trustee of a trust whose administration is subject to  
877 chapter 736.

878       Section 24. Section 662.133, Florida Statutes, is created  
879 to read:

880       662.133 Oaths, affidavits, and acknowledgments.-If a family



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881 trust company or licensed family trust company is required to  
882 make an oath, affirmation, affidavit, or acknowledgment  
883 regarding a fiduciary capacity in which it is acting or is  
884 preparing to act, a director or officer or, if the company is a  
885 limited liability company, a manager or officer expressly  
886 authorized by the family trust company or licensed family trust  
887 company, shall make and, if required, subscribe to such oath,  
888 affirmation, affidavit, or acknowledgment on behalf of the  
889 company.

890 Section 25. Section 662.134, Florida Statutes, is created  
891 to read:

892 662.134 Unlawful to advertise services.—A family trust  
893 company, licensed family trust company, or foreign licensed  
894 family trust company may not advertise its services to the  
895 public.

896 Section 26. Section 662.135, Florida Statutes, is created  
897 to read:

898 662.135 Service as court-appointed fiduciary; bond  
899 requirement.—A licensed family trust company is not required to  
900 provide or otherwise post a bond or other surety to serve as a  
901 court-appointed fiduciary in a proceeding brought or conducted  
902 in this state.

903 Section 27. Section 662.140, Florida Statutes, is created  
904 to read:

905 662.140 Rules.—The commission may adopt rules necessary to  
906 carry out the purposes of this chapter.

907 Section 28. Section 662.141, Florida Statutes, is created  
908 to read:

909 662.141 Examination, investigations, and fees.—The office





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910 may conduct an examination or investigation of a family trust  
911 company, licensed family trust company, or foreign licensed  
912 family trust company at any time it deems necessary to determine  
913 whether a family trust company, licensed family trust company,  
914 foreign licensed family trust company, or family trust company-  
915 affiliated person has violated or is about to violate any  
916 provision of the financial institution's codes or the rules  
917 adopted by the commission pursuant to such codes.

918 (1) The office shall conduct an examination of a licensed  
919 family trust company, family trust company, and foreign licensed  
920 family trust company at least once every 18 months.

921 (2) In lieu of an examination by the office, the office may  
922 accept an audit of a family trust company, licensed family trust  
923 company, or foreign licensed family trust company by a certified  
924 public accountant licensed to practice in this state who is  
925 independent of the company, or other person or entity acceptable  
926 to the office. If the office accepts an audit pursuant to this  
927 subsection, the office shall conduct the next required  
928 examination.

929 (3) The office shall examine the books and records of a  
930 family trust company or licensed family trust company as  
931 necessary to determine whether it is a family trust company or  
932 licensed family trust company as defined in this chapter, and is  
933 operating in compliance with ss. 662.1225, 662.125, 662.126,  
934 662.131, and 662.134, as applicable. The office may rely upon a  
935 certificate of trust, trust summary, or written statement from  
936 the trust company identifying the qualified beneficiaries of any  
937 trust or estate for which the family trust company serves as a  
938 fiduciary and the qualification of the qualified beneficiaries



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939 as permissible recipients of company services. The commission  
940 may establish by rule the records to be maintained or  
941 requirements necessary to demonstrate conformity with this  
942 chapter as a family trust company or licensed family trust  
943 company.

944 (4) The office shall examine the books and records of a  
945 foreign licensed family trust company as necessary to determine  
946 if it is a foreign licensed trust company as defined in this  
947 chapter and is in compliance with ss. 662.1225, 662.125,  
948 662.130(2), 662.131, and 662.134. In connection with an  
949 examination of the books and records of the company, the office  
950 may rely upon the most recent examination report or review or  
951 certification letters or similar documentation issued by the  
952 regulatory agency to which the foreign licensed family trust  
953 company is subject to supervision. The commission may establish  
954 by rule the records to be maintained or requirements necessary  
955 to demonstrate conformity with this chapter as a foreign  
956 licensed family trust company. The office's examination of the  
957 books and records of a foreign licensed family trust company is,  
958 to the extent practicable, limited to books and records of the  
959 operations in this state.

960 (5) For each examination of the books and records of a  
961 family trust company, licensed family trust company, or foreign  
962 licensed family trust company as authorized under this chapter,  
963 the trust company shall pay a fee for the costs of the  
964 examination by the office. As used in this section, the term  
965 "costs" means the salary and travel expenses of field staff  
966 which are directly attributable to the examination of the trust  
967 company and the travel expenses of any supervisory or support



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968 staff required as a result of examination findings. The mailing  
969 of payment for costs incurred must be postmarked within 30 days  
970 after the receipt of a notice stating that such costs are due.  
971 The office may levy a late payment of up to \$100 per day or part  
972 thereof that a payment is overdue, unless waived for good cause.  
973 However, if the late payment of costs is intentional, the office  
974 may levy an administrative fine of up to \$1,000 per day for each  
975 day the payment is overdue.

976 (6) All fees collected under this section must be deposited  
977 into the Financial Institutions' Regulatory Trust Fund pursuant  
978 to s. 655.049 for the purpose of administering this chapter.

