

**AGENDA  
FINANCIAL SERVICES COMMISSION  
OFFICE OF FINANCIAL REGULATION**

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**July 29, 2010**

**MEMBERS**

Governor Charlie Crist  
Attorney General Bill McCollum  
Chief Financial Officer Alex Sink  
Commissioner Charlie Bronson

**Contact: Andrea Moreland (OFR)**  
**(850) 410-9601**

9:00 A.M.  
LL-03, The Capitol  
Tallahassee, Florida

<b>ITEM</b>	<b>SUBJECT</b>	<b>RECOMMENDATION</b>
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1. The Office requests approval of the minutes of the May 25, 2010, and June 8, 2010, meetings.

**(ATTACHMENT 1)**

**FOR APPROVAL**

2. The Office requests approval to file for final adoption Rule 69W-600.0011, relating to the effect of law enforcement records on applications for registration as dealers, issuer/dealers, and investment advisers.

This new rule imposes disqualifying periods pursuant to which a relevant person of a securities dealer, issuer/dealer, or investment adviser will be disqualified from being an officer, director, owner, etc., of that business, if the person has been convicted of, or pled guilty or nolo contendere to, crimes involving fraud, dishonesty or any other act of moral turpitude.

**(ATTACHMENT 2)**

**APPROVAL FOR FINAL ADOPTION**

3. The Office requests approval to file for final adoption Rule 69U-100.045, relating to examination manuals and referenced standards.

The amendments to this rule reflect the current versions of manuals and guides that the Office uses to examine state-chartered financial institutions.

**(ATTACHMENT 3)**

**APPROVAL FOR FINAL ADOPTION**

4. The Office requests approval to file Notices of Proposed Rules for Rule Chapters 69W-301, 69W-600, 69W-700, 69W-800, 69W-900, and 69W-1000 relating to securities regulation. The proposed rules update references to federal statutes and regulations, state and federal forms, and other materials incorporated by reference in the rules. The rules also make other changes to clarify and simplify the regulations. This agenda item also contains a new rule that sets forth disciplinary guidelines to be considered when imposing sanctions for violations of Florida's securities laws.

Rule Chapter 69W-301: Processing Applications

Rule 69W-301.002 is amended to reference the latest versions of state and federal forms referenced in Rule Chapters 69W-100 through 69W-900. The rule is also updated to clarify and streamline the procedures for filing documents and fees with the Office and require electronic filings of documents and fees for Canadian dealers, non-FINRA (Financial Industry Regulatory Authority) dealers, issuer/dealers, and securities registration filings under s. 517.081, F.S., and securities notification filings under s. 517.082, F.S.

Rule Chapter 69W-600: Registration of Dealers, Investment Advisers, and Associated Persons

The rules are amended to reflect the latest versions of federal regulations, federal statutes, state and federal forms, and other materials that are incorporated by reference in the rules. The rules are also updated to clarify and streamline the procedures for filing documents and fees with the Office. Other changes include allowing investment advisers under certain circumstances to file unaudited financial statements, in lieu of audited financial statements, with the Office. [Rules 69W-600.001, .0015, .002, .004, .005, .006, .007, .008, .009, .0091, .0092, .0093, .010, .012, .013, .0131, .0132, .014, .015, .016, .017, and .020]

Rule Chapter 69W-700: Registration of Securities

The rules are amended to reflect the latest versions of federal regulations and federal statutes referenced in the rules. [Rules 69W-700.002, .015, and .028]

Rule Chapter 69W-800: Notification Registration of Securities

The rules are amended to reflect the latest versions of federal regulations referenced in the rule, clarify the appropriate forms that must be filed for notification registrations, and reference the latest versions of forms. [Rules 69W-800.001, .003, .004]

Rule Chapter 69W-900: Disclosure of Business Activities in Cuba

Rule 69W-900.001 is amended to reflect the current versions of federal regulations, federal statutes, and forms referenced in the rules.

