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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/31/2015	.	
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The Committee on Banking and Insurance (Richter) recommended the following:

1           **Senate Amendment to Amendment (171858) (with title**  
2 **amendment)**

3  
4           Delete lines 418 - 1144  
5 and insert:

6           (5) The issuer must file a notice of the offering with the  
7 office, in writing or in electronic form, in a format prescribed  
8 by commission rule, together with a nonrefundable filing fee of  
9 \$200. The commission may adopt rules establishing procedures for  
10 the deposit of fees and the filing of documents by electronic



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11 means if the procedures provide the office with the information  
12 and data required by this section. A notice is effective upon  
13 receipt of the completed form, filing fee, and an irrevocable  
14 written consent to service of civil process, as provided for in  
15 s. 517.101, by the office. The notice may be terminated by  
16 filing with the office a notice of termination. The notice and  
17 offering expire 12 months after filing the notice with the  
18 office and are not eligible for renewal. The notice must:

19 (a) Be filed with the office at least 10 days before the  
20 issuer commences an offering of securities or the offering is  
21 displayed on a website of an intermediary in reliance upon the  
22 exemption provided by this section.

23 (b) Indicate that the issuer is conducting an offering in  
24 reliance upon the exemption provided by this section.

25 (c) Contain the name and contact information of the issuer.

26 (d) Identify any predecessors, owners, officers, directors,  
27 and control persons or any person occupying a similar status or  
28 performing a similar function of the issuer, including that  
29 person's title, his or her status as a partner, trustee, sole  
30 proprietor or similar role, and his or her ownership percentage.

31 (e) Identify the federally insured financial institution,  
32 authorized to do business in this state, in which investor funds  
33 will be deposited, in accordance with the escrow agreement.

34 (f) Require an attestation under oath that the issuer, its  
35 predecessors, affiliated issuers, directors, officers, and  
36 control persons, or any other person occupying a similar status  
37 or performing a similar function, are not currently and have not  
38 been within the past 10 years the subject of regulatory or  
39 criminal actions involving fraud or deceit.



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40 (g) Include documentation verifying that the issuer is  
41 organized under the laws of this state and authorized to do  
42 business in this state.

43 (h) Include the intermediary's website address where the  
44 issuer's securities will be offered.

45 (i) Include the target offering amount.

46 (6) The issuer must amend the notice form within 30 days  
47 after any information contained in the notice becomes inaccurate  
48 for any reason. The commission may require, by rule, an issuer  
49 who has filed a notice under this section to file amendments  
50 with the office.

51 (7) The issuer must provide to investors and the dealer or  
52 intermediary, along with a copy to the office at the time the  
53 notice is filed, and make available to potential investors  
54 through the dealer or intermediary, a disclosure statement  
55 containing material information about the issuer and the  
56 offering, including:

57 (a) The name, legal status, physical address, and website  
58 address of the issuer.

59 (b) The names of the directors, officers, and any person  
60 occupying a similar status or performing a similar function, and  
61 the name of each person holding more than 20 percent of the  
62 shares of the issuer.

63 (c) A description of the business of the issuer and the  
64 anticipated business plan of the issuer.

65 (d) A description of the stated purpose and intended use of  
66 the proceeds of the offering.

67 (e) The target offering amount, the deadline to reach the  
68 target offering amount, and regular updates regarding the



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69 progress of the issuer in meeting the target offering amount.

70 (f) The price to the public of the securities or the method  
71 for determining the price, provided that before the sale each  
72 investor receives in writing the final price and all required  
73 disclosures, with an opportunity to rescind the commitment to  
74 purchase the securities.

75 (g) A description of the ownership and capital structure of  
76 the issuer, including:

77 1. Terms of the securities being offered and each class of  
78 security of the issuer, including how those terms may be  
79 modified, and a summary of the differences between such  
80 securities, including how the rights of the securities being  
81 offered may be materially limited, diluted, or qualified by  
82 rights of any other class of security of the issuer;

83 2. A description of how the exercise of the rights held by  
84 the principal shareholders of the issuer could negatively impact  
85 the purchasers of the securities being offered;

86 3. The name and ownership level of each existing  
87 shareholder who owns more than 20 percent of any class of the  
88 securities of the issuer;

89 4. How the securities being offered are being valued, and  
90 examples of methods of how such securities may be valued by the  
91 issuer in the future, including during subsequent corporate  
92 actions; and

93 5. The risks to purchasers of the securities relating to  
94 minority ownership in the issuer, the risks associated with  
95 corporate action, including additional issuances of shares, a  
96 sale of the issuer or of assets of the issuer, or transactions  
97 with related parties.