979 Section 29. Section 662.142, Florida Statutes, is created  
980 to read:

981 662.142 Revocation of license.—

982 (1) The following acts or conduct constitutes grounds for  
983 the revocation by the office of the license of a licensed family  
984 trust company:

985 (a) The company is not a family trust company as defined in  
986 this chapter;

987 (b) A violation of s. 662.1225, s. 662.123(1)(a), s.  
988 662.125(2), s. 662.126, s. 662.127, s. 662.128, s. 662.130, s.  
989 662.131, s. 662.134, or s. 662.144;

990 (c) A violation of chapter 896, relating to financial  
991 transactions offenses, or any similar state or federal law or  
992 any related rule or regulation;

993 (d) A violation of any rule of the commission;

994 (e) A violation of any order of the office;

995 (f) A breach of any written agreement with the office;

996 (g) A prohibited act or practice under s. 662.131;



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997 (h) A failure to provide information or documents to the  
998 office upon written request; or

999 (i) An act of commission or omission that is judicially  
1000 determined to be a breach of trust or of fiduciary duty pursuant  
1001 to a court of competent jurisdiction.

1002 (2) Upon a finding that a licensed family trust company has  
1003 committed any of the acts set forth in paragraphs (1) (a)-(h),  
1004 the office may enter an order suspending the company's license  
1005 and provide notice of its intention to revoke the license and of  
1006 the opportunity for a hearing pursuant to ss. 120.569 and  
1007 120.57. If there has been a commission or omission under  
1008 paragraph (1) (i), the office may immediately enter an order  
1009 revoking the license. The licensed family trust company shall  
1010 have 90 days to wind up its affairs after license revocation. If  
1011 after 90 days the company is still in operation, the office may  
1012 seek an order from the circuit court for the annulment or  
1013 dissolution of the company.

1014 Section 30. Section 662.143, Florida Statutes, is created  
1015 to read:

1016 662.143 Cease and desist authority.—

1017 (1) The office may issue and serve upon a family trust  
1018 company, licensed family trust company, or foreign licensed  
1019 family trust company, or upon a family trust company-affiliated  
1020 party, a complaint stating charges if the office has reason to  
1021 believe that such company, family trust company-affiliated  
1022 party, or individual named therein is engaging in or has engaged  
1023 in conduct that:

1024 (a) Indicates that the company is not a family trust  
1025 company or foreign licensed family trust company as defined in



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1026 this chapter;  
1027 (b) Is a violation of s. 662.1225, s. 662.123(1) (a), s.  
1028 662.125(2), s. 662.126, s. 662.127, s. 662.128, s. 662.130, or  
1029 s. 662.134;  
1030 (c) Is a violation of any rule of the commission;  
1031 (d) Is a violation of any order of the office;  
1032 (e) Is a breach of any written agreement with the office;  
1033 (f) Is a prohibited act or practice pursuant to s. 662.131;  
1034 (g) Is a willful failure to provide information or  
1035 documents to the office upon written request;  
1036 (h) Is an act of commission or omission or a practice that  
1037 the office has reason to believe is a breach of trust or of  
1038 fiduciary duty; or  
1039 (i) Is a violation of chapter 896 or similar state or  
1040 federal law or any related rule or regulation.  
1041 (2) The complaint must contain the statement of facts and a  
1042 notice of opportunity for a hearing pursuant to ss. 120.569 and  
1043 120.57.  
1044 (3) If no hearing is requested within the time allowed by  
1045 ss. 120.569 and 120.57, or if a hearing is held and the office  
1046 finds that any of the charges are true, the office may enter an  
1047 order directing the family trust company, licensed family trust  
1048 company, or foreign licensed family trust company, or family  
1049 trust company-affiliated party, or the individual named therein  
1050 to cease and desist from engaging in the conduct complained of  
1051 and to take corrective action.  
1052 (4) If the family trust company, licensed family trust  
1053 company, foreign licensed family trust company, or family trust  
1054 company-affiliated party, or the individual named in such order,



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1055 fails to respond to the complaint within the time allotted in  
1056 ss. 120.569 and 120.57, such failure constitutes a default and  
1057 justifies the entry of a cease and desist order.

1058 (5) A contested or default cease and desist order is  
1059 effective when reduced to writing and served upon the family  
1060 trust company, licensed family trust company, or foreign  
1061 licensed family trust company, or family trust company-  
1062 affiliated party, or the individual named therein. An  
1063 uncontested cease and desist order is effective as agreed.

