

Amendment No.

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	_____	(Y/N)
ADOPTED AS AMENDED	_____	(Y/N)
ADOPTED W/O OBJECTION	_____	(Y/N)
FAILED TO ADOPT	_____	(Y/N)
WITHDRAWN	_____	(Y/N)
OTHER		

1 Committee/Subcommittee hearing bill: Insurance & Banking
 2 Subcommittee

3 Representative McBurney offered the following:

4
 5 **Amendment (with title amendment)**

6 Remove everything after the enacting clause and insert:
 7 Section 1. Paragraph (k) of subsection (1) of section
 8 655.005, Florida Statutes, is amended to read:

9 655.005 Definitions.—

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

12 (k) "Financial institutions codes" means:

13 1. Chapter 655, relating to financial institutions

14 generally;

15 2. Chapter 657, relating to credit unions;

16 3. Chapter 658, relating to banks and trust companies;

17 4. Chapter 660, relating to trust business;

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18 5. Chapter 662, relating to family trust companies;
19 ~~6.5.~~ Chapter 663, relating to international banking;
20 ~~7.6.~~ Chapter 665, relating to associations; and
21 ~~8.7.~~ Chapter 667, relating to savings banks.
22 Section 2. Chapter 662, Florida Statutes, consisting of
23 ss. 662.10-662.151, Florida Statutes, to be entitled Family
24 Trust Companies, is created.
25 Section 3. Section 662.10, Florida Statutes, is created to
26 read:
27 662.10 Short Title.—This chapter may be cited as the
28 "Florida Family Trust Company Act."
29 Section 4. Section 662.102, Florida Statutes, is created
30 to read:
31 662.102 Purpose.—The purpose of the Family Trust Company
32 Act is to establish requirements for licensing family trust
33 companies, to provide regulation of those persons who provide
34 fiduciary services to family members of no more than two
35 families and their related interests as a family trust company,
36 and establish the degree of regulatory oversight required of the
37 Office of Financial Regulation over such companies. Unlike trust
38 companies formed under chapter 658, there is no public interest
39 to be served outside of ensuring that fiduciary activities
40 performed by a family trust company are restricted to family
41 members and their related interests and as otherwise provided
42 for in this chapter. Therefore, family trust companies are not
43 financial institutions within the meaning of the financial

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

53 Section 5. Section 662.111, Florida Statutes, is created
54 to read:

55 662.111 Definitions.—As used in this chapter, the term:

56 (1) "Applicant" means the corporation or limited liability
57 company on whose behalf an application for a license to operate
58 as a licensed family trust company is submitted under s.
59 662.121.

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

67 (3) "Capital account" means the aggregate value of
68 unimpaired capital stock based on the par value of the shares,
69 plus any unimpaired surplus and undivided profits or retained

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

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

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

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

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

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

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

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96 (10) "Family member" means:

97 (a) A designated relative.

98 (b) A person within the fourth degree of lineal kinship to
99 a designated relative of a family trust company, or a person
100 within the sixth degree of lineal kinship to a designated
101 relative of a licensed family trust company.

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

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

110 (e) A family affiliate.

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

117 (g) A trust established by an individual who is not a
118 family member if all of the noncharitable qualified
119 beneficiaries of the trust are family members, except that a
120 trust composed exclusively of nonindividual qualified
121 beneficiaries is considered to be a family member if all of the

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122 nonindividual qualified beneficiaries are charitable foundations
123 or other charitable entities as described in paragraph (j).

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

125 (i) The probate estate of an individual who is not a
126 family member if all of the noncharitable beneficiaries of the
127 estate are family members, except that an estate composed
128 exclusively of nonindividual beneficiaries is considered to be a
129 family member if all of the nonindividual beneficiaries are
130 charitable foundations or other charitable entities as described
131 in paragraph (j).

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

135 (11) "Family trust company" means a corporation or limited
136 liability company that:

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

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

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

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

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- 148 (12) "Family trust company-affiliated party" means:
149 (a) A director, officer, manager, employee, or controlling
150 stockholder or member of a family trust company, licensed family
151 trust company, or foreign licensed family trust company; or
152 (b) A stockholder, member, or any other person as
153 determined by the office who participates in the affairs of a
154 family trust company, licensed family trust company, or foreign
155 licensed family trust company.
- 156 (13) "Financial institutions codes" has the same meaning
157 as provided in s. 655.005(1).
- 158 (14) "Foreign licensed family trust company" means a
159 family trust company that:
- 160 (a) Is licensed by a state in the United States other than
161 this state or the District of Columbia.
- 162 (b) Has its principal place of business in a state in the
163 United States other than this state or the District of Columbia.
- 164 (c) Is operated in accordance with family or private trust
165 company laws of the state in which it is licensed or of the
166 District of Columbia.
- 167 (d) Is subject to statutory or regulatory mandated
168 supervision by the state in which the principal place of
169 business is located or by the District of Columbia.
- 170 (e) Is not owned by, or a subsidiary of, a corporation,
171 limited liability company, or other business entity that is
172 organized in or licensed by any foreign country as defined in s.
173 663.01(3).

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174 (15) "Licensed family trust company" means a family trust
175 company that operates in accordance with this chapter and has
176 been issued a license that has not been revoked or suspended by
177 the office.

178 (16) "Lineal kinship" means a family member who is in the
179 direct line of ascent or descent from a designated relative.

180 (17) "Office" means the Office of Financial Regulation.

181 (18) "Officer" of a family trust company means an
182 individual, regardless of whether the individual has an official
183 title or receives a salary or other compensation, who may
184 participate in the major policymaking functions of a family
185 trust company, other than as a director. The term does not
186 include an individual who may have an official title and
187 exercise discretion in the performance of duties and functions,
188 but who does not participate in determining the major policies
189 of the family trust company and whose decisions are limited by
190 policy standards established by other officers, regardless of
191 whether the policy standards have been adopted by the board of
192 directors. The chair of the board of directors, the president,
193 the chief officer, the chief financial officer, the senior trust
194 officer, and all executive vice presidents of a family trust
195 company, and all managers if organized as a limited liability
196 company, are presumed to be executive officers unless such
197 officer is excluded, by resolution of the board of directors or
198 members or by the bylaws or operating agreement of the family
199 trust company, other than in the capacity of a director, from

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200 participating in major policymaking functions of the family
201 trust company, and the individual holding such office so
202 excluded does not actually participate therein.

203 (19) "Qualified beneficiary" has the same meaning as
204 provided in s. 736.0103.

205 Section 6. Section 662.112, Florida Statutes, is created
206 to read:

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

212 Section 7. Section 662.114, Florida Statutes, is created
213 to read:

214 662.114 Family trust company and foreign licensed family
215 trust company licensing not required.—A family trust company or
216 foreign licensed family trust company is not required to be a
217 licensed family trust company.

218 Section 8. Section 662.115, Florida Statutes, is created
219 to read:

220 662.115 Applicability of chapter to a family trust company
221 or foreign licensed family trust company.—

222 (1) A family trust company that is not a licensed family
223 trust company or a foreign licensed family trust company is
224 subject to the provisions of this chapter unless the provisions

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225 are expressly limited in applicability to a licensed family
226 trust company or foreign licensed family trust company.

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

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

235 Section 9. Section 662.120, Florida Statutes, is created
236 to read:

237 662.120 Maximum number of designated relatives.—

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

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

243 Section 10. Section 662.121, Florida Statutes, is created
244 to read:

245 662.121 Application for licensed family trust company;
246 fees.—An applicant seeking to operate as a licensed family trust
247 company must file an application with the office on forms
248 prescribed by the office, accompanied by a nonrefundable \$10,000
249 application fee to be deposited into the Financial Institutions'
250 Regulatory Trust Fund pursuant to s. 655.049 for the purpose of

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251 administering this chapter. The application must contain or be
252 accompanied by:

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

255 (2) A copy of the articles of incorporation or articles of
256 organization and the bylaws or operating agreement of the
257 proposed licensed family trust company.

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

261 (4) A statement describing in detail the services that
262 will be provided to family members by the proposed licensed
263 family trust company.

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

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

273 (7) The names of the designated relatives.