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98           (h) A description of the financial condition of the issuer.

99           1. For offerings that, in combination with all other  
100 offerings of the issuer within the preceding 12-month period,  
101 have target offering amounts of \$100,000 or less, the  
102 description must include the most recent income tax return filed  
103 by the issuer, if any, and a financial statement that must be  
104 certified by the principal executive officer of the issuer as  
105 true and complete in all material respects.

106           2. For offerings that, in combination with all other  
107 offerings of the issuer within the preceding 12-month period,  
108 have target offering amounts of more than \$100,000, but not more  
109 than \$500,000, the description must include financial statements  
110 prepared in accordance with generally accepted accounting  
111 principles and reviewed by a certified public accountant, as  
112 defined in s. 473.302, who is independent of the issuer, using  
113 professional standards and procedures for such review or  
114 standards and procedures established by the office, by rule, for  
115 such purpose.

116           3. For offerings that, in combination with all other  
117 offerings of the issuer within the preceding 12-month period,  
118 have target offering amounts of more than \$500,000, the  
119 description must include audited financial statements prepared  
120 in accordance with generally accepted accounting principles by a  
121 certified public accountant, as defined in s. 473.302, who is  
122 independent of the issuer, and other requirements as the  
123 commission may establish by rule.

124           (i) The following statement in boldface, conspicuous type  
125 on the front page of the disclosure statement:



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127 These securities are offered under and will be sold in reliance  
128 upon an exemption from the registration requirements of federal  
129 and Florida securities laws. Consequently, neither the Federal  
130 Government nor the State of Florida has reviewed the accuracy or  
131 completeness of any offering materials. In making an investment  
132 decision, investors must rely on their own examination of the  
133 issuer and the terms of the offering, including the merits and  
134 risks involved. These securities are subject to restrictions on  
135 transferability and resale and may not be transferred or resold  
136 except as specifically authorized by applicable federal and  
137 state securities laws. Investing in these securities involves a  
138 speculative risk, and investors should be able to bear the loss  
139 of their entire investment.

140 (8) The issuer shall provide to the office a copy of the  
141 escrow agreement with a financial institution authorized to  
142 conduct business in this state. All investor funds must be  
143 deposited in the escrow account. The escrow agreement must  
144 require that all offering proceeds be released to the issuer  
145 only when the aggregate capital raised from all investors is  
146 equal to or greater than the minimum target offering amount  
147 specified in the disclosure statement as necessary to implement  
148 the business plan, and that all investors will receive a full  
149 return of their investment commitment if that target offering  
150 amount is not raised by the date stated in the disclosure  
151 statement.

152 (9) The sum of all cash and other consideration received  
153 for sales of a security under this section may not exceed \$1  
154 million, less the aggregate amount received for all sales of  
155 securities by the issuer within the 12 months preceding the



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156 first offer or sale made in reliance upon this exemption. Offers  
157 or sales to a person owning 20 percent or more of the  
158 outstanding shares of any class or classes of securities or to  
159 an officer, director, partner, or trustee, or a person occupying  
160 a similar status, do not count toward this limitation.

161 (10) Unless the investor is an accredited investor as  
162 defined by Rule 501 of Regulation D, adopted pursuant to the  
163 Securities Act of 1933, the aggregate amount sold by an issuer  
164 to an investor in transactions exempt from registration  
165 requirements under this subsection in a 12-month period may not  
166 exceed:

167 (a) The greater of \$2,000 or 5 percent of the annual income  
168 or net worth of such investor, if the annual income or the net  
169 worth of the investor is less than \$100,000.

170 (b) Ten percent of the annual income or net worth of such  
171 investor, not to exceed a maximum aggregate amount sold of  
172 \$100,000, if either the annual income or net worth of the  
173 investor is equal to or exceeds \$100,000.