1064 (6) If the office finds that conduct described in  
1065 subsection (1) is likely to cause substantial prejudice to  
1066 members, shareholders, or beneficiaries of fiduciary accounts of  
1067 the family trust company, licensed family trust company, or  
1068 foreign licensed family trust company, or to beneficiaries of  
1069 services rendered by such company, it may issue an emergency  
1070 cease and desist order requiring the family trust company,  
1071 licensed family trust company, or foreign licensed family trust  
1072 company, family trust company-affiliated party, or individual  
1073 named therein to immediately cease and desist from engaging in  
1074 the conduct complained of and to take corrective action. The  
1075 emergency order is effective immediately upon service of a copy  
1076 of the order upon the family trust company, licensed family  
1077 trust company, or foreign licensed family trust company, or  
1078 family trust company-affiliated party and remains effective for  
1079 90 days. If the office begins nonemergency cease and desist  
1080 proceedings under subsection (1), the emergency order remains  
1081 effective until the conclusion of the proceedings under ss.  
1082 120.569 and 120.57.

1083 (7) A family trust company or foreign licensed family trust



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1084 company shall have 90 days to wind up its affairs after entry of  
1085 any order to cease and desist from operating as a family trust  
1086 company or foreign licensed family trust company. If, after 90  
1087 days, a family trust company is still operating, the office may  
1088 seek an order from the circuit court for the annulment or  
1089 dissolution of the company. If, after 90 days, a foreign  
1090 licensed family trust company is still operating, the office may  
1091 seek an injunction from the circuit court restraining the  
1092 company from continuing to operate in this state.

1093 Section 31. Section 662.144, Florida Statutes, is created  
1094 to read:

1095 662.144 Failure to submit required report; fines.—If a  
1096 family trust company, licensed family trust company, or foreign  
1097 licensed family trust company fails to submit within the  
1098 prescribed period its annual renewal or any other report  
1099 required by this chapter or any rule, the office may impose a  
1100 fine of up to \$100 for each day that the annual renewal or  
1101 report is overdue. Failure to provide the annual renewal within  
1102 60 days after the end of the calendar year shall automatically  
1103 result in termination of registration of a family trust company  
1104 or revocation of the license of a licensed family trust company.  
1105 The trust company shall thereafter have 90 days to wind up its  
1106 affairs.

1107 Section 32. Section 662.145, Florida Statutes, is created  
1108 to read:

1109 662.145 Grounds for removal.—

1110 (1) The office may issue and serve upon a licensed family  
1111 trust company or a family trust company and a family trust  
1112 company-affiliated party a complaint stating charges if the



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1113 office has reason to believe that the family trust company-  
1114 affiliated party is engaging or has engaged in conduct that:  
1115 (a) Demonstrates that the company is not a family trust  
1116 company as defined in this chapter;  
1117 (b) Is a prohibited act or practice under s. 662.131;  
1118 (c) Is a violation of s. 662.1225, s. 662.123(1) (a), s.  
1119 662.126, s. 662.127, s. 662.128, s. 662.130, or s. 662.134;  
1120 (d) Is a violation of any other law involving fraud or  
1121 moral turpitude which constitutes a felony;  
1122 (e) Is a violation of chapter 896, relating to offenses  
1123 related to financial transactions, or similar state or federal  
1124 law;  
1125 (f) Is a willful violation of a rule of the commission;  
1126 (g) Is a willful violation of an order of the office;  
1127 (h) Is a willful breach of a written agreement with the  
1128 office; or  
1129 (i) Is an act of commission or omission or a practice that  
1130 the office has reason to believe is a breach of trust or  
1131 fiduciary duty.  
1132 (2) The complaint must contain a statement of facts and a  
1133 notice of opportunity for a hearing pursuant to ss. 120.569 and  
1134 120.57.  
1135 (3) If no hearing is requested within the time allowed by  
1136 ss. 120.569 and 120.57, or if a hearing is held and the office  
1137 finds that any of the charges in the complaint is true, the  
1138 office may enter an order removing the family trust company-  
1139 affiliated party or restricting or prohibiting participation by  
1140 the family trust company-affiliated party in the affairs of the  
1141 family trust company, licensed family trust company, or state





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1142 financial institution, subsidiary, or service corporation.

1143 (4) If the family trust company-affiliated party fails to  
1144 respond to the complaint within the time allowed in ss. 120.569  
1145 and 120.57, such failure constitutes a default and justifies the  
1146 entry of an order of removal.

1147 (5) A contested or default order of removal is effective  
1148 when reduced to writing and served on the family trust company  
1149 or licensed family trust company and the family trust company-  
1150 affiliated party. An uncontested order of removal is effective  
1151 as agreed.

1152 (6) The chief executive officer, or the person holding the  
1153 equivalent office, of a family trust company or licensed family  
1154 trust company shall promptly notify the office if he or she has  
1155 actual knowledge that a family trust company-affiliated party is  
1156 charged with a felony in a state or federal court.

1157 (a) If a family trust company-affiliated party is charged  
1158 with a felony in a state or federal court, or in the courts of a  
1159 foreign country with which the United States maintains  
1160 diplomatic relations which involves a violation of law relating  
1161 to fraud, currency transaction reporting, money laundering,  
1162 theft, or moral turpitude and the charge is equivalent to a  
1163 felony charge under state or federal law, the office may enter  
1164 an emergency order suspending the family trust company-  
1165 affiliated party or restricting or prohibiting participation by  
1166 such company-affiliated party in the affairs of that particular  
1167 family trust company or licensed family trust company or any  
1168 financial institution, subsidiary, or service corporation, upon  
1169 service of the order upon the company and the family trust  
1170 company-affiliated party so charged.