274 (8) The amount of the initial capital account of the
275 proposed licensed family trust company and the form in which the
276 capital was paid and will be maintained.

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

281 (10) A statement signed by the applicant, or by the
282 individual signing on behalf of the proposed licensed family
283 trust company, under penalty of perjury, affirming that the
284 following statements are true:

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

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

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

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302 (d) No director, officer, manager, or member acting in a
303 managerial capacity has had a professional license suspended or
304 revoked within the 10 years preceding the date of the
305 application.

306 (e) All information contained in the application is true
307 and correct to the best knowledge of the individual signing the
308 application on behalf of the proposed licensed family trust
309 company.

310 (11) Any other additional information reasonably required
311 by the office.

312 Section 11. Section 662.1215, Florida Statutes, is created
313 to read:

314 662.1215 Investigation of license applicants.-

315 (1) For the purpose of this section, the application is
316 not deemed to be filed until the applicant has provided the
317 office with all information required to be included pursuant to
318 s. 662.121.

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

322 (a) That the persons who will serve as directors or
323 officers of the corporation or, if the applicant is a limited
324 liability company, managers or members acting in a managerial
325 capacity, have not:

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326 1. Been convicted of, or entered a plea of nolo contendere
327 to, a crime involving fraud, misrepresentation, or moral
328 turpitude;

329 2. Been convicted of, or pled nolo contendere to, a
330 violation of the financial institutions codes, including s.
331 655.50, chapter 896, or similar state or federal law;

332 3. Been directors, officers, managers, or members of a
333 financial institution licensed or chartered under the financial
334 institution's codes or by the Federal Government or any other
335 state, the District of Columbia, a territory of the United
336 States, or a foreign country, whose license or charter was
337 suspended or revoked within the 10 years preceding the date of
338 the application;

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

341 5. Made a false statement of material fact on the
342 application.

343 (b) That the name of the proposed company complies with s.
344 662.123.

345 (c) That capital accounts of the proposed company conform
346 to s. 662.124 and that fidelity bonds and errors and omissions
347 insurance coverage required under s. 662.126 are issued and
348 effective.

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

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

360 (4) If the office determines the criteria in subsection
361 (2) have not been met, the office shall serve notice of its
362 intent to deny the application and of the applicant's
363 opportunity to request a hearing pursuant to ss. 120.569 and
364 120.57.

365 Section 12. Section 662.122, Florida Statutes, is created
366 to read:

367 662.122 Registration of a family trust company or a
368 foreign licensed family trust company.—

369 (1) A family trust company that is not applying under s.
370 662.121 to become a licensed family trust company must register
371 with the office before beginning operations in this state. The
372 registration application must:

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

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

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

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

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

385 (a) The registration application must state that its
386 operations will comply with ss. 662.1225, 662.125, 662.131, and
387 662.134 and that it is currently in compliance with the family
388 trust company laws and regulations of its principal
389 jurisdiction.

390 (b) The registration application must provide:

391 1. The current telephone number and street address of the
392 physical location of its principal place of business in its
393 principal jurisdiction.

394 2. The current telephone number and street address of the
395 physical location in this state of its principal place of
396 operations where its books and records pertaining to its
397 operations in this state will be maintained.

398 3. The current telephone number and street address of the
399 physical location of any other offices located within this
400 state.

401 4. The name and current street address in this state of
402 its registered agent.

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

410 (3) The registration application required under this
411 section for a family trust company and a foreign licensed family
412 trust company must be accompanied by a nonrefundable
413 registration fee of \$5,000.

414 (4) Registration applications required by this section
415 shall be submitted on a form prescribed by the office and be
416 signed, under penalty of perjury, by an officer or director if
417 the family trust company is organized as a corporation, or by a
418 manager, officer, or member if the family trust company is
419 organized as a limited liability company.

420 (5) All fees received by the office pursuant to this
421 section shall be deposited into the Financial Institutions'
422 Regulatory Trust Fund pursuant to s. 655.049 for purposes of
423 administering this chapter.

424 Section 13. Section 662.1225, Florida Statutes, is created
425 to read:

426 662.1225 Requirements for a family trust company, licensed
427 family trust company, and foreign licensed family trust
428 company.—

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429 (1) A family trust company and a licensed family trust
430 company shall maintain:

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

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

440 (c) All applicable state and local business licenses,
441 charters, and permits.

442 (d) A deposit account with a state-chartered or national
443 financial institution that has a principal or branch office in
444 this state.

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

448 (a) An office physically located in this state where
449 original or true copies of all records and accounts of the
450 foreign licensed family trust company pertaining to its
451 operations in this state may be accessed and made readily
452 available for examination by the office in accordance with this
453 chapter.

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

456 (c) All applicable state and local business licenses,
457 charters, and permits.

458 (d) A deposit account with a state-chartered or national
459 financial institution that has a principal or branch office in
460 this state.

461 Section 14. Section 662.123, Florida Statutes, is created
462 to read:

463 662.123 Organizational documents; use of term "family
464 trust" in name.-

465 (1) The articles of incorporation, certificate of
466 incorporation, or articles of organization of a family trust
467 company or licensed family trust company must contain:

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

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479 (b) The purpose for which the company is formed, which
480 must clearly identify the restricted activities permissible to a
481 family trust company or licensed family trust company under this
482 chapter.

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

485 (d) A statement affirming that the articles of
486 incorporation, certificate of incorporation, or articles of
487 organization will not be amended without prior written notice to
488 the office.

489 (2) A proposed amendment to the articles of incorporation,
490 articles of organization, bylaws, or operating documents of a
491 limited liability company, family trust company, or licensed
492 family trust company must be submitted to the office for review
493 at least 30 days before it is filed or effective. An amendment
494 is not considered filed or effective if the office issues a
495 notice of disapproval with respect to the proposed amendment.

496 (3) The term "family trust" in the name adopted by a
497 family trust company or licensed family trust company does not
498 disqualify the name from being allowed under s. 605.0112 or s.
499 607.0401.

500 Section 15. Section 662.124, Florida Statutes, is created
501 to read:

502 662.124 Minimum capital account required.-

503 (1) A licensed family trust company that has one
504 designated relative may not be organized or operated with an

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505 owners' capital account of less than \$250,000. The minimum
506 capital account shall be increased to \$350,000 if two designated
507 relatives of the licensed family trust company are named in the
508 application for a license or in the annual license renewal. A
509 family trust company may not be organized or operated with a
510 capital account of less than \$250,000.

511 (2) The full amount of the initial capital account of a
512 family trust company or licensed family trust company must be
513 composed of one or more of the asset groups described in s.
514 662.132(1)(a), exclusive of all organization expenses.

515 Section 16. Section 662.125, Florida Statutes, is created
516 to read:

517 662.125 Directors or managers.-

518 (1) Exclusive authority to manage a family trust company
519 or licensed family trust company is vested in a board of
520 directors, if a corporation, or a board of directors or
521 managers, if a limited liability company.

522 (2) A family trust company or licensed family trust
523 company shall have at least three directors, if a corporation,
524 or three directors or managers, if a limited liability company.
525 At least one director or manager of the company must be a
526 resident of this state.

527 (3) The licensed family trust company shall notify the
528 office of the proposed appointment of an individual to the board
529 of directors or addition as a member, or the appointment or
530 employment of an individual as an officer or manager or member

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531 acting in a managerial capacity or equivalent position, at least
532 60 days before such appointment or employment becomes effective,
533 if the company:

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

535 (b) Has undergone a change in control within the preceding
536 2 years.

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

538

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

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

546 (5) The office shall issue a notice of disapproval if the
547 office finds that the proposed appointment or employment of a
548 person would otherwise cause the licensed family trust company
549 to violate any of the requirements set forth in s.
550 662.121(10)(b)-(d) or s. 662.1215(2)(a).

551 Section 17. Section 662.126, Florida Statutes, is created
552 to read:

553 662.126 Fidelity bonds; insurance.—

554 (1) The directors or managers of a licensed family trust
555 company shall procure and maintain fidelity bonds on all active
556 officers, directors, managers, members acting in a managerial

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557 capacity, and employees of the company, regardless of whether
558 they receive a salary or other compensation from the company, in
559 order to indemnify the company against loss because of a
560 dishonest, fraudulent, or criminal act or omission on their
561 part, whether acting alone or in combination with other persons.