174 (11) The issuer shall file with the office and provide to  
175 investors free of charge an annual report of the results of  
176 operations and financial statements of the issuer within 45 days  
177 of its fiscal year end, until no securities under this offering  
178 are outstanding. The annual reports must meet the following  
179 requirements:

180 (a) Include an analysis by management of the issuer of the  
181 business operations and the financial condition of the issuer,  
182 and disclose the compensation received by each director,  
183 executive officer, and person having an ownership interest of 20  
184 percent or more of the issuer, including cash compensation



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185 earned since the previous report and on an annual basis, and any  
186 bonuses, stock options, other rights to receive securities of  
187 the issuer, or any affiliate of the issuer, or other  
188 compensation received.

189 (b) Disclose any material change to information contained  
190 in the disclosure statements which was not disclosed in a  
191 previous report.

192 (12) (a) A notice-filing under this section shall be  
193 summarily suspended by the office if the payment for the filing  
194 is dishonored by the financial institution upon which the funds  
195 are drawn. For purposes of s. 120.60(6), failure to pay the  
196 required notice filing fee constitutes an immediate and serious  
197 danger to the public health, safety, and welfare. The office  
198 shall enter a final order revoking a notice-filing in which the  
199 payment for the filing is dishonored by the financial  
200 institution upon which the funds are drawn.

201 (b) A notice-filing under this section shall be summarily  
202 suspended by the office if the issuer made a material false  
203 statement in the issuer's notice-filing. The summary suspension  
204 shall remain in effect until a final order is entered by the  
205 office. For purposes of s. 120.60(6), a material false statement  
206 made in the issuer's notice-filing constitutes an immediate and  
207 serious danger to the public health, safety, and welfare. If an  
208 issuer made a material false statement in the issuer's notice-  
209 filing, the office shall enter a final order revoking the  
210 notice-filing, issue a fine as prescribed by s. 517.221(3), and  
211 issue permanent bars under s. 517.221(4) to the issuer and all  
212 owners, officers, directors, and control persons, or any person  
213 occupying a similar status or performing a similar function of





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214 the issuer, including titles; status as a partner, trustee, sole  
215 proprietor, or similar roles; and ownership percentage.

216 (13) All fees collected under this section become the  
217 revenue of the state, except for those assessments provided for  
218 under s. 517.131(1) until such time as the Securities Guaranty  
219 Fund satisfies the statutory limits, and are not returnable in  
220 the event that a notice filing is withdrawn.

221 (14) An intermediary must:

222 (a) Take measures, as established by commission rule, to  
223 reduce the risk of fraud with respect to transactions, including  
224 verifying that the issuer is in compliance with the requirements  
225 of this section and, if necessary, denying an issuer access to  
226 its platform if the intermediary believes it is unable to  
227 adequately assess the risk of fraud of the issuer or its  
228 potential offering.

229 (b) Provide basic information on its website regarding the  
230 high risk of investment in and limitation on the resale of  
231 exempt securities and the potential for loss of an entire  
232 investment. The basic information must include:

233 1. A description of the escrow agreement that the issuer  
234 has executed and the conditions for release of such funds to the  
235 issuer in accordance with the agreement and subsection (4).

236 2. A description of whether financial information provided  
237 by the issuer has been audited by an independent certified  
238 public accountant, as defined in s. 473.302.

239 (c) Obtain a zip code or residence address from each  
240 potential investor who seeks to view information regarding  
241 specific investment opportunities, in order to confirm that the  
242 potential investor is a resident of this state.



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243       (d) Obtain and verify, pursuant to commission rule, a valid  
244 Florida driver license number or official identification card  
245 number from each investor before purchase of a security or other  
246 information, as defined by commission rule, to confirm that the  
247 investor is a resident of the state.

248       (e) Obtain an affidavit from each investor stating that the  
249 investment being made by the investor is consistent with the  
250 income requirements of subsection (10).

251       (f) Direct the release of investor funds in escrow in  
252 accordance with subsection (4).

253       (g) Direct investors to transmit funds directly to the  
254 financial institution designated in the escrow agreement to hold  
255 the funds for the benefit of the investor.

256       (h) Provide a monthly update for each offering, after the  
257 first full month after the date of the offering. The update must  
258 be accessible on the intermediary's website and must display the  
259 date and amount of each sale of securities, and each  
260 cancellation of commitment to invest in the previous calendar  
261 month.