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1171           (b) The order must contain notice of opportunity for a  
1172 hearing pursuant to ss. 120.569 and 120.57, at which the family  
1173 trust company-affiliated party may request a postsuspension  
1174 hearing to show that continued service to or participation in  
1175 the affairs of the family trust company or licensed family trust  
1176 company does not pose a threat to the interests of the company.  
1177 In accordance with applicable commission rules, the office shall  
1178 notify the family trust company-affiliated party whether the  
1179 order suspending or prohibiting the company-affiliated party  
1180 from participating in the affairs of a licensed family trust  
1181 company or family trust company, or state financial institution,  
1182 subsidiary, or service corporation will be rescinded or  
1183 otherwise modified. The emergency order remains in effect,  
1184 unless otherwise modified by the office, until the criminal  
1185 charge is disposed of. The acquittal of the family trust  
1186 company-affiliated party charged, or the final, unappealed  
1187 dismissal of all charges against such person, dissolves the  
1188 emergency order, but does not prohibit the office from  
1189 instituting proceedings under subsection (1). If the family  
1190 trust company-affiliated party charged is convicted or pleads  
1191 guilty or nolo contendere, regardless of adjudication, the  
1192 emergency order becomes final.

1193           (7) A family trust company-affiliated party removed from  
1194 office pursuant to this section is not eligible for reelection  
1195 to such position or to any official position in a family trust  
1196 company, licensed family trust company, or financial institution  
1197 in this state except with the written consent of the office. A  
1198 family trust company-affiliated party who is removed,  
1199 restricted, or prohibited from participation in the affairs of a



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1200 family trust company, licensed family trust company, or state  
1201 financial institution pursuant to this section may petition the  
1202 office for modification or termination of such removal,  
1203 restriction, or prohibition.

1204 (8) The resignation, termination of employment or  
1205 participation, or separation from a family trust company or a  
1206 licensed family trust company of the family trust company-  
1207 affiliated party does not affect the jurisdiction and authority  
1208 of the office to issue a notice and proceed under this section  
1209 against the company-affiliated party if such notice is served  
1210 before the end of the 6-year period beginning on the date such  
1211 person ceases to be a family trust company-affiliated party with  
1212 respect to such company.

1213 Section 33. Section 662.146, Florida Statutes, is created  
1214 to read:

1215 662.146 Confidentiality of books and records.-

1216 (1) The books and records of a family trust company,  
1217 licensed family trust company, and foreign licensed family trust  
1218 company are confidential and shall be made available for  
1219 inspection and examination only:

1220 (a) To the office or its authorized representative;

1221 (b) To any person authorized to act for the company;

1222 (c) As compelled by a court, pursuant to a subpoena issued  
1223 pursuant to the Florida Rules of Civil Procedure, the Florida  
1224 Rules of Criminal Procedure, or the Federal Rules of Civil  
1225 Procedure or pursuant to a subpoena issued in accordance with  
1226 state or federal law. Before the production of the books and  
1227 records of a family trust company, licensed family trust  
1228 company, or foreign licensed family trust company, the party



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1229 seeking production must reimburse the company for the reasonable  
1230 costs and fees incurred in compliance with the production. If  
1231 the parties disagree regarding the amount of reimbursement, the  
1232 party seeking the records may request the court having  
1233 jurisdiction to set the amount of reimbursement;

1234 (d) Pursuant to a subpoena, to any federal or state law  
1235 enforcement or prosecutorial instrumentality authorized to  
1236 investigate suspected criminal activity;

1237 (e) As authorized by the board of directors, if in  
1238 corporate form, or the managers, if in limited liability company  
1239 form; or

1240 (f) As provided in subsection (2).

1241 (2) (a) Each customer and stockholder, if a corporation, or  
1242 member, if a limited liability company, has the right to inspect  
1243 the books and records of a family trust company or licensed  
1244 family trust company as they pertain to his or her accounts or  
1245 the determination of his or her voting rights.

1246 (b) The books and records pertaining to customers, members,  
1247 and stockholders of a family trust company or licensed family  
1248 trust company shall be kept confidential by the company and its  
1249 directors, managers, officers, and employees. The books and  
1250 records of customers, members, and stockholders may not be  
1251 released except upon the express authorization of the customer  
1252 as to his or her own accounts or a stockholder or member  
1253 regarding his or her voting rights. However, information may be  
1254 released, without the authorization of a customer, member, or  
1255 shareholder in a manner prescribed by the board of directors, if  
1256 a corporation, or managers, if a limited liability company, to  
1257 verify or corroborate the existence or amount of a customer's



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1258 account if that information is reasonably provided to meet the  
1259 needs of commerce and to ensure accurate credit information.  
1260 Notwithstanding this paragraph, this subsection does not  
1261 prohibit a family trust company or licensed family trust company  
1262 from disclosing financial information referenced in this  
1263 subsection as permitted under 15 U.S.C. s. 6802, as amended.