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

564 (3) In lieu of the fidelity bonds required under
565 subsection (1), a licensed family trust company may increase its
566 capital account required under s. 662.124 by \$1 million so that
567 if it has one designated relative it is organized or operated
568 with a capital account of at least \$1.25 million, or if it has
569 two designated relatives it is organized or operated with a
570 capital account of at least \$1.35 million.

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

578 (5) A family trust company or licensed family trust
579 company may also procure and maintain other insurance policies
580 necessary or desirable in connection with the business of the
581 company, including, but not limited to, one or more casualty
582 insurance policies.

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

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

589 Section 18. Section 662.127, Florida Statutes, is created
590 to read:

591 662.127 Segregation of books, records, and assets;
592 fiduciary assets not liable.—

593 (1) Each family trust company and licensed family trust
594 company shall maintain its fiduciary books and records separate
595 and distinct from other records of the company and shall
596 segregate all assets held in any fiduciary capacity from other
597 assets of the company.

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

601 Section 19. Section 662.128, Florida Statutes, is created
602 to read:

603 662.128 Annual renewal.—

604 (1) Within 30 days after the end of each calendar year,
605 family trust companies, licensed family trust companies, and
606 foreign licensed family trust companies shall file their annual
607 renewal application with the office.

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

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

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

619 (3) The registration renewal application filed by a family
620 trust company must include a verified statement by an officer of
621 the company that it is a family trust company as defined under
622 this chapter and that its operations are in compliance with ss.
623 662.1225, 662.125, 662.131, and 662.134; chapter 896; or similar
624 state or federal law, or any related rule or regulation, and
625 include the name of its designated relative or relatives, if
626 applicable, and the street address for its principal place of
627 business.

628 (4) The registration renewal application filed by a
629 foreign licensed family trust company must include a verified
630 statement that its operations are in compliance with ss.
631 662.1225, 662.125, 662.131, and 662.134 and in compliance with
632 the family trust company laws and regulations of its principal
633 jurisdiction. It must also provide:

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634 (a) The current telephone number and street address of the
635 physical location of its principal place of business in its
636 principal jurisdiction.

637 (b) The current telephone number and street address of the
638 physical location in this state of its principal place of
639 operations where its books and records pertaining to its
640 operations in this state are maintained.

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

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

645 (e) Documentation satisfactory to the office that the
646 foreign licensed family trust company is in compliance with the
647 family trust company laws and regulations of its principal
648 jurisdiction.

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

652 (6) A fee of \$750 for a family trust company, \$1,500 for a
653 licensed family trust company, and \$1,000 for a foreign licensed
654 family trust company shall be submitted with the annual renewal
655 application. All fees received by the office pursuant to this
656 section shall be deposited into the Financial Institutions'
657 Regulatory Trust Fund pursuant to s. 655.049 for the purpose of
658 administering this chapter.

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659 Section 20. Section 662.129, Florida Statutes, is created
660 to read:

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

672 Section 21. Section 662.130, Florida Statutes, is created
673 to read:

674 662.130 Powers of family trust companies, licensed family
675 trust companies, and foreign licensed family trust companies.—

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

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

681 (b) Act as an attorney-in-fact or agent under a power of
682 attorney, other than a power of attorney governed by chapter
683 709.

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

698 (d) Exercise the powers of a corporation or limited
699 liability company incorporated or organized under the laws of
700 this state, or qualified to transact business as a foreign
701 corporation or limited liability company under the laws of this
702 state, which are reasonably necessary to enable it to fully
703 exercise, in accordance with commonly accepted customs and
704 usages, a power conferred under this chapter.

705 (e) Delegate duties and powers, including investment
706 functions under s. 518.112, in accordance with the powers
707 granted to a trustee under chapter 736 or other applicable law,
708 and retain agents, attorneys, accountants, investment advisers,
709 or other individuals or entities to advise or assist the family

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710 trust company, licensed family trust company, or foreign
711 licensed family trust company in the exercise of its powers and
712 duties under this chapter and chapter 736. Such exercise of
713 power may include, but is not limited to, retaining a bank trust
714 department, or a public trust company, other than another family
715 trust company, licensed family trust company, or foreign
716 licensed family trust company.

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

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

724 Section 22. Section 662.131, Florida Statutes, is created
725 to read:

726 662.131 Prohibitions.—Notwithstanding any provision of
727 this chapter, a family trust company, licensed family trust
728 company, or foreign licensed family trust company may not:

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

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

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

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

740 Section 23. Section 662.132, Florida Statutes, is created
741 to read:

742 662.132 Investments.—

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

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

747 (b) Have an aggregate market value of at least 100 percent
748 of the company's required capital account, as specified in s.
749 662.124. If the aggregate market value of 100 percent of the
750 company's capital account is, at any time, less than the amount
751 required under s. 662.124, the company has 5 business days to
752 bring such capital account into compliance with s. 662.124.

753 (2) A family trust company or licensed family trust
754 company may purchase or rent real or personal property for use
755 in the conduct of the business and other activities of the
756 company.

757 (3) Notwithstanding any other provision of law, a family
758 trust company or licensed family trust company may invest funds
759 for its own account, other than those required or allowed under

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760 subsection (1) or subsection (2), in any type or character of
761 equity securities, debt securities, or other assets.

762 (4) Notwithstanding any other law, a family trust company
763 or licensed family trust company may, while acting as a
764 fiduciary, purchase directly from underwriters or distributors
765 or in the secondary market:

766 (a) Bonds or other securities underwritten or distributed
767 by:

768 1. The family trust company or licensed family trust
769 company;

770 2. A family affiliate; or

771 3. A syndicate, including the family trust company,
772 licensed family trust company, or family affiliate.

773 (b) Securities of an investment company, including a
774 mutual fund, closed-end fund, or unit investment trust, as
775 defined under the federal Investment Company Act of 1940, for
776 which the family trust company or licensed family trust company
777 acts as an advisor, custodian, distributor, manager, registrar,
778 shareholder servicing agent, sponsor, or transfer agent.

779 (5) The authority granted in subsection (4) may be
780 exercised only if:

781 (a) The investment is not expressly prohibited by the
782 instrument, judgment, decree, or order establishing the
783 fiduciary relationship.

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784 (b) The family trust company or licensed family trust
785 company procures in writing the consent of any cofiduciaries
786 with discretionary investment powers to the investment.

787 (c) The family trust company or licensed family trust
788 company discloses in writing to the person or persons to whom it
789 sends account statements its intent to exercise the authority
790 granted in subsection (4) before the first exercise of that
791 authority, and each such disclosure reflects:

792 1. The nature of any interest the family trust company or
793 licensed family trust company has, or is reasonably expected to
794 have, in the underwriting or distribution of bonds or securities
795 purchased.

796 2. The nature and amount of any fee or other compensation
797 received, or reasonably expected to be received, by the family
798 trust company or licensed family trust company in connection
799 with the transaction.

800 3. The nature of the relationship between the family trust
801 company or licensed family trust company and an investment
802 company described in paragraph (4) (b).

803 4. The nature and amount of any fee or other compensation
804 received, or reasonably expected to be received, by the family
805 trust company or licensed family trust company for providing
806 services to an investment company described in paragraph (4) (b).