262       (i) Require each investor to certify in writing, including  
263 as part of such certification his or her signature and his or  
264 her initials next to each paragraph of the certification, as  
265 follows:

266  
267 I understand and acknowledge that:

268  
269 I am investing in a high-risk, speculative business venture. I  
270 may lose all of my investment, and I can afford the loss of my  
271 investment.



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272  
273 This offering has not been reviewed or approved by any state or  
274 federal securities commission or other regulatory authority and  
275 no regulatory authority has confirmed the accuracy or determined  
276 the adequacy of any disclosure made to me relating to this  
277 offering.

278  
279 The securities I am acquiring in this offering are illiquid and  
280 are subject to possible dilution. There is no ready market for  
281 the sale of the securities. It may be difficult or impossible  
282 for me to sell or otherwise dispose of the securities, and I may  
283 be required to hold the securities indefinitely.

284  
285 I may be subject to tax on my share of the taxable income and  
286 losses of the issuer, whether or not I have sold or otherwise  
287 disposed of my investment or received any dividends or other  
288 distributions from the issuer.

289  
290 By entering into this transaction with the issuer, I am  
291 affirmatively representing myself as being a Florida resident at  
292 the time this contract is formed, and if this representation is  
293 subsequently shown to be false, the contract is void.

294  
295 If I resell any of the securities I am acquiring in this  
296 offering to a person that is not a Florida resident within 9  
297 months after the closing of the offering, my contract with the  
298 issuer for the purchase of these securities is void.

299  
300 (j) Require each investor to answer questions demonstrating



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301 an understanding of the level of risk generally applicable to  
302 investments in startups, emerging businesses, and small issuers,  
303 and an understanding of the risk of illiquidity.

304 (k) Take reasonable steps to protect personal information  
305 collected from investors, as required by s. 501.171.

306 (l) Prohibit its directors and officers from having any  
307 financial interest in the issuer using its services.

308 (m) Implement written policies and procedures that are  
309 reasonably designed to achieve compliance with federal and state  
310 securities laws; comply with anti-money laundering requirements  
311 of 31 C.F.R. ch. X applicable to registered brokers; and comply  
312 with the privacy requirements of 17 C.F.R. part 248 as they  
313 apply to brokers.

314 (15) An intermediary not registered as a dealer under s.  
315 517.12(6) may not:

316 (a) Offer investment advice or recommendations. A refusal  
317 by an intermediary to post an offering that it deems not  
318 credible or that represents a potential for fraud may not be  
319 construed as an offer of investment advice or recommendation.

320 (b) Solicit purchases, sales, or offers to buy securities  
321 offered or displayed on its website.

322 (c) Compensate employees, agents, or other persons for the  
323 solicitation or based on the sale of securities offered or  
324 displayed on its website.

325 (d) Hold, manage, possess, or otherwise handle investor  
326 funds or securities.

327 (e) Compensate promoters, finders, or lead generators for  
328 providing the intermediary with the personal identifying  
329 information of any potential investor.



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330       (f) Engage in any other activities set forth by commission  
331 rule.

332       (16) All funds received from investors must be directed to  
333 the financial institution designated in the escrow agreement to  
334 hold the funds and must be used in accordance with  
335 representations made to investors by the intermediary. If an  
336 investor cancels a commitment to invest, the intermediary must  
337 direct the financial institution designated to hold the funds to  
338 promptly refund the funds of the investor.

339       Section 4. Section 517.12, Florida Statutes, is amended to  
340 read:

341       517.12 Registration of dealers, associated persons,  
342 intermediaries, and investment advisers.-

343       (1) No dealer, associated person, or issuer of securities  
344 shall sell or offer for sale any securities in or from offices  
345 in this state, or sell securities to persons in this state from  
346 offices outside this state, by mail or otherwise, unless the  
347 person has been registered with the office pursuant to the  
348 provisions of this section. The office shall not register any  
349 person as an associated person of a dealer unless the dealer  
350 with which the applicant seeks registration is lawfully  
351 registered with the office pursuant to this chapter.

352       (2) The registration requirements of this section do not  
353 apply to the issuers of securities exempted by s. 517.051(1)-(8)  
354 and (10).

355       (3) Except as otherwise provided in s. 517.061(11)(a)4.,  
356 (13), (16), (17), or (19), the registration requirements of this  
357 section do not apply in a transaction exempted by s. 517.061(1)-  
358 (12), (14), and (15).