Rule Chapter 69W-1000: Disciplinary Guidelines

Rule 69W-1000.001 is a new rule that sets forth disciplinary guidelines for each ground for which disciplinary action may be imposed by the Office against individuals and firms that are subject to the Florida Securities and Investor Protection Act, Chapter 517, F.S.

**(ATTACHMENT 4)**

**APPROVAL FOR PUBLICATION**

5. Update by Commissioner Cardwell on issues relating to Florida's state-chartered financial institutions, including the possible impact of the BP oil spill and other related issues.

**FOR INFORMATION**

# ATTACHMENT 1

Financial Services Commission  
Office of Financial Regulation  
Meeting Minutes  
May 25, 2010

T H E   C A B I N E T  
S T A T E   O F   F L O R I D A

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Representing:

FINANCIAL SERVICES COMMISSION, FINANCIAL REGULATION  
DEPARTMENT OF REVENUE  
DEPARTMENT OF VETERANS' AFFAIRS  
ADMINISTRATION COMMISSION  
DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES  
BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND

The above agencies came to be heard before  
THE FLORIDA CABINET, Honorable Governor Crist presiding,  
in the Cabinet Meeting Room, LL-03, The Capitol,  
Tallahassee, Florida, on Tuesday, May 25, 2010,  
commencing at approximately 9:09 a.m.

Reported by:

MARY ALLEN NEEL  
Registered Professional Reporter  
Florida Professional Reporter  
Notary Public

ACCURATE STENOGRAPHY REPORTERS, INC.  
2894 REMINGTON GREEN LANE  
TALLAHASSEE, FLORIDA 32308  
(850) 878-2221

## APPEARANCES:

Representing the Florida Cabinet:

CHARLIE CRIST  
Governor

CHARLES H. BRONSON  
Commissioner of Agriculture

BILL McCOLLUM  
Attorney General

ALEX SINK  
Chief Financial Officer

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## I N D E X

FINANCIAL SERVICES COMMISSION, FINANCIAL REGULATION  
(Presented by THOMAS CARDWELL)

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DEPARTMENT OF REVENUE  
(Presented by LISA ECCHEVERI)

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DEPARTMENT OF VETERANS' AFFAIRS  
(Presented by ADMIRAL LEROY COLLINS)

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ADMINISTRATION COMMISSION  
(Presented by LISA SALIBA)

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DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES  
(Presented by JIM KARELS)

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BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND  
(Presented by MIKE SOLE)

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## P R O C E E D I N G S

(The agenda items commenced at 9:12 a.m.)

GOVERNOR CRIST: Senator Gaetz.

SENATOR GAETZ: Yes, sir.

GOVERNOR CRIST: Good morning.

SENATOR GAETZ: Good morning, Governor.

GOVERNOR CRIST: Good to have you. Would you like to address us?

SENATOR GAETZ: Thank you, sir.

GOVERNOR CRIST: Of course. How is your son doing?

SENATOR GAETZ: He's doing well, sir. Thank you for asking.

GOVERNOR CRIST: He sure is. He is indeed.

SENATOR GAETZ: Thank you very much, Governor and members of the Cabinet, for a few moments of your time. I'm speaking this morning on behalf of Senate President Jeff Atwater and for the people of Northwest Florida, whom I represent.

And I would like to thank you, Governor, for the great work that Secretary Mike Sole is doing. He is doing what many would consider to be an impossible job, but he's representing the State of Florida extremely well and bringing great credit to you and your office and to the people of our state.

1                   GOVERNOR CRIST:  Financial Services  
2                   Commission, Office of Financial Regulation, Thomas  
3                   Cardwell.  Good morning, Tom.

4                   MR. CARDWELL:  Good morning, Governor Crist,  
5                   members of the Cabinet and of the Financial  
6                   Services Commission.

7                   Before making the formal motions I have today,  
8                   I would just like to follow up very briefly on the  
9                   Davis Award presentation.  Having very recently  
10                  come from the private sector in here, I just wanted  
11                  to say how much I think the hard work and the  
12                  dedication of state employees is underappreciated  
13                  out there, and seeing these awards is great.