1264 (c) A person who willfully violates a provision of this  
1265 section which relates to unlawful disclosure of confidential  
1266 information commits a felony of the third degree, punishable as  
1267 provided in s. 775.082, s. 775.083, or s. 775.084.

1268 (d) This subsection does not apply to a foreign licensed  
1269 family trust company. The laws of the jurisdiction of its  
1270 principal place of business govern the rights of customers,  
1271 members, and stockholders to inspect its books and records.

1272 (3) For purposes of this section, the term "books and  
1273 records" includes, but is not limited to, an application for a  
1274 license and any documents connected with the application under  
1275 s. 662.121; the office's corresponding investigation under s.  
1276 662.1215 in granting or denying the issuance of the license; the  
1277 initial registration documents of a family trust company or  
1278 foreign licensed family trust company under s. 662.122; the  
1279 annual renewal made by a family trust company, licensed family  
1280 trust company, or foreign licensed family trust company under s.  
1281 662.128; and the documentation submitted to the office in  
1282 connection with a licensed family trust company discontinuing  
1283 its business under s. 662.129.

1284 Section 34. Section 662.147, Florida Statutes, is created  
1285 to read:

1286 662.147 Records relating to the office examination; limited



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1287 restrictions on public access.-

1288 (1) A family trust company, licensed family trust company,  
1289 and foreign licensed family trust company shall keep at the  
1290 office it is required to maintain pursuant to s. 662.1225 full  
1291 and complete records of the names and residences of all the  
1292 shareholders or members of the trust company and the number of  
1293 shares or membership units held by each, as applicable, as well  
1294 as the ownership percentage of each shareholder or member, as  
1295 the case may be. The records are subject to the inspection of  
1296 all the shareholders or members of the trust company, and the  
1297 officers authorized to assess taxes under state authority,  
1298 during the normal business hours of the trust company. A current  
1299 list of shareholders or members shall be made available to the  
1300 office's examiners for their inspection and, upon the request of  
1301 the office, shall be submitted to the office.

1302 (2) The office shall retain for at least 10 years:

1303 (a) Examination reports.

1304 (b) Investigatory records.

1305 (c) The application for a license, any documents connected  
1306 with the application, and the office's corresponding  
1307 investigation in granting or denying the issuance of the  
1308 license.

1309 (d) The initial registration documents of a family trust  
1310 company or foreign licensed family trust company.

1311 (e) The annual renewal made by a family trust company,  
1312 licensed family trust company, or foreign licensed family trust  
1313 company.

1314 (f) The documentation submitted to the office in connection  
1315 with a licensed family trust company discontinuing its business



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1316 and any related information compiled by the office, or  
1317 photographic copies thereof.

1318 (3) A copy of any document on file with the office which is  
1319 certified by the office as being a true copy may be introduced  
1320 in evidence as if it were the original. The office shall  
1321 establish a schedule of fees for preparing true copies of  
1322 documents.

1323 (4) Orders issued by courts or administrative law judges  
1324 for the production of confidential records or information must  
1325 provide for inspection in camera by the court or the  
1326 administrative law judge. If the court or administrative law  
1327 judge determines that the documents requested are relevant or  
1328 would likely lead to the discovery of admissible evidence, the  
1329 documents shall be subject to further orders by the court or the  
1330 administrative law judge to protect the confidentiality thereof.  
1331 An order directing the release of information shall be  
1332 immediately reviewable, and a petition by the office for review  
1333 of the order shall automatically stay any further proceedings in  
1334 the trial court or the administrative hearing until the  
1335 disposition of the petition by the reviewing court. If any other  
1336 party files a petition for review, it will operate as a stay of  
1337 the proceedings only upon order of the reviewing court.

1338 Section 35. Section 662.150, Florida Statutes, is created  
1339 to read:

1340 662.150 Domestication of a foreign family trust company.-

1341 (1) A foreign family trust company lawfully organized and  
1342 currently in good standing with the state regulatory agency in  
1343 the jurisdiction where it is organized may become domesticated  
1344 in this state by:



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1345 (a) Filing with the Department of State a certificate of  
1346 domestication and articles of incorporation in accordance with  
1347 and subject to s. 607.1801 or by filing articles of conversion  
1348 in accordance with s. 605.1045; and

1349 (b) Filing an application for a license to begin operations  
1350 as a licensed family trust company in accordance with s.  
1351 662.121, which must first be approved by the office or by filing  
1352 the prescribed form with the office to register as a family  
1353 trust company to begin operations in accordance with s. 662.122.

1354 (2) A foreign family trust company may apply pursuant to  
1355 paragraph (1)(b) before satisfying the requirements of paragraph  
1356 (1)(a); however, upon receipt of a certificate of authority, the  
1357 company must satisfy the requirements of paragraph (1)(a) before  
1358 beginning operations.