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359           (4) No investment adviser or associated person of an  
360 investment adviser or federal covered adviser shall engage in  
361 business from offices in this state, or render investment advice  
362 to persons of this state, by mail or otherwise, unless the  
363 federal covered adviser has made a notice-filing with the office  
364 pursuant to s. 517.1201 or the investment adviser is registered  
365 pursuant to the provisions of this chapter and associated  
366 persons of the federal covered adviser or investment adviser  
367 have been registered with the office pursuant to this section.  
368 The office shall not register any person or an associated person  
369 of a federal covered adviser or an investment adviser unless the  
370 federal covered adviser or investment adviser with which the  
371 applicant seeks registration is in compliance with the notice-  
372 filing requirements of s. 517.1201 or is lawfully registered  
373 with the office pursuant to this chapter. A dealer or associated  
374 person who is registered pursuant to this section may render  
375 investment advice upon notification to and approval from the  
376 office.

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

380           (6) A dealer, associated person, or investment adviser, in  
381 order to obtain registration, must file with the office a  
382 written application, on a form which the commission may by rule  
383 prescribe. The commission may establish, by rule, procedures for  
384 depositing fees and filing documents by electronic means  
385 provided such procedures provide the office with the information  
386 and data required by this section. Each dealer or investment  
387 adviser must also file an irrevocable written consent to service



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388 of civil process similar to that provided for in s. 517.101. The  
389 application shall contain such information as the commission or  
390 office may require concerning such matters as:

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

393 (b) The applicant's form and place of organization; and, if  
394 the applicant is a corporation, a copy of its articles of  
395 incorporation and amendments to the articles of incorporation  
396 or, if a partnership, a copy of the partnership agreement.

397 (c) The applicant's proposed method of doing business and  
398 financial condition and history, including a certified financial  
399 statement showing all assets and all liabilities, including  
400 contingent liabilities of the applicant as of a date not more  
401 than 90 days prior to the filing of the application.

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

405 (7) The application must also contain such information as  
406 the commission or office may require about the applicant; any  
407 member, principal, or director of the applicant or any person  
408 having a similar status or performing similar functions; any  
409 person directly or indirectly controlling the applicant; or any  
410 employee of a dealer or of an investment adviser rendering  
411 investment advisory services. Each applicant and any direct  
412 owners, principals, or indirect owners that are required to be  
413 reported on Form BD or Form ADV pursuant to subsection (15)  
414 shall submit fingerprints for live-scan processing in accordance  
415 with rules adopted by the commission. The fingerprints may be  
416 submitted through a third-party vendor authorized by the



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417 Department of Law Enforcement to provide live-scan  
418 fingerprinting. The costs of fingerprint processing shall be  
419 borne by the person subject to the background check. The  
420 Department of Law Enforcement shall conduct a state criminal  
421 history background check, and a federal criminal history  
422 background check must be conducted through the Federal Bureau of  
423 Investigation. The office shall review the results of the state  
424 and federal criminal history background checks and determine  
425 whether the applicant meets licensure requirements. The  
426 commission may waive, by rule, the requirement that applicants,  
427 including any direct owners, principals, or indirect owners that  
428 are required to be reported on Form BD or Form ADV pursuant to  
429 subsection (15), submit fingerprints or the requirement that  
430 such fingerprints be processed by the Department of Law  
431 Enforcement or the Federal Bureau of Investigation. The  
432 commission or office may require information about any such  
433 applicant or person concerning such matters as:

434 (a) His or her full name, and any other names by which he  
435 or she may have been known, and his or her age, social security  
436 number, photograph, qualifications, and educational and business  
437 history.

438 (b) Any injunction or administrative order by a state or  
439 federal agency, national securities exchange, or national  
440 securities association involving a security or any aspect of the  
441 securities business and any injunction or administrative order  
442 by a state or federal agency regulating banking, insurance,  
443 finance, or small loan companies, real estate, mortgage brokers,  
444 or other related or similar industries, which injunctions or  
445 administrative orders relate to such person.





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446 (c) His or her conviction of, or plea of nolo contendere  
447 to, a criminal offense or his or her commission of any acts  
448 which would be grounds for refusal of an application under s.  
449 517.161.

450 (d) The names and addresses of other persons of whom the  
451 office may inquire as to his or her character, reputation, and  
452 financial responsibility.