14                  I know in my agencies and the agencies that  
15                  you work in, it's not only the money that's saved  
16                  in the budget, but it's the morale builder that the  
17                  people who work so hard in there get that is the  
18                  tremendous thing.  And I just wanted to say that  
19                  again that I think the work of all our state  
20                  employees is truly underappreciated by people.

21                  I have three motions here today.  One of them  
22                  is to -- the first is to request approval of the  
23                  minutes of the January 26, 2010 meeting and the  
24                  February 9, 2010 meeting.

25                  ATTORNEY GENERAL McCOLLUM:  So move.

1 COMMISSIONER BRONSON: Second.

2 GOVERNOR CRIST: Moved and seconded. Show the  
3 minutes approved without objection.

4 MR. CARDWELL: Thank you. The second item  
5 that we have is the approval of notice of proposed  
6 rule changes for Rules 69W-100, 200, 300, 301, 500,  
7 and 600. These relate to securities regulations.  
8 They are largely technical changes, with the  
9 exception of imposing disqualifying periods on  
10 persons with criminal records and events, and they  
11 also update the references to federal statutes.

12 GOVERNOR CRIST: Is there a motion on Item 2?

13 COMMISSIONER BRONSON: Motion for approval of  
14 Item 2.

15 ATTORNEY GENERAL MccOLLUM: Second.

16 GOVERNOR CRIST: Moved and seconded. Show it  
17 approved without objection.

18 MR. CARDWELL: Thank you. And the third item  
19 is, we request approval of a notice to file a rule  
20 for 69U-100.045, which relates to examination  
21 manuals and reference standards. Again, this is  
22 technical, bringing up to date references in our  
23 manual to current publications.

24 COMMISSIONER BRONSON: Motion for approval of  
25 Item 3.

1 CFO SINK: Second.

2 GOVERNOR CRIST: Moved and seconded. Show it  
3 approved without objection. Thank you, sir.

4 MR. CARDWELL: Thank you.

5 GOVERNOR CRIST: You're welcome.

6 CFO SINK: Governor, could I ask Mr. Cardwell  
7 a question?

8 GOVERNOR CRIST: CFO.

9 CFO SINK: Commissioner, since you haven't  
10 been here in a while, could you give the Cabinet a  
11 brief update on your assessment of the state of the  
12 financial industry here in Florida, the banks and  
13 credit unions that not only you regulate, but just  
14 in general, since you only have direct supervision  
15 of about 200-plus companies, but I know you keep an  
16 eye on all the other financial institutions too.

17 MR. CARDWELL: Right. I would be pleased to  
18 do that, CFO Sink.

19 The economy overall seems to be improving, and  
20 the amount of business activity that we see seems  
21 to be going up. The financial institutions, the  
22 state-chartered banks that we regulate and the  
23 credit unions still are having to deal with a lot  
24 of the real estate issues.

25 The figures are that -- in Florida we do real

1 estate. That's what we've always done. It has  
2 been the growth, and the banks that we regulate are  
3 in that.

4 If you look at the actual numbers, about  
5 85.4 percent of all loans that are on the banks --  
6 or on the books of the banks that we regulate are  
7 related in one way or another to real estate.  
8 They're either commercial real estate, they're one-  
9 to four-families, they're warehouses, they're  
10 professional businesses, but that's what the  
11 business activity is.

12 And those areas of our economy are recovering  
13 more slowly than the employment and the others, and  
14 the result is, we still have to work through  
15 essentially this backlog of overbuilding, for lack  
16 of a better word, that is going to continue, my  
17 best guess is, for the remainder of this year and  
18 into next year.

19 I this past week was in Boston for a meeting  
20 of federal regulators, which included presentations  
21 by several noted economists, including on the real  
22 estate area of the world. And it pretty much is  
23 clear that there is a backlog of real estate values  
24 that are going to continue to weigh on us.