1359 Section 36. Section 662.151, Florida Statutes, is created  
1360 to read:

1361 662.151 Registration of a foreign licensed family trust  
1362 company to operate in this state.—A foreign licensed family  
1363 trust company lawfully organized and currently in good standing  
1364 with the state regulatory agency in the jurisdiction under the  
1365 law of which it is organized may qualify to begin operations in  
1366 this state by:

1367 (1) Filing an application with the Department of State to  
1368 apply for a certificate of authority in accordance with and  
1369 subject to s. 605.0902 or s. 607.1503.

1370 (2) Filing an initial registration to begin operations as a  
1371 foreign licensed family trust company in accordance with and  
1372 subject to s. 662.122 and subject to the sections of this  
1373 chapter which specifically state that they apply to a foreign





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1374 licensed family trust company.

1375 (3) A company in operation as of the effective date of this  
1376 act that meets the definition of a family trust company shall  
1377 have 90 days from the effective date of this act to apply for  
1378 licensure as a licensed family trust company, register as a  
1379 family trust company or foreign licensed family trust company,  
1380 or cease doing business in this state.

1381 Section 37. Paragraph (a) of subsection (3) of section  
1382 120.80, Florida Statutes, is amended to read:

1383 120.80 Exceptions and special requirements; agencies.—

1384 (3) OFFICE OF FINANCIAL REGULATION.—

1385 (a) Notwithstanding s. 120.60(1), in proceedings for the  
1386 issuance, denial, renewal, or amendment of a license or approval  
1387 of a merger pursuant to title XXXVIII:

1388 1.a. The Office of Financial Regulation of the Financial  
1389 Services Commission shall have published in the Florida  
1390 Administrative Register notice of the application within 21 days  
1391 after receipt.

1392 b. Within 21 days after publication of notice, any person  
1393 may request a hearing. Failure to request a hearing within 21  
1394 days after notice constitutes a waiver of any right to a  
1395 hearing. The Office of Financial Regulation or an applicant may  
1396 request a hearing at any time prior to the issuance of a final  
1397 order. Hearings shall be conducted pursuant to ss. 120.569 and  
1398 120.57, except that the Financial Services Commission shall by  
1399 rule provide for participation by the general public.

1400 2. Should a hearing be requested as provided by sub-  
1401 subparagraph 1.b., the applicant or licensee shall publish at  
1402 its own cost a notice of the hearing in a newspaper of general



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1403 circulation in the area affected by the application. The  
1404 Financial Services Commission may by rule specify the format and  
1405 size of the notice.

1406 3. Notwithstanding s. 120.60(1), and except as provided in  
1407 subparagraph 4., an every application for license for a new  
1408 bank, new trust company, new credit union, ~~or~~ new savings and  
1409 loan association, or new licensed family trust company must  
1410 ~~shall~~ be approved or denied within 180 days after receipt of the  
1411 original application or receipt of the timely requested  
1412 additional information or correction of errors or omissions. An  
1413 ~~Any~~ application for such a license or for acquisition of such  
1414 control which is not approved or denied within the 180-day  
1415 period or within 30 days after conclusion of a public hearing on  
1416 the application, whichever is later, shall be deemed approved  
1417 subject to the satisfactory completion of conditions required by  
1418 statute as a prerequisite to license and approval of insurance  
1419 of accounts for a new bank, a new savings and loan association,  
1420 ~~or~~ a new credit union, or a new licensed family trust company by  
1421 the appropriate insurer.

1422 4. In the case of an every application for license to  
1423 establish a new bank, trust company, or capital stock savings  
1424 association in which a foreign national proposes to own or  
1425 control 10 percent or more of any class of voting securities,  
1426 and in the case of an every application by a foreign national  
1427 for approval to acquire control of a bank, trust company, or  
1428 capital stock savings association, the Office of Financial  
1429 Regulation shall request that a public hearing be conducted  
1430 pursuant to ss. 120.569 and 120.57. Notice of such hearing shall  
1431 be published by the applicant as provided in subparagraph 2. The



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1432 failure of ~~any~~ such foreign national to appear personally at the  
1433 hearing shall be grounds for denial of the application.

1434 Notwithstanding ~~the provisions of~~ s. 120.60(1) and subparagraph  
1435 3., every application involving a foreign national shall be  
1436 approved or denied within 1 year after receipt of the original  
1437 application or any timely requested additional information or  
1438 the correction of any errors or omissions, or within 30 days  
1439 after the conclusion of the public hearing on the application,  
1440 whichever is later.