453 (8) The commission or office may require the applicant or  
454 one or more principals or general partners, or natural persons  
455 exercising similar functions, or any associated person applicant  
456 to successfully pass oral or written examinations. Because any  
457 principal, manager, supervisor, or person exercising similar  
458 functions shall be responsible for the acts of the associated  
459 persons affiliated with a dealer, the examination standards may  
460 be higher for a dealer, office manager, principal, or person  
461 exercising similar functions than for a nonsupervisory  
462 associated person. The commission may waive the examination  
463 process when it determines that such examinations are not in the  
464 public interest. The office shall waive the examination  
465 requirements for any person who has passed any tests as  
466 prescribed in s. 15(b)(7) of the Securities Exchange Act of 1934  
467 that relates to the position to be filled by the applicant.

468 (9) (a) All dealers, except securities dealers who are  
469 designated by the Federal Reserve Bank of New York as primary  
470 government securities dealers or securities dealers registered  
471 as issuers of securities, shall comply with the net capital and  
472 ratio requirements imposed pursuant to the Securities Exchange  
473 Act of 1934. The commission may by rule require a dealer to file  
474 with the office any financial or operational information that is



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475 required to be filed by the Securities Exchange Act of 1934 or  
476 any rules adopted under such act.

477 (b) The commission may by rule require the maintenance of a  
478 minimum net capital for securities dealers who are designated by  
479 the Federal Reserve Bank of New York as primary government  
480 securities dealers and securities dealers registered as issuers  
481 of securities and investment advisers, or prescribe a ratio  
482 between net capital and aggregate indebtedness, to assure  
483 adequate protection for the investing public. The provisions of  
484 this section shall not apply to any investment adviser that  
485 maintains its principal place of business in a state other than  
486 this state, provided such investment adviser is registered in  
487 the state where it maintains its principal place of business and  
488 is in compliance with such state's net capital requirements.

489 (10) An applicant for registration shall pay an assessment  
490 fee of \$200, in the case of a dealer or investment adviser, or  
491 \$50, in the case of an associated person. An associated person  
492 may be assessed an additional fee to cover the cost for the  
493 fingerprints to be processed by the office. Such fee shall be  
494 determined by rule of the commission. Such fees become the  
495 revenue of the state, except for those assessments provided for  
496 under s. 517.131(1) until such time as the Securities Guaranty  
497 Fund satisfies the statutory limits, and are not returnable in  
498 the event that registration is withdrawn or not granted.

499 (11) If the office finds that the applicant is of good  
500 repute and character and has complied with the provisions of  
501 this chapter and the rules made pursuant hereto, it shall  
502 register the applicant. The registration of each dealer,  
503 investment adviser, and associated person expires on December 31



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504 of the year the registration became effective unless the  
505 registrant has renewed his or her registration on or before that  
506 date. Registration may be renewed by furnishing such information  
507 as the commission may require, together with payment of the fee  
508 required in subsection (10) for dealers, investment advisers, or  
509 associated persons and the payment of any amount lawfully due  
510 and owing to the office pursuant to any order of the office or  
511 pursuant to any agreement with the office. Any dealer,  
512 investment adviser, or associated person who has not renewed a  
513 registration by the time the current registration expires may  
514 request reinstatement of such registration by filing with the  
515 office, on or before January 31 of the year following the year  
516 of expiration, such information as may be required by the  
517 commission, together with payment of the fee required in  
518 subsection (10) for dealers, investment advisers, or associated  
519 persons and a late fee equal to the amount of such fee. Any  
520 reinstatement of registration granted by the office during the  
521 month of January shall be deemed effective retroactive to  
522 January 1 of that year.

523 (12) (a) The office may issue a license to a dealer,  
524 investment adviser, or associated person to evidence  
525 registration under this chapter. The office may require the  
526 return to the office of any license it may issue prior to  
527 issuing a new license.

528 (b) Every dealer, investment adviser, or federal covered  
529 adviser shall promptly file with the office, as prescribed by  
530 rules adopted by the commission, notice as to the termination of  
531 employment of any associated person registered for such dealer  
532 or investment adviser in this state and shall also furnish the



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533 reason or reasons for such termination.