25 Having said that, the general view is that

1 Florida's history -- future economically is bright,  
2 that it will come back, that the fundamentals that  
3 we have in the state of demography and of the baby  
4 boomers coming on and geography will continue to  
5 weigh in our favor.

6 But frankly, we're going to close some more  
7 banks this year. I do not think that withstanding  
8 that, that that will cause any serious problems to  
9 the availability of banking or to the availability  
10 of credit. I think those will continue on, but  
11 individual banks are going to -- there are going to  
12 be some individual banks who are stressed and will  
13 continue to be, if that is responsive to your  
14 question.

15 CFO SINK: Thank you.

16 GOVERNOR CRIST: Thank you.

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Financial Services Commission  
Office of Financial Regulation  
Meeting Minutes  
June 8, 2010

THE CABINET  
STATE OF FLORIDA

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Representing:

DIVISION OF BOND FINANCE  
FINANCIAL SERVICES COMMISSION, FINANCIAL REGULATION  
DEPARTMENT OF REVENUE  
AGENCY FOR ENTERPRISE INFORMATION TECHNOLOGY  
FLORIDA DEPARTMENT OF LAW ENFORCEMENT  
FLORIDA LAND AND WATER ADJUDICATORY COMMISSION  
DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES  
BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND

The above agencies came to be heard before  
THE FLORIDA CABINET, Honorable Governor Crist presiding,  
in the Cabinet Meeting Room, LL-03, The Capitol,  
Tallahassee, Florida, on Tuesday, June 8, 2010,  
commencing at approximately 9:09 a.m.

Reported by:

MARY ALLEN NEEL  
Registered Professional Reporter  
Florida Professional Reporter  
Notary Public

ACCURATE STENOGRAPHY REPORTERS, INC.  
2894 REMINGTON GREEN LANE  
TALLAHASSEE, FLORIDA 32308  
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CHARLIE CRIST  
Governor

CHARLES H. BRONSON  
Commissioner of Agriculture

BILL McCOLLUM  
Attorney General

ALEX SINK  
Chief Financial Officer

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I N D E X

DIVISION OF BOND FINANCE  
(Presented by BEN WATKINS)

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OFFICE OF FINANCIAL REGULATION  
(Presented by ANDREA MORELAND)

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CONTINUED INDEXOFFICE OF INSURANCE REGULATION  
(Presented by KEVIN McCARTY)

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DEPARTMENT OF REVENUE  
(Presented by LISA ECHEVERI)

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AGENCY FOR ENTERPRISE INFORMATION TECHNOLOGY  
(Presented by MIKE RUSSO)

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FLORIDA DEPARTMENT OF LAW ENFORCEMENT  
(Presented by JERRY BAILEY)

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FLORIDA LAND AND WATER ADJUDICATORY COMMISSION  
(Presented by LISA SALIBA)

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CONTINUED INDEXDEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES  
(Presented by JOHN BROWNE)

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BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND  
(Presented by MIKE SOLE)

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## P R O C E E D I N G S

(The agenda items commenced at 9:36 a.m.)

GOVERNOR CRIST: Division of Bond Finance.

Ben Watkins. Good morning, Ben.

MR. WATKINS: Good morning, Governor, Cabinet members.

Item Number 1 is minutes from the May 11th meeting.

COMMISSIONER BRONSON: Motion for approval of Item 1.

ATTORNEY GENERAL McCOLLUM: Second.

GOVERNOR CRIST: Moved and seconded. Show the minutes approved without objection.

MR. WATKINS: Item 2 is a resolution authorizing the competitive sale of 167.2 million in public education capital outlay bonds for school construction.

GOVERNOR CRIST: Is there a motion on Item 2?

CFO SINK: Move it.

COMMISSIONER BRONSON: Second.

GOVERNOR CRIST: Moved and seconded. Show it approved without objection.

MR. WATKINS: Item Number 3 are resolutions authorizing the issuance and competitive or negotiated sale of up to \$19.1 million in revenue

1                   GOVERNOR CRIST: Office of Financial  
2 Regulation, Andrea Moreland.

3                   MS. MORELAND: Good morning, Governor and  
4 members of the Cabinet. The Office has two agenda  
5 items this morning.