1441 Section 38. Subsections (2) and (3) of section 736.0802,  
1442 Florida Statutes, are amended, and paragraph (i) is added to  
1443 subsection (5) of that section, to read:

1444 736.0802 Duty of loyalty.—

1445 (2) Subject to the rights of persons dealing with or  
1446 assisting the trustee as provided in s. 736.1016, a sale,  
1447 encumbrance, or other transaction involving the investment or  
1448 management of trust property entered into by the trustee for the  
1449 trustee's own personal account or which is otherwise affected by  
1450 a conflict between the trustee's fiduciary and personal  
1451 interests is voidable by a beneficiary affected by the  
1452 transaction unless:

1453 (a) The transaction was authorized by the terms of the  
1454 trust;

1455 (b) The transaction was approved by the court;

1456 (c) The beneficiary did not commence a judicial proceeding  
1457 within the time allowed by s. 736.1008;

1458 (d) The beneficiary consented to the trustee's conduct,  
1459 ratified the transaction, or released the trustee in compliance  
1460 with s. 736.1012;



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1461 (e) The transaction involves a contract entered into or  
1462 claim acquired by the trustee when that person had not become or  
1463 contemplated becoming trustee;

1464 (f) The transaction was consented to in writing by a  
1465 settlor of the trust while the trust was revocable; ~~or~~

1466 (g) The transaction is one by a corporate trustee that  
1467 involves a money market mutual fund, mutual fund, or a common  
1468 trust fund described in s. 736.0816(3); or

1469 (h) With regard to a trust that is administered by a family  
1470 trust company, licensed family trust company, or foreign  
1471 licensed family trust company operating under chapter 662, the  
1472 transaction is authorized by s. 662.132(4)-(8).

1473 (3) (a) A sale, encumbrance, or other transaction involving  
1474 the investment or management of trust property is presumed to be  
1475 affected by a conflict between personal and fiduciary interests  
1476 if the sale, encumbrance, or other transaction is entered into  
1477 by the trustee with:

1478 1. ~~(a)~~ The trustee's spouse;

1479 2. ~~(b)~~ The trustee's descendants, siblings, parents, or  
1480 their spouses;

1481 3. ~~(c)~~ An officer, director, employee, agent, or attorney of  
1482 the trustee; or

1483 4. ~~(d)~~ A corporation or other person or enterprise in which  
1484 the trustee, or a person that owns a significant interest in the  
1485 trustee, has an interest that might affect the trustee's best  
1486 judgment.

1487 (b) This subsection does not apply to a trust being  
1488 administered by a family trust company, licensed family trust  
1489 company, or foreign licensed family trust company operating



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1490 under chapter 662 if the sale, encumbrance, or other transaction  
1491 is authorized by s. 662.132(4)-(8).

1492 (5)

1493 (i) This subsection does not apply to a trust administered  
1494 by a family trust company, licensed family trust company, or  
1495 foreign licensed family trust company operating under chapter  
1496 662.

1497 Section 39. Subsection (5) of section 744.351, Florida  
1498 Statutes, is amended to read:

1499 744.351 Bond of guardian.—

1500 (5) Financial institutions as defined in s. 744.309(4),  
1501 other than a trust company operating under chapter 662 which is  
1502 not a licensed family trust company or foreign licensed family  
1503 trust company, and public guardians authorized by law to be  
1504 guardians ~~are shall~~ not ~~be~~ required to file bonds.

1505 Section 40. This act shall take effect October 1, 2015, if  
1506 HB 1269 or similar legislation is adopted in the same  
1507 legislative session or an extension thereof and becomes law.

1508  
1509 ===== T I T L E A M E N D M E N T =====

1510 And the title is amended as follows:

1511 Delete everything before the enacting clause  
1512 and insert:

1513 A bill to be entitled  
1514 An act relating to family trust companies; amending s.  
1515 655.005, F.S.; revising the definition of the term  
1516 "financial institutions codes"; creating chapter 662,  
1517 F.S.; creating s. 662.10, F.S.; providing a short  
1518 title; creating s. 662.102, F.S.; providing the



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1519 purpose of the act; creating s. 662.111, F.S.;

1520 defining terms; creating s. 662.112, F.S.; providing

1521 for the calculation of kinship; creating s. 662.114,

1522 F.S.; exempting a family trust company or foreign

1523 licensed family trust company from licensure; creating

1524 s. 662.115, F.S.; providing for the applicability of

1525 the chapter to a family trust company or foreign

1526 licensed family trust company; creating s. 662.120,

1527 F.S.; specifying the maximum number of designated

1528 relatives allowed for a family trust company and a

1529 licensed family trust company; creating s. 662.121,

1530 F.S.; providing procedures for applying for a family

1531 trust company license; requiring a fee; creating s.

1532 662.1215, F.S.; providing for investigations of

1533 applicants by the Office of Financial Regulation;

1534 creating s. 662.122, F.S.; providing procedures for

1535 the registration of a family trust company or a

1536 foreign licensed family trust company; requiring a

1537 fee; creating s. 662.1225, F.S.; providing

1538 requirements for a family trust company, licensed

1539 family trust company, and foreign licensed family

1540 trust company; creating s. 662.123, F.S.; requiring

1541 organizational documents to include certain

1542 provisions; authorizing the use of the term "trust";