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

537 (13) Changes in registration occasioned by changes in  
538 personnel of a partnership or in the principals, copartners,  
539 officers, or directors of any dealer or investment adviser or by  
540 changes of any material fact or method of doing business shall  
541 be reported by written amendment in such form and at such time  
542 as the commission may specify. In any case in which a person or  
543 a group of persons, directly or indirectly or acting by or  
544 through one or more persons, proposes to purchase or acquire a  
545 controlling interest in a registered dealer or investment  
546 adviser, such person or group shall submit an initial  
547 application for registration as a dealer or investment adviser  
548 prior to such purchase or acquisition. The commission shall  
549 adopt rules providing for waiver of the application required by  
550 this subsection where control of a registered dealer or  
551 investment adviser is to be acquired by another dealer or  
552 investment adviser registered under this chapter or where the  
553 application is otherwise unnecessary in the public interest.

554 (14) Every dealer or investment adviser registered or  
555 required to be registered or branch office notice-filed or  
556 required to be notice-filed with the office shall keep records  
557 of all currency transactions in excess of \$10,000 and shall file  
558 reports, as prescribed under the financial recordkeeping  
559 regulations in 31 C.F.R. part 103, with the office when  
560 transactions occur in or from this state. All reports required  
561 by this subsection to be filed with the office shall be



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562 confidential and exempt from s. 119.07(1) except that any law  
563 enforcement agency or the Department of Revenue shall have  
564 access to, and shall be authorized to inspect and copy, such  
565 reports.

566 (15) (a) In order to facilitate uniformity and streamline  
567 procedures for persons who are subject to registration or  
568 notification in multiple jurisdictions, the commission may adopt  
569 by rule uniform forms that have been approved by the Securities  
570 and Exchange Commission, and any subsequent amendments to such  
571 forms, if the forms are substantially consistent with the  
572 provisions of this chapter. Uniform forms that the commission  
573 may adopt to administer this section include, but are not  
574 limited to:

575 1. Form BR, Uniform Branch Office Registration Form,  
576 adopted October 2005.

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

579 3. Form U5, Uniform Termination Notice for Securities  
580 Industry Registration, adopted October 2005.

581 4. Form ADV, Uniform Application for Investment Adviser  
582 Registration, adopted October 2003.

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

585 6. Form BD, Uniform Application for Broker-Dealer  
586 Registration, adopted July 1999.

587 7. Form BDW, Uniform Request for Broker-Dealer Withdrawal,  
588 adopted August 1999.

589 (b) In lieu of filing with the office the applications  
590 specified in subsection (6), the fees required by subsection



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591 (10), the renewals required by subsection (11), and the  
592 termination notices required by subsection (12), the commission  
593 may by rule establish procedures for the deposit of such fees  
594 and documents with the Central Registration Depository or the  
595 Investment Adviser Registration Depository of the Financial  
596 Industry Regulatory Authority, as developed under contract with  
597 the North American Securities Administrators Association, Inc.

598 (16) Except for securities dealers who are designated by  
599 the Federal Reserve Bank of New York as primary government  
600 securities dealers or securities dealers registered as issuers  
601 of securities, every applicant for initial or renewal  
602 registration as a securities dealer and every person registered  
603 as a securities dealer shall be registered as a broker or dealer  
604 with the Securities and Exchange Commission and shall be subject  
605 to insurance coverage by the Securities Investor Protection  
606 Corporation.

607 (17) (a) A dealer that is located in Canada, does not have  
608 an office or other physical presence in this state, and has made  
609 a notice-filing in accordance with this subsection is exempt  
610 from the registration requirements of this section and may  
611 effect transactions in securities with or for, or induce or  
612 attempt to induce the purchase or sale of any security by:

613 1. A person from Canada who is present in this state and  
614 with whom the Canadian dealer had a bona fide dealer-client  
615 relationship before the person entered the United States; or

616 2. A person from Canada who is present in this state and  
617 whose transactions are in a self-directed, tax-advantaged  
618 retirement plan in Canada of which the person is the holder or  
619 contributor.



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620 (b) A notice-filing under this subsection must consist of  
621 documents the commission by rule requires to be filed, together  
622 with a consent to service of process and a nonrefundable filing  
623 fee of \$200. The commission may establish by rule procedures for  
624 the deposit of fees and the filing of documents to be made by  
625 electronic means, if such procedures provide the office with the  
626 information and data required by this section.

627 (c) A Canadian dealer may make a notice-filing under this  
628 subsection if the dealer provides to the office:

629 1. A notice-filing in the form the commission requires by  
630 rule.