6                   Item Number 1, the Office is requesting  
7 approval to file a Notice of Proposed Rule for Rule  
8 Chapter 69V-40 relating to mortgage brokering and  
9 lending. The proposed rules implement legislation  
10 the Florida Legislature passed last year that will  
11 bring Florida into compliance with the federal  
12 S.A.F.E. Mortgage Licensing Act. The new licensure  
13 standards will take effect on October 1st of this  
14 year.

15                   In summary, the proposed rules require license  
16 applicants to submit uniform licensure forms  
17 through the National Mortgage Licensing System and  
18 Registry, require loan originators to pass a  
19 national test, require license applicants to  
20 undergo a background screening, which includes a  
21 review of the applicant's credit history. The  
22 rules also require annual rescreening of licensees  
23 to ensure that licensees continue to meet the  
24 initial requirements of licensure.

25                   GOVERNOR CRIST: Is there a motion on Item 1?

1 COMMISSIONER BRONSON: Motion for approval of  
2 Item 1.

3 ATTORNEY GENERAL McCOLLUM: Second.

4 GOVERNOR CRIST: Moved and seconded. Show it  
5 approved without objection.

6 MS. MORELAND: Item Number 2, the Office  
7 requests approval to publish a Notice of Proposed  
8 Rule for Rule 69U-100.045 relating to examination  
9 manuals and reference standards. This is the rule  
10 that incorporates by reference our examination  
11 manuals that we use to examine financial  
12 institutions. The Commission approved this at its  
13 last meeting. There was, however, a drafting error  
14 in the notice, and we have since corrected that.

15 CFO SINK: Move it.

16 COMMISSIONER BRONSON: Second.

17 GOVERNOR CRIST: Moved and seconded. Show it  
18 approved without objection.

19 MS. MORELAND: Thank you.

20 GOVERNOR CRIST: Thank you, Andrea.

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## ATTACHMENT 2

**FINANCIAL SERVICES COMMISSION**  
**OFFICE OF FINANCIAL REGULATION**

**AGENDA ITEM #2**

**Action Requested**

The Office is requesting permission to file Rule 69W-600.0011 for final adoption with the Florida Department of State. This rule relates to the effect of law enforcement records on applications for registration as a securities dealer, issuer/dealer, or investment adviser.

**Statement of Justification**

Section 517.1611(2), Florida Statutes, requires the Financial Services Commission to adopt by rule disqualifying periods under which an applicant will be disqualified from eligibility for registration based upon criminal convictions, pleas of nolo contendere, or pleas of guilt, regardless of whether adjudication was withheld, by the applicant, any partner, member, officer, or person having similar status or performing similar functions or directly or indirectly controlling the applicant. The statute imposes a disqualifying period of 15 years for certain felonies and 5 years for certain misdemeanors. The statute provides that the rule may also address mitigating factors, an additional waiting period based upon dates of imprisonment or community supervision, an additional waiting period based upon commitment of multiple crimes, and other factors reasonably related to the consideration of a person's criminal history. The proposed rule implements these provisions.

**Summary of the Rule**

The rule makes a general classification of crimes into two classes: Class A and Class B. Class A crimes address felonies involving fraud, dishonesty or any other act of moral turpitude; and Class B crimes address misdemeanors involving those same issues. Under the proposed rule, the disqualification period for a Class A crime is 15 years. For Class B crimes, the disqualification period is 5 years. The rule provides that the disqualification period will be extended if the applicant or relevant person has multiple Class A or B crimes, and it provides that mitigating factors may be considered to reduce disqualifying periods. The disqualifying periods established in the rule do not give an applicant a right to registration after any set period of time. Regardless of the expiration of any disqualifying period imposed by the rule,

the burden to prove entitlement to registration remains on the applicant. Other factors related to the consideration of the applicant's or relevant person's criminal history are also addressed.