1543 creating s. 662.124, F.S.; requiring a minimum capital

1544 account; creating s. 662.125, F.S.; vesting exclusive

1545 authority to manage a family trust company or licensed

1546 family trust company in a board of directors or

1547 managers; providing for appointment of directors and



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1548 managers; requiring certain notice to the office in  
1549 specified circumstances; requiring the office to issue  
1550 a notice of disapproval of a proposed appointment in  
1551 specified circumstances; creating s. 662.126, F.S.;  
1552 requiring that licensed family trust companies procure  
1553 and maintain fidelity bonds or specified minimum  
1554 capital account and errors and omissions insurance;  
1555 authorizing a family trust company that is not  
1556 licensed to procure and maintain such coverage;  
1557 authorizing licensed and unlicensed family trust  
1558 companies to procure and maintain other insurance  
1559 policies; creating s. 662.127, F.S.; requiring certain  
1560 books and records to be segregated; creating s.  
1561 662.128, F.S.; requiring annual license and  
1562 registration renewal; requiring a fee; creating s.  
1563 662.129, F.S.; providing for the discontinuance of a  
1564 licensed family trust company; creating s. 662.130,  
1565 F.S.; authorizing family trust companies to conduct  
1566 certain activities; creating s. 662.131, F.S.;  
1567 prohibiting certain activities on the part of family  
1568 trust companies; creating s. 662.132, F.S.; imposing  
1569 certain requirements on the assets that form the  
1570 minimum capital of licensed family trust companies and  
1571 family trust companies; authorizing such trust  
1572 companies to purchase or rent real or personal  
1573 property, invest funds, and, while acting as a  
1574 fiduciary, make certain purchases; imposing a  
1575 restriction on that authorization; clarifying the  
1576 degree of prudence required of fiduciaries;



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1577 restricting the authority of a fiduciary to purchase  
1578 certain bonds or securities; specifying additional  
1579 authority of fiduciaries; applying the duty of loyalty  
1580 to family trust companies in certain cases; creating  
1581 s. 662.133, F.S.; requiring certain officers,  
1582 directors, or managers of a licensed family trust  
1583 company or a family trust company to make an oath,  
1584 affirmation, affidavit, or acknowledgment on behalf of  
1585 the company in certain circumstances; creating s.  
1586 662.134, F.S.; prohibiting a family trust company from  
1587 advertising to the public; creating s. 662.135, F.S.;  
1588 providing that a licensed family trust company is not  
1589 required to post a bond to serve as a court-appointed  
1590 fiduciary; creating s. 662.140, F.S.; authorizing the  
1591 commission to adopt rules; creating s. 662.141, F.S.;  
1592 authorizing the office to conduct examinations and  
1593 investigations; requiring that family trust companies  
1594 be examined at least once every 18 months; authorizing  
1595 the office to accept an independent audit in lieu of  
1596 conducting an examination; requiring the office to  
1597 examine the books and records of a family trust  
1598 company or licensed family trust company; authorizing  
1599 the office to rely on a certificate of trust, trust  
1600 summary, or written statement in certain  
1601 circumstances; authorizing the commission to adopt  
1602 rules relating to records and requirements;  
1603 authorizing the office to examine the books and  
1604 records of a foreign licensed family trust company;  
1605 requiring family trust companies to pay examination





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1606 fees tied to actual costs incurred by the office;  
1607 providing a penalty for late payment and authorizing  
1608 an administrative fine if late payment is intentional;  
1609 creating s. 662.142, F.S.; providing for license  
1610 revocation; specifying acts and conduct that  
1611 constitute grounds for revocation; authorizing the  
1612 office to suspend a license pending revocation;  
1613 creating s. 662.143, F.S.; authorizing the office to  
1614 issue a cease and desist order and an emergency cease  
1615 and desist order; creating s. 662.144, F.S.;  
1616 authorizing the office to collect fines for the  
1617 failure to submit required reports; creating s.  
1618 662.145, F.S.; providing grounds for the removal of an  
1619 officer, director, manager, employee, or agent of a  
1620 licensed family trust company or a family trust  
1621 company; creating s. 662.146, F.S.; providing for the  
1622 confidentiality of certain company books and records;  
1623 creating s. 662.147, F.S.; providing requirements for  
1624 books and records of family trust companies; requiring  
1625 the office to retain certain records for a specified  
1626 time; allowing the introduction of certain copies into  
1627 evidence; requiring the office to establish a schedule  
1628 of fees for such copies; providing requirements for  
1629 orders issued by courts or administrative law judges  
1630 for the production of confidential records or  
1631 information; creating s. 662.150, F.S.; providing for  
1632 the domestication of a foreign family trust company;  
1633 creating s. 662.151, F.S.; providing for the  
1634 registration of a foreign licensed family trust



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1635 company; amending s. 120.80, F.S.; adding licensed  
1636 family trust companies to the entities regulated by  
1637 the office that are exempted from licensing timeframes  
1638 under ch. 120, F.S.; amending s. 736.0802, F.S.;  
1639 providing circumstances under which certain trust  
1640 transactions are not voidable by a beneficiary  
1641 affected by a transaction; providing circumstances  
1642 under which certain transactions involving the  
1643 investment or management of trust property are not  
1644 presumed to be affected by conflicts of interest;  
1645 providing an exception; amending s. 744.351, F.S.;  
1646 exempting a family trust company from certain bond  
1647 requirements and applying those requirements to  
1648 licensed family trust companies and foreign licensed  
1649 family trust companies; providing a contingent  
1650 effective date.