631 2. A consent to service of process.

632 3. Evidence that the Canadian dealer is registered as a  
633 dealer in the jurisdiction in which the dealer's main office is  
634 located.

635 4. Evidence that the Canadian dealer is a member of a self-  
636 regulatory organization or stock exchange in Canada.

637 (d) The office may issue a permit to evidence the  
638 effectiveness of a notice-filing for a Canadian dealer.

639 (e) A notice-filing is effective upon receipt by the  
640 office. A notice-filing expires on December 31 of the year in  
641 which the filing becomes effective unless the Canadian dealer  
642 has renewed the filing on or before that date. A Canadian dealer  
643 may annually renew a notice-filing by furnishing to the office  
644 such information as the office requires together with a renewal  
645 fee of \$200 and the payment of any amount due and owing the  
646 office pursuant to any agreement with the office. Any Canadian  
647 dealer who has not renewed a notice-filing by the time a current  
648 notice-filing expires may request reinstatement of such notice-



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649 filing by filing with the office, on or before January 31 of the  
650 year following the year the notice-filing expires, such  
651 information as the commission requires by rule, together with  
652 the payment of \$200 and a late fee of \$200. A reinstatement of a  
653 notice-filing granted by the office during the month of January  
654 is effective retroactively to January 1 of that year.

655 (f) An associated person who represents a Canadian dealer  
656 who has made a notice-filing under this subsection is exempt  
657 from the registration requirements of this section and may  
658 effect transactions in securities in this state as permitted for  
659 a dealer under paragraph (a) if such person is registered in the  
660 jurisdiction from which he or she is effecting transactions into  
661 this state.

662 (g) A Canadian dealer who has made a notice-filing under  
663 this subsection shall:

664 1. Maintain its provincial or territorial registration and  
665 its membership in a self-regulatory organization or stock  
666 exchange in good standing.

667 2. Provide the office upon request with its books and  
668 records relating to its business in this state as a dealer.

669 3. Provide the office upon request notice of each civil,  
670 criminal, or administrative action initiated against the dealer.

671 4. Disclose to its clients in this state that the dealer  
672 and its associated persons are not subject to the full  
673 regulatory requirements under this chapter.

674 5. Correct any inaccurate information within 30 days after  
675 the information contained in the notice-filing becomes  
676 inaccurate for any reason.

677 (h) An associated person representing a Canadian dealer who





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678 has made a notice-filing under this subsection shall:

679 1. Maintain provincial or territorial registration in good  
680 standing.

681 2. Provide the office upon request with notice of each  
682 civil, criminal, or administrative action initiated against such  
683 person.

684 (i) A notice-filing may be terminated by filing notice of  
685 such termination with the office. Unless another date is  
686 specified by the Canadian dealer, such notice is effective upon  
687 receipt of the notice by the office.

688 (j) All fees collected under this subsection become the  
689 revenue of the state, except those assessments provided for  
690 under s. 517.131(1), until the Securities Guaranty Fund has  
691 satisfied the statutory limits. Such fees are not returnable if  
692 a notice-filing is withdrawn.

693 (18) Every dealer or associated person registered or  
694 required to be registered with the office shall satisfy any  
695 continuing education requirements established by rule pursuant  
696 to law.

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

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

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

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707 The exemption provided in this subsection does not apply to a  
708 commodity trading adviser who engages in other activities that  
709 require registration under this chapter.

710 (20) An intermediary may not engage in business in this  
711 state unless the intermediary is registered as a dealer or as an  
712 intermediary with the office pursuant to this section to  
713 facilitate the offer or sale of securities in accordance with s.  
714 517.0611. An intermediary, in order to obtain registration, must  
715 file with the office a written application on a form prescribed  
716 by commission rule and pay a registration fee of \$200. The  
717 commission may establish by rule procedures for depositing fees  
718 and filing documents by electronic means if such procedures  
719 provide the office with the information and data required by  
720 this section. Each intermediary must also file an irrevocable  
721 written consent to service of civil process, as provided for in  
722 s. 517.101.

723  
724 ===== T I T L E A M E N D M E N T =====

725 And the title is amended as follows:

726 Delete line 1438

727 and insert:

728 and intermediaries offering such securities; requiring  
729 the issuer to provide to the office a copy of a  
730 specified escrow agreement; limiting