807 (6) Subsections (4) and (5) do not affect the degree of
808 prudence required of fiduciaries under the laws of this state.
809 However, a purchase of bonds or securities pursuant to

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810 subsections (4) and (5) is not presumed to be affected by a
811 conflict between the fiduciary's personal and fiduciary
812 interests if such purchase:
813 (a) Is negotiated at a fair price.
814 (b) Is in accordance with:
815 1. The interest of the qualified beneficiaries.
816 2. The purposes of the trusts.
817 (c) Otherwise complies with:
818 1. The prudent investor rule in s. 518.11, or other
819 prudent investor or similar rule under other applicable law,
820 unless such compliance is waived in accordance with s. 518.11 or
821 other applicable law.
822 2. The terms of the instrument, judgment, decree, or order
823 establishing the fiduciary relationship.
824 (7) Notwithstanding subsections (1)-(6), a family trust
825 company or licensed family trust company may not, while acting
826 as a fiduciary, purchase a bond or security issued by the
827 company or an affiliate thereof unless:
828 (a) The family trust company or licensed family trust
829 company is expressly authorized to do so by:
830 1. The terms of the instrument creating the trust;
831 2. A court order;
832 3. The written consent of the settlor of the trust for
833 which the family trust company or licensed family trust company
834 is serving as trustee; or

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835 4. The written consent of every adult qualified
836 beneficiary of the trust who, at the time of such purchase, is
837 entitled to receive income under the trust or who would be
838 entitled to receive a distribution of principal if the trust
839 were terminated; and

840 (b) The purchase of the security is at a fair price and
841 complies with:

842 1. The prudent investor rule in s. 518.11, or other
843 prudent investor or similar rule under other applicable law,
844 unless such compliance is waived in accordance with s. 518.11 or
845 other applicable law.

846 2. The terms of the instrument, judgment, decree, or order
847 establishing the fiduciary relationship.

848 (8) Except as otherwise expressly limited by this section,
849 a family trust company or licensed family trust company, while
850 acting as a fiduciary, is also authorized, without limiting any
851 powers otherwise conferred on fiduciaries by law, to do any of
852 the following, which are not presumed to be affected by a
853 conflict between the fiduciary's personal and fiduciary
854 interests:

855 (a) Make an equity investment in a closely held entity
856 that may or may not be marketable and that is directly or
857 indirectly owned or controlled by one or more family members.

858 (b) Place a security transaction using a broker who is a
859 family member.

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860 (c) Enter into an agreement with a family member who is
861 the settlor or a qualified beneficiary of a trust with respect
862 to the appointment of the family trust company or licensed
863 family trust company as a fiduciary of the trust, or with
864 respect to the compensation of the family trust company and
865 licensed family trust company for service as a fiduciary.

866 (d) Transact business with a family member.

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

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

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

876 (h) With or without adequate security, lend money to or
877 borrow money from a family member or a trust, estate, or
878 guardianship for which the family trust company or licensed
879 family trust company serves as a fiduciary.

880 (9) If not inconsistent with and subject to the terms of
881 subsections (4)-(8), the duty of loyalty under s. 736.0802
882 applies to family trust companies, licensed family trust
883 companies, and foreign licensed family trust companies when
884 serving as trustee of a trust whose administration is subject to
885 chapter 736.

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886 Section 24. Section 662.133, Florida Statutes, is created
887 to read:

888 662.133 Oaths, affidavits, and acknowledgments.—If a
889 family trust company or licensed family trust company is
890 required to make an oath, affirmation, affidavit, or
891 acknowledgment regarding a fiduciary capacity in which it is
892 acting or is preparing to act, a director or officer or, if the
893 company is a limited liability company, a manager or officer
894 expressly authorized by the family trust company or licensed
895 family trust company, shall make and, if required, subscribe to
896 such oath, affirmation, affidavit, or acknowledgment on behalf
897 of the company.

898 Section 25. Section 662.134, Florida Statutes, is created
899 to read:

900 662.134 Unlawful to advertise services.—A family trust
901 company, licensed family trust company, or foreign licensed
902 family trust company may not advertise its services to the
903 public.

904 Section 26. Section 662.135, Florida Statutes, is created
905 to read:

906 662.135 Service as court-appointed fiduciary; bond
907 requirement.—A licensed family trust company is not required to
908 provide or otherwise post a bond or other surety to serve as a
909 court-appointed fiduciary in a proceeding brought or conducted
910 in this state.

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911 Section 27. Section 662.140, Florida Statutes, is created
912 to read:

913 662.140 Rules.—The commission may adopt rules necessary to
914 carry out the purposes of this chapter.

915 Section 28. Section 662.141, Florida Statutes, is created
916 to read:

917 662.141 Examination, investigations, and fees.—The office
918 may conduct an examination or investigation of a family trust
919 company, licensed family trust company, or foreign licensed
920 family trust company at any time it deems necessary to determine
921 whether a family trust company, licensed family trust company,
922 foreign licensed family trust company, or family trust company-
923 affiliated person has violated or is about to violate any
924 provision of the financial institution's codes or the rules
925 adopted by the commission pursuant to such codes.

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

929 (2) In lieu of an examination by the office, the office
930 may accept an audit of a family trust company, licensed family
931 trust company, or foreign licensed family trust company by a
932 certified public accountant licensed to practice in this state
933 who is independent of the company, or other person or entity
934 acceptable to the office. If the office accepts an audit
935 pursuant to this subsection, the office shall conduct the next
936 required examination.

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937 (3) The office shall examine the books and records of a
938 family trust company or licensed family trust company as
939 necessary to determine whether it is a family trust company or
940 licensed family trust company as defined in this chapter, and is
941 operating in compliance with ss. 662.1225, 662.125, 662.126,
942 662.131 and 662.134, as applicable. The office may rely upon a
943 certificate of trust, trust summary, or written statement from
944 the trust company identifying the qualified beneficiaries of any
945 trust or estate for which the family trust company serves as a
946 fiduciary and the qualification of the qualified beneficiaries
947 as permissible recipients of company services. The commission
948 may establish by rule the records to be maintained or
949 requirements necessary to demonstrate conformity with this
950 chapter as a family trust company or licensed family trust
951 company.

952 (4) The office shall examine the books and records of a
953 foreign licensed family trust company as necessary to determine
954 if it is a foreign licensed trust company as defined in this
955 chapter and is in compliance with ss. 662.1225, 662.125,
956 662.130(2), 662.131, and 662.134. In connection with an
957 examination of the books and records of the company, the office
958 may rely upon the most recent examination report or review or
959 certification letters or similar documentation issued by the
960 regulatory agency to which the foreign licensed family trust
961 company is subject to supervision. The commission may establish
962 by rule the records to be maintained or requirements necessary

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963 to demonstrate conformity with this chapter as a foreign
964 licensed family trust company. The office's examination of the
965 books and records of a foreign licensed family trust company is,
966 to the extent practicable, limited to books and records of the
967 operations in this state.

968 (5) For each examination of the books and records of a
969 family trust company, licensed family trust company, or foreign
970 licensed family trust company as authorized under this chapter,
971 the trust company shall pay a fee for the costs of the
972 examination by the office. As used in this section, the term
973 "costs" means the salary and travel expenses of field staff
974 which are directly attributable to the examination of the trust
975 company and the travel expenses of any supervisory or support
976 staff required as a result of examination findings. The mailing
977 of payment for costs incurred must be postmarked within 30 days
978 after the receipt of a notice stating that such costs are due.
979 The office may levy a late payment of up to \$100 per day or part
980 thereof that a payment is overdue, unless waived for good cause.
981 However, if the late payment of costs is intentional, the office
982 may levy an administrative fine of up to \$1,000 per day for each
983 day the payment is overdue.

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

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988 Section 29. Section 662.142, Florida Statutes, is created
989 to read:

990 662.142 Revocation of license.-

991 (1) The following acts or conduct constitute grounds for
992 the revocation by the office of the license of a licensed family
993 trust company:

994 (a) The company is not a family trust company as defined
995 in this chapter;

996 (b) A violation of s. 662.1225, s. 662.123(1) (a), s.
997 662.125(2), s. 662.126, s. 662.127, s. 662.128, s. 662.130, s.
998 662.131, s. 662.134, or s. 662.144;

999 (c) A violation of chapter 896, relating to financial
1000 transactions offenses, or any similar state or federal law or
1001 any related rule or regulation;

1002 (d) A violation of any rule of the commission;

1003 (e) A violation of any order of the office;

1004 (f) A breach of any written agreement with the office;

1005 (g) A prohibited act or practice under s. 662.131;

1006 (h) A failure to provide information or documents to the
1007 office upon written request; or

1008 (i) An act of commission or omission that is judicially
1009 determined to be a breach of trust or of fiduciary duty pursuant
1010 to a court of competent jurisdiction.

1011 (2) Upon a finding that a licensed family trust company
1012 has committed any of the acts set forth in paragraphs (1) (a)-
1013 (h), the office may enter an order suspending the company's

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1014 license and provide notice of its intention to revoke the
1015 license and of the opportunity for a hearing pursuant to ss.
1016 120.569 and 120.57. If there has been a commission or omission
1017 under paragraph (1)(i), the office may immediately enter an
1018 order revoking the license. The licensed family trust company
1019 shall have 90 days to wind up its affairs after license
1020 revocation. If after 90 days the company is still in operation,
1021 the office may seek an order from the circuit court for the
1022 annulment or dissolution of the company.

1023 Section 30. Section 662.143, Florida Statutes, is created
1024 to read:

1025 662.143 Cease and desist authority.-

1026 (1) The office may issue and serve upon a family trust
1027 company, licensed family trust company, or foreign licensed
1028 family trust company, or upon a family trust company-affiliated
1029 party, a complaint stating charges if the office has reason to
1030 believe that such company, family trust company-affiliated
1031 party, or individual named therein is engaging in or has engaged
1032 in conduct that:

1033 (a) Indicates that the company is not a family trust
1034 company or foreign licensed family trust company as defined in
1035 this chapter;

1036 (b) Is a violation of s. 662.1225, s. 662.123(1)(a), s.
1037 662.125(2), s. 662.126, s. 662.127, s. 662.128, s. 662.130, or
1038 s. 662.134;

1039 (c) Is a violation of any rule of the commission;

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- 1040 (d) Is a violation of any order of the office;
1041 (e) Is a breach of any written agreement with the office;
1042 (f) Is a prohibited act or practice pursuant to s.
1043 662.131;
1044 (g) Is a willful failure to provide information or
1045 documents to the office upon written request;
1046 (h) Is an act of commission or omission or a practice that
1047 the office has reason to believe is a breach of trust or of
1048 fiduciary duty; or
1049 (i) Is a violation of chapter 896 or similar state or
1050 federal law or any related rule or regulation.
1051 (2) The complaint must contain the statement of facts and
1052 a notice of opportunity for a hearing pursuant to ss. 120.569
1053 and 120.57.
1054 (3) If no hearing is requested within the time allowed by
1055 ss. 120.569 and 120.57, or if a hearing is held and the office
1056 finds that any of the charges are true, the office may enter an
1057 order directing the family trust company, licensed family trust
1058 company, or foreign licensed family trust company, or family
1059 trust company-affiliated party, or the individual named therein
1060 to cease and desist from engaging in the conduct complained of
1061 and to take corrective action.
1062 (4) If the family trust company, licensed family trust
1063 company, foreign licensed family trust company, or family trust
1064 company-affiliated party, or the individual named in such order,
1065 fails to respond to the complaint within the time allotted in

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1066 ss. 120.569 and 120.57, such failure constitutes a default and
1067 justifies the entry of a cease and desist order.

1068 (5) A contested or default cease and desist order is
1069 effective when reduced to writing and served upon the family
1070 trust company, licensed family trust company, or foreign
1071 licensed family trust company, or family trust company-
1072 affiliated party, or the individual named therein. An
1073 uncontested cease and desist order is effective as agreed.

1074 (6) If the office finds that conduct described in
1075 subsection (1) is likely to cause substantial prejudice to
1076 members, shareholders, or beneficiaries of fiduciary accounts of
1077 the family trust company, licensed family trust company, or
1078 foreign licensed family trust company, or to beneficiaries of
1079 services rendered by such company, it may issue an emergency
1080 cease and desist order requiring the family trust company,
1081 licensed family trust company, or foreign licensed family trust
1082 company, family trust company-affiliated party, or individual
1083 named therein to immediately cease and desist from engaging in
1084 the conduct complained of and to take corrective action. The
1085 emergency order is effective immediately upon service of a copy
1086 of the order upon the family trust company, licensed family
1087 trust company, or foreign licensed family trust company, or
1088 family trust company-affiliated party and remains effective for
1089 90 days. If the office begins nonemergency cease and desist
1090 proceedings under subsection (1), the emergency order remains

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1091 effective until the conclusion of the proceedings under ss.
1092 120.569 and 120.57.

1093 (7) A family trust company or foreign licensed family
1094 trust company shall have 90 days to wind up its affairs after
1095 entry of any order to cease and desist from operating as a
1096 family trust company or foreign licensed family trust company.
1097 If, after 90 days, a family trust company is still operating,
1098 the office may seek an order from the circuit court for the
1099 annulment or dissolution of the company. If after 90 days a
1100 foreign licensed family trust company is still operating, the
1101 office may seek an injunction from the circuit court restraining
1102 the company from continuing to operate in this state.

1103 Section 31. Section 662.144, Florida Statutes, is created
1104 to read:

1105 662.144 Failure to submit required report; fines.—If a
1106 family trust company, licensed family trust company, or foreign
1107 licensed family trust company fails to submit within the
1108 prescribed period its annual renewal or any other report
1109 required by this chapter or any rule, the office may impose a
1110 fine of up to \$100 for each day that the annual renewal or
1111 report is overdue. Failure to provide the annual renewal within
1112 60 days after the end of the calendar year shall automatically
1113 result in termination of registration of a family trust company
1114 or revocation of the license of a licensed family trust company.
1115 The trust company shall thereafter have 90 days to wind up its
1116 affairs.

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1117 Section 32. Section 662.145, Florida Statutes, is created
1118 to read:

1119 662.145 Grounds for removal.—

1120 (1) The office may issue and serve upon a licensed family
1121 trust company or a family trust company and a family trust
1122 company-affiliated party a complaint stating charges if the
1123 office has reason to believe that the family trust company-
1124 affiliated party is engaging or has engaged in conduct that:

1125 (a) Demonstrates that the company is not a family trust
1126 company as defined in this chapter;

1127 (b) Is a prohibited act or practice under s. 662.131;

1128 (c) Is a violation of s. 662.1225, s. 662.123(1)(a), s.
1129 662.126, s. 662.127, s. 662.128, s. 662.130, or s. 662.134;

1130 (d) Is a violation of any other law involving fraud or
1131 moral turpitude which constitutes a felony;

1132 (e) Is a violation of chapter 896, relating to offenses
1133 related to financial transactions, or similar state or federal
1134 law;

1135 (f) Is a willful violation of a rule of the commission;

1136 (g) Is a willful violation of an order of the office;

1137 (h) Is a willful breach of a written agreement with the
1138 office; or

1139 (i) Is an act of commission or omission or a practice that
1140 the office has reason to believe is a breach of trust or
1141 fiduciary duty.

Amendment No.

1142 (2) The complaint must contain a statement of facts and a
1143 notice of opportunity for a hearing pursuant to ss. 120.569 and
1144 120.57.

1145 (3) If no hearing is requested within the time allowed by
1146 ss. 120.569 and 120.57, or if a hearing is held and the office
1147 finds that any of the charges in the complaint is true, the
1148 office may enter an order removing the family trust company-
1149 affiliated party or restricting or prohibiting participation by
1150 the family trust company-affiliated party in the affairs of the
1151 family trust company, licensed family trust company, or state
1152 financial institution, subsidiary, or service corporation.

1153 (4) If the family trust company-affiliated party fails to
1154 respond to the complaint within the time allowed in ss. 120.569
1155 and 120.57, such failure constitutes a default and justifies the
1156 entry of an order of removal.

1157 (5) A contested or default order of removal is effective
1158 when reduced to writing and served on the family trust company
1159 or licensed family trust company and the family trust company-
1160 affiliated party. An uncontested order of removal is effective
1161 as agreed.

1162 (6) The chief executive officer, or the person holding the
1163 equivalent office, of a family trust company or licensed family
1164 trust company shall promptly notify the office if he or she has
1165 actual knowledge that a family trust company-affiliated party is
1166 charged with a felony in a state or federal court.

Amendment No.

1167 (a) If a family trust company-affiliated party is charged
1168 with a felony in a state or federal court, or in the courts of a
1169 foreign country with which the United States maintains
1170 diplomatic relations which involves a violation of law relating
1171 to fraud, currency transaction reporting, money laundering,
1172 theft, or moral turpitude and the charge is equivalent to a
1173 felony charge under state or federal law, the office may enter
1174 an emergency order suspending the family trust company-
1175 affiliated party or restricting or prohibiting participation by
1176 such company-affiliated party in the affairs of that particular
1177 family trust company or licensed family trust company or any
1178 financial institution, subsidiary, or service corporation, upon
1179 service of the order upon the company and the family trust
1180 company-affiliated party so charged.

1181 (b) The order must contain notice of opportunity for a
1182 hearing pursuant to ss. 120.569 and 120.57, at which the family
1183 trust company-affiliated party may request a postsuspension
1184 hearing to show that continued service to or participation in
1185 the affairs of the family trust company or licensed family trust
1186 company does not pose a threat to the interests of the company.
1187 In accordance with applicable commission rules, the office shall
1188 notify the family trust company-affiliated party whether the
1189 order suspending or prohibiting the company-affiliated party
1190 from participating in the affairs of a licensed family trust
1191 company or family trust company, or state financial institution,
1192 subsidiary, or service corporation will be rescinded or

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1193 otherwise modified. The emergency order remains in effect,
1194 unless otherwise modified by the office, until the criminal
1195 charge is disposed of. The acquittal of the family trust
1196 company-affiliated party charged, or the final, unappealed
1197 dismissal of all charges against such person, dissolves the
1198 emergency order, but does not prohibit the office from
1199 instituting proceedings under subsection (1). If the family
1200 trust company-affiliated party charged is convicted or pleads
1201 guilty or nolo contendere, regardless of adjudication, the
1202 emergency order becomes final.

1203 (7) A family trust company-affiliated party removed from
1204 office pursuant to this section is not eligible for reelection
1205 to such position or to any official position in a family trust
1206 company, licensed family trust company, or financial institution
1207 in this state except with the written consent of the office. A
1208 family trust company-affiliated party who is removed,
1209 restricted, or prohibited from participation in the affairs of a
1210 family trust company, licensed family trust company, or state
1211 financial institution pursuant to this section may petition the
1212 office for modification or termination of such removal,
1213 restriction, or prohibition.

1214 (8) The resignation, termination of employment or
1215 participation, or separation from a family trust company or a
1216 licensed family trust company of the family trust company-
1217 affiliated party does not affect the jurisdiction and authority
1218 of the office to issue a notice and proceed under this section

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1219 against the company-affiliated party if such notice is served
1220 before the end of the 6-year period beginning on the date such
1221 person ceases to be a family trust company-affiliated party with
1222 respect to such company.

1223 Section 33. Section 662.146, Florida Statutes, is created
1224 to read:

1225 662.146 Confidentiality of books and records.—

1226 (1) The books and records of a family trust company,
1227 licensed family trust company, and foreign licensed family trust
1228 company are confidential and shall be made available for
1229 inspection and examination only:

1230 (a) To the office or its authorized representative;

1231 (b) To any person authorized to act for the company;

1232 (c) As compelled by a court, pursuant to a subpoena issued
1233 pursuant to the Florida Rules of Civil Procedure, the Florida
1234 Rules of Criminal Procedure, or the Federal Rules of Civil
1235 Procedure or pursuant to a subpoena issued in accordance with
1236 state or federal law. Before the production of the books and
1237 records of a family trust company, licensed family trust
1238 company, or foreign licensed family trust company, the party
1239 seeking production must reimburse the company for the reasonable
1240 costs and fees incurred in compliance with the production. If
1241 the parties disagree regarding the amount of reimbursement, the
1242 party seeking the records may request the court having
1243 jurisdiction to set the amount of reimbursement;

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1244 (d) Pursuant to a subpoena, to any federal or state law
1245 enforcement or prosecutorial instrumentality authorized to
1246 investigate suspected criminal activity;

1247 (e) As authorized by the board of directors, if in
1248 corporate form, or the managers, if in limited liability company
1249 form; or

1250 (f) As provided in subsection (2).

1251 (2) (a) Each customer and stockholder, if a corporation, or
1252 member, if a limited liability company, has the right to inspect
1253 the books and records of a family trust company or licensed
1254 family trust company as they pertain to his or her accounts or
1255 the determination of his or her voting rights.

1256 (b) The books and records pertaining to customers,
1257 members, and stockholders of a family trust company or licensed
1258 family trust company shall be kept confidential by the company
1259 and its directors, managers, officers, and employees. The books
1260 and records of customers, members, and stockholders may not be
1261 released except upon the express authorization of the customer
1262 as to his or her own accounts or a stockholder or member
1263 regarding his or her voting rights. However, information may be
1264 released, without the authorization of a customer, member, or
1265 shareholder in a manner prescribed by the board of directors, if
1266 a corporation, or managers, if a limited liability company, to
1267 verify or corroborate the existence or amount of a customer's
1268 account if that information is reasonably provided to meet the
1269 needs of commerce and to ensure accurate credit information.

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1270 Notwithstanding this paragraph, this subsection does not
1271 prohibit a family trust company or licensed family trust company
1272 from disclosing financial information referenced in this
1273 subsection as permitted under 15 U.S.C. s. 6802, as amended.

1274 (c) A person who willfully violates a provision of this
1275 section which relates to unlawful disclosure of confidential
1276 information commits a felony of the third degree, punishable as
1277 provided in s. 775.082, s. 775.083, or s. 775.084.

1278 (d) This subsection does not apply to a foreign licensed
1279 family trust company. The laws of the jurisdiction of its
1280 principal place of business govern the rights of customers,
1281 members, and stockholders to inspect its books and records.

1282 (3) For purposes of this section, the term "books and
1283 records" includes, but is not limited to, an application for a
1284 license and any documents connected with the application under
1285 s. 662.121; the office's corresponding investigation under s.
1286 662.1215 in granting or denying the issuance of the license; the
1287 initial registration documents of a family trust company or
1288 foreign licensed family trust company under s. 662.122; the
1289 annual renewal made by a family trust company, licensed family
1290 trust company, or foreign licensed family trust company under s.
1291 662.128; and the documentation submitted to the office in
1292 connection with a licensed family trust company discontinuing
1293 its business under s. 662.129.

1294 Section 34. Section 662.147, Florida Statutes, is created
1295 to read:

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- 1296 662.147 Records relating to the office examination;
1297 limited restrictions on public access.-
- 1298 (1) A family trust company, licensed family trust company,
1299 and foreign licensed family trust company shall keep at the
1300 office it is required to maintain pursuant to s. 662.1225 full
1301 and complete records of the names and residences of all the
1302 shareholders or members of the trust company and the number of
1303 shares or membership units held by each, as applicable, as well
1304 as the ownership percentage of each shareholder or member, as
1305 the case may be. The records are subject to the inspection of
1306 all the shareholders or members of the trust company, and the
1307 officers authorized to assess taxes under state authority,
1308 during the normal business hours of the trust company. A current
1309 list of shareholders or members shall be made available to the
1310 office's examiners for their inspection and, upon the request of
1311 the office, shall be submitted to the office.
- 1312 (2) The office shall retain for at least 10 years:
- 1313 (a) Examination reports.
- 1314 (b) Investigatory records.
- 1315 (c) The application for a license, any documents connected
1316 with the application, and the office's corresponding
1317 investigation in granting or denying the issuance of the
1318 license.
- 1319 (d) The initial registration documents of a family trust
1320 company or foreign licensed family trust company.

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1321 (e) The annual renewal made by a family trust company,
1322 licensed family trust company, or foreign licensed family trust
1323 company.

1324 (f) The documentation submitted to the office in
1325 connection with a licensed family trust company discontinuing
1326 its business and any related information compiled by the office,
1327 or photographic copies thereof.

1328 (3) A copy of any document on file with the office which
1329 is certified by the office as being a true copy may be
1330 introduced in evidence as if it were the original. The office
1331 shall establish a schedule of fees for preparing true copies of
1332 documents.

1333 (4) Orders issued by courts or administrative law judges
1334 for the production of confidential records or information must
1335 provide for inspection in camera by the court or the
1336 administrative law judge. If the court or administrative law
1337 judge determines that the documents requested are relevant or
1338 would likely lead to the discovery of admissible evidence, the
1339 documents shall be subject to further orders by the court or the
1340 administrative law judge to protect the confidentiality thereof.
1341 An order directing the release of information shall be
1342 immediately reviewable, and a petition by the office for review
1343 of the order shall automatically stay any further proceedings in
1344 the trial court or the administrative hearing until the
1345 disposition of the petition by the reviewing court. If any other

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1346 party files a petition for review, it will operate as a stay of
1347 the proceedings only upon order of the reviewing court.

1348 Section 35. Section 662.150, Florida Statutes, is created
1349 to read:

1350 662.150 Domestication of a foreign family trust company.-

1351 (1) A foreign family trust company lawfully organized and
1352 currently in good standing with the state regulatory agency in
1353 the jurisdiction where it is organized may become domesticated
1354 in this state by:

1355 (a) Filing with the Department of State a certificate of
1356 domestication and articles of incorporation in accordance with
1357 and subject to s. 607.1801 or by filing articles of conversion
1358 in accordance with s. 605.1045; and

1359 (b) Filing an application for a license to begin
1360 operations as a licensed family trust company in accordance with
1361 s. 662.121, which must first be approved by the office or by
1362 filing the prescribed form with the office to register as a
1363 family trust company to begin operations in accordance with s.
1364 662.122.

1365 (2) A foreign family trust company may apply pursuant to
1366 paragraph (1)(b) before satisfying the requirements of paragraph
1367 (1)(a); however, upon receipt of a certificate of authority, the
1368 company must satisfy the requirements of paragraph (1)(a) before
1369 beginning operations.

1370 Section 36. Section 662.151, Florida Statutes, is created
1371 to read:

Amendment No.

1372 662.151 Registration of a foreign licensed family trust
1373 company to operate in this state.—A foreign licensed family
1374 trust company lawfully organized and currently in good standing
1375 with the state regulatory agency in the jurisdiction under the
1376 law of which it is organized may qualify to begin operations in
1377 this state by:

1378 (1) Filing an application with the Department of State to
1379 apply for a certificate of authority in accordance with and
1380 subject to s. 605.0902 or s. 607.1503.

1381 (2) Filing an initial registration to begin operations as
1382 a foreign licensed family trust company in accordance with and
1383 subject to s. 662.122 and subject to the sections of this
1384 chapter which specifically state that they apply to a foreign
1385 licensed family trust company.

1386 (3) A company in operation as of the effective date of
1387 this law that meets the definition of a family trust company
1388 shall have 90 days from the effective date of this act to apply
1389 for licensure as a licensed family trust company, register as a
1390 family trust company or foreign licensed family trust company,
1391 or cease doing business in this state.

1392 Section 37. Paragraph (a) of subsection (3) of section
1393 120.80, Florida Statutes, is amended to read:

1394 120.80 Exceptions and special requirements; agencies.—

1395 (3) OFFICE OF FINANCIAL REGULATION.—

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 1267 (2014)

Amendment No.

1396 (a) Notwithstanding s. 120.60(1), in proceedings for the
1397 issuance, denial, renewal, or amendment of a license or approval
1398 of a merger pursuant to title XXXVIII:

1399 1.a. The Office of Financial Regulation of the Financial
1400 Services Commission shall have published in the Florida
1401 Administrative Register notice of the application within 21 days
1402 after receipt.

1403 b. Within 21 days after publication of notice, any person
1404 may request a hearing. Failure to request a hearing within 21
1405 days after notice constitutes a waiver of any right to a
1406 hearing. The Office of Financial Regulation or an applicant may
1407 request a hearing at any time prior to the issuance of a final
1408 order. Hearings shall be conducted pursuant to ss. 120.569 and
1409 120.57, except that the Financial Services Commission shall by
1410 rule provide for participation by the general public.

1411 2. Should a hearing be requested as provided by sub-
1412 subparagraph 1.b., the applicant or licensee shall publish at
1413 its own cost a notice of the hearing in a newspaper of general
1414 circulation in the area affected by the application. The
1415 Financial Services Commission may by rule specify the format and
1416 size of the notice.

1417 3. Notwithstanding s. 120.60(1), and except as provided in
1418 subparagraph 4., an every application for license for a new
1419 bank, new trust company, new credit union, ~~or~~ new savings and
1420 loan association, or new licensed family trust company must
1421 ~~shall~~ be approved or denied within 180 days after receipt of the

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1422 original application or receipt of the timely requested
1423 additional information or correction of errors or omissions. An
1424 ~~Any~~ application for such a license or for acquisition of such
1425 control which is not approved or denied within the 180-day
1426 period or within 30 days after conclusion of a public hearing on
1427 the application, whichever is later, shall be deemed approved
1428 subject to the satisfactory completion of conditions required by
1429 statute as a prerequisite to license and approval of insurance
1430 of accounts for a new bank, a new savings and loan association,
1431 ~~or~~ a new credit union, or a new licensed family trust company by
1432 the appropriate insurer.

1433 4. In the case of an ~~every~~ application for license to
1434 establish a new bank, trust company, or capital stock savings
1435 association in which a foreign national proposes to own or
1436 control 10 percent or more of any class of voting securities,
1437 and in the case of an ~~every~~ application by a foreign national
1438 for approval to acquire control of a bank, trust company, or
1439 capital stock savings association, the Office of Financial
1440 Regulation shall request that a public hearing be conducted
1441 pursuant to ss. 120.569 and 120.57. Notice of such hearing shall
1442 be published by the applicant as provided in subparagraph 2. The
1443 failure of ~~any~~ such foreign national to appear personally at the
1444 hearing shall be grounds for denial of the application.
1445 Notwithstanding ~~the provisions of~~ s. 120.60(1) and subparagraph
1446 3., every application involving a foreign national shall be
1447 approved or denied within 1 year after receipt of the original

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1448 application or any timely requested additional information or
1449 the correction of any errors or omissions, or within 30 days
1450 after the conclusion of the public hearing on the application,
1451 whichever is later.

1452 Section 38. Subsections (2) and (3) of section 736.0802,
1453 Florida Statutes, are amended, and paragraph (i) is added to
1454 subsection (5) of that section, to read:

1455 736.0802 Duty of loyalty.—

1456 (2) Subject to the rights of persons dealing with or
1457 assisting the trustee as provided in s. 736.1016, a sale,
1458 encumbrance, or other transaction involving the investment or
1459 management of trust property entered into by the trustee for the
1460 trustee's own personal account or which is otherwise affected by
1461 a conflict between the trustee's fiduciary and personal
1462 interests is voidable by a beneficiary affected by the
1463 transaction unless:

1464 (a) The transaction was authorized by the terms of the
1465 trust;

1466 (b) The transaction was approved by the court;

1467 (c) The beneficiary did not commence a judicial proceeding
1468 within the time allowed by s. 736.1008;

1469 (d) The beneficiary consented to the trustee's conduct,
1470 ratified the transaction, or released the trustee in compliance
1471 with s. 736.1012;

Amendment No.

1472 (e) The transaction involves a contract entered into or
1473 claim acquired by the trustee when that person had not become or
1474 contemplated becoming trustee;

1475 (f) The transaction was consented to in writing by a
1476 settlor of the trust while the trust was revocable; ~~or~~

1477 (g) The transaction is one by a corporate trustee that
1478 involves a money market mutual fund, mutual fund, or a common
1479 trust fund described in s. 736.0816(3); or

1480 (h) With regard to a trust that is administered by a
1481 family trust company, licensed family trust company, or foreign
1482 licensed family trust company operating under chapter 662, the
1483 transaction is authorized by s. 662.132(4)-(8).

1484 (3) (a) A sale, encumbrance, or other transaction involving
1485 the investment or management of trust property is presumed to be
1486 affected by a conflict between personal and fiduciary interests
1487 if the sale, encumbrance, or other transaction is entered into
1488 by the trustee with:

1489 1. ~~(a)~~ The trustee's spouse;

1490 2. ~~(b)~~ The trustee's descendants, siblings, parents, or
1491 their spouses;

1492 3. ~~(c)~~ An officer, director, employee, agent, or attorney
1493 of the trustee; or

1494 4. ~~(d)~~ A corporation or other person or enterprise in which
1495 the trustee, or a person that owns a significant interest in the
1496 trustee, has an interest that might affect the trustee's best
1497 judgment.

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1498 (b) This subsection does not apply to a trust being
1499 administered by a family trust company, licensed family trust
1500 company, or foreign licensed family trust company operating
1501 under chapter 662 if the sale, encumbrance, or other transaction
1502 is authorized by s. 662.132(4)-(8).

1503 (5)

1504 (i) This subsection does not apply to a trust administered
1505 by a family trust company, licensed family trust company, or
1506 foreign licensed family trust company operating under chapter
1507 662.

1508 Section 39. Subsection (5) of section 744.351, Florida
1509 Statutes, is amended to read:

1510 744.351 Bond of guardian.—

1511 (5) Financial institutions as defined in s. 744.309(4),
1512 other than a trust company operating under chapter 662 which is
1513 not a licensed family trust company or foreign licensed family
1514 trust company, and public guardians authorized by law to be
1515 guardians are ~~shall~~ not ~~be~~ required to file bonds.

1516 Section 40. This act shall take effect October 1, 2014, if
1517 HB 1269 or similar legislation is adopted in the same
1518 legislative session or an extension thereof and becomes law.

1519

1520

1521 -----

1522 **T I T L E A M E N D M E N T**

1523 Remove everything before the enacting clause and insert:

Amendment No.

A bill to be entitled

An act relating to family trust companies; amending s. 655.005, F.S.; revising the definition of the term "financial institutions codes"; creating chapter 662, F.S.; creating s. 662.10, F.S.; providing a short title; creating s. 662.102, F.S.; providing the purpose of the act; creating s. 662.111, F.S.; defining terms; creating s. 662.112, F.S.; providing for the calculation of kinship; creating s. 662.114, F.S.; exempting a family trust company or foreign licensed family trust company from licensure; creating s. 662.115, F.S.; providing for the applicability of the chapter to a family trust company or foreign licensed family trust company; creating s. 662.120, F.S.; specifying the maximum number of designated relatives allowed for a family trust company and a licensed family trust company; creating s. 662.121, F.S.; providing procedures for applying for a family trust company license; requiring a fee; creating s. 662.1215, F.S.; providing for investigations of applicants by the Office of Financial Regulation; creating s. 662.122, F.S.; providing procedures for the registration of a family trust company or a foreign licensed family trust company; requiring a fee; creating s. 662.1225, F.S.; providing requirements for a family trust company, licensed

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COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 1267 (2014)

Amendment No.

1550 family trust company, and foreign licensed family
1551 trust company; creating s. 662.123, F.S.; requiring
1552 organizational documents to include certain
1553 provisions; authorizing the use of the term "trust";
1554 creating s. 662.124, F.S.; requiring a minimum capital
1555 account; creating s. 662.125, F.S.; vesting exclusive
1556 authority to manage a family trust company or licensed
1557 family trust company in a board of directors or
1558 managers; providing for appointment of directors and
1559 managers; requiring certain notice to the office in
1560 specified circumstances; requiring the office to issue
1561 a notice of disapproval of a proposed appointment in
1562 specified circumstances; authorizing the office to
1563 obtain criminal history information; creating s.
1564 662.126, F.S.; requiring that licensed family trust
1565 companies procure and maintain fidelity bonds or
1566 specified minimum capital account and errors and
1567 omissions insurance; authorizing a family trust
1568 company that is not licensed to procure and maintain
1569 such coverage; authorizing licensed and unlicensed
1570 family trust companies to procure and maintain other
1571 insurance policies; creating s. 662.127, F.S.;
1572 requiring certain books and records to be segregated;
1573 creating s. 662.128, F.S.; requiring annual license
1574 and registration renewal; requiring a fee; creating s.
1575 662.129, F.S.; providing for the discontinuance of a

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COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 1267 (2014)

Amendment No.

1576 licensed family trust company; creating s. 662.130,
1577 F.S.; authorizing family trust companies to conduct
1578 certain activities; creating s. 662.131, F.S.;
1579 prohibiting certain activities on the part of family
1580 trust companies; creating s. 662.132, F.S.; imposing
1581 certain requirements on the assets that form the
1582 minimum capital of licensed family trust companies and
1583 family trust companies; authorizing such trust
1584 companies to purchase or rent real or personal
1585 property, invest funds, and, while acting as a
1586 fiduciary, make certain purchases; imposing a
1587 restriction on that authorization; clarifying the
1588 degree of prudence required of fiduciaries;
1589 restricting the authority of a fiduciary to purchase
1590 certain bonds or securities; specifying additional
1591 authority of fiduciaries; applying the duty of loyalty
1592 to family trust companies in certain cases; creating
1593 s. 662.133, F.S.; requiring certain officers,
1594 directors, or managers of a licensed family trust
1595 company or a family trust company to make an oath,
1596 affirmation, affidavit, or acknowledgment on behalf of
1597 the company in certain circumstances; creating s.
1598 662.134, F.S.; prohibiting a family trust company from
1599 advertising to the public; creating s. 662.135, F.S.;
1600 providing that a licensed family trust company is not
1601 required to post a bond to serve as a court-appointed

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COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 1267 (2014)

Amendment No.

1602 fiduciary; creating s. 662.140, F.S.; authorizing the
1603 commission to adopt rules; creating s. 662.141, F.S.;
1604 authorizing the office to conduct examinations and
1605 investigations; requiring that family trust companies
1606 be examined at least once every 18 months; authorizing
1607 the office to accept an independent audit in lieu of
1608 conducting an examination; requiring the office to
1609 examine the books and records of a family trust
1610 company or licensed family trust company; authorizing
1611 the office to rely on a certificate of trust, trust
1612 summary, or written statement in certain
1613 circumstances; authorizing the commission to adopt
1614 rules relating to records and requirements;
1615 authorizing the office to examine the books and
1616 records of a foreign licensed family trust company;
1617 requiring family trust companies to pay examination
1618 fees tied to actual costs incurred by the office;
1619 providing a penalty for late payment and authorizing
1620 an administrative fine if late payment is intentional;
1621 creating s. 662.142, F.S.; providing for license
1622 revocation; specifying acts and conduct that
1623 constitute grounds for revocation; authorizing the
1624 office to suspend a license pending revocation;
1625 creating s. 662.143, F.S.; authorizing the office to
1626 issue a cease and desist order and an emergency cease
1627 and desist order; creating s. 662.144, F.S.;

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1628 authorizing the office to collect fines for the
1629 failure to submit required reports; creating s.
1630 662.145, F.S.; providing grounds for the removal of an
1631 officer, director, manager, employee, or agent of a
1632 licensed family trust company or a family trust
1633 company; creating s. 662.146, F.S.; providing for the
1634 confidentiality of certain company books and records;
1635 creating s. 662.147, F.S.; providing requirements for
1636 books and records of family trust companies; requiring
1637 the office to retain certain records for a specified
1638 time; allowing the introduction of certain copies into
1639 evidence; requiring the office to establish a schedule
1640 of fees for such copies; providing requirements for
1641 orders issued by courts or administrative law judges
1642 for the production of confidential records or
1643 information; creating s. 662.150, F.S.; providing for
1644 the domestication of a foreign family trust company;
1645 creating s. 662.151, F.S.; providing for the
1646 registration of a foreign licensed family trust
1647 company; amending s. 120.80, F.S.; adding licensed
1648 family trust companies to the entities regulated by
1649 the office that are exempted from licensing timeframes
1650 under ch. 120, F.S.; amending s. 736.0802, F.S.;
1651 providing circumstances under which certain trust
1652 transactions are not voidable by a beneficiary
1653 affected by a transaction; providing circumstances

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COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 1267 (2014)

Amendment No.

1654 under which certain transactions involving the
1655 investment or management of trust property are not
1656 presumed to be affected by conflicts of interest;
1657 providing an exception; amending s. 744.351, F.S.;
1658 exempting a family trust company from certain bond
1659 requirements and applying those requirements to
1660 licensed family trust companies and foreign licensed
1661 family trust companies; providing a contingent
1662 effective date.