### **Federal Standards**

Section 3(a)(39)(F) of the Securities Exchange Act of 1934, 15 U.S.C. § 78c(a)(39)(F), provides that, a person is subject to a "statutory disqualification" if, among other things, such person has been convicted of a felony within ten years of the date of the filing of an application to become associated with a member firm. A statutory disqualification constitutes an encumbrance to self-regulatory organization membership, or participation or association with a member, but does not necessarily preclude an entity or person from participating in the securities industry. There is a process by which an applicant may seek to be approved for registration despite the criminal event. The rules of the Financial Industry Regulatory Association (FINRA) extend the statutory disqualification to securities-related misdemeanors.

### **Statement Of Estimated Regulatory Costs**

A Statement of Estimated Regulatory Costs is attached.

### **Procedural History**

On December 24, 2009, a Notice of Rule Development was published in the Florida Administrative Weekly (FAW). On May 25, 2010, the Financial Services Commission approved the proposed rule for publication in the FAW. On June 4, 2010, a Notice of Proposed Rulemaking was published in the FAW. No comments were received from the public and no comments were received from the staff of the Joint Administrative Procedures Committee. The rule was on the agenda of the Florida Small Business Regulatory Advisory Council for its June 25, 2010, meeting. The rule, however, was not considered at that meeting, but was carried over to the Council's July 9, 2010, meeting. The Council considered the rule at its July 9, 2010, meeting, and had no objection to it. The Office filed a Notice of Final Hearing, which will be published in the July 16, 2010, edition of the FAW. The final hearing for the rule is noticed for the Financial Services Commission meeting to be held on July 29, 2010, at the regularly scheduled cabinet meeting in Tallahassee.

## Office of Financial Regulation

### Statement of Estimated Regulatory Costs

#### **Proposed Rule 69W-600.0011, Effect of Law Enforcement Records on Applications for Registration as Dealer, Issuer/Dealer, or Investment Adviser.**

##### **Required Elements**

Section 120.541, F.S., sets forth the requirements that agencies must follow in preparing Statements of Estimated Regulatory Costs (SERC). Specifically, paragraphs 120.541(2)(a) through (f), F.S., provide that certain information must be addressed in any SERC. The information requirements as they appear in the statute are cited below, with the Office's response to each as related to proposed Rule 69W-600.0011.

(a) A good faith estimate of the number of individuals and entities likely to be required to comply with the rule, together with a general description of the types of individuals likely to be affected by the rule.

In fiscal year 2008-09, the Office of Financial Regulation received 406 applications for registration as Dealer, Issuer/Dealer, or Investment Adviser. Registration of a Dealer or Issuer/Dealer is required for those entities who sell or offer for sale any securities in or from offices in the state of Florida or sell securities to persons in Florida from offices outside this state pursuant to Section 517.12, F.S. Registration of an Investment Adviser is required for those entities who engage in business from offices in this state, or render investment advice to persons of this state, by mail or otherwise. Such entities are required to submit an application for registration and require that their relevant persons, i.e. members, principals, owners, directors, be subject to a criminal background check.

Section 517.12(7), F.S., mandates that relevant persons must submit a fingerprint card and be subject to a criminal background check. This requirement, along with the disqualifying periods set forth in Section 517.1611(2), F.S., became effective July 1, 2009. The proposed rule implements these statutory requirements. Historically, a relevant person associated with one of the above described entities has been subject to additional scrutiny by the Office through a review of the relevant person's disciplinary background, either self-reported or reported by other regulators. The standards being adopted have been generally applied.

(b) A good faith estimate of the cost to the agency, and to any other state and local government entities, of implementing and enforcing the proposed rule, and any anticipated effect on state or local revenues.

The rule does not impose any additional costs on the agency. Further, the implementation and enforcement of the rule is solely the responsibility of the Office of Financial Regulation. Accordingly, no other state or local agencies will be impacted by the proposed rule. There are no anticipated effects on state or local revenues.

(c) A good faith estimate of the transactional costs likely to be incurred by individuals and entities, including local government entities, required to comply with the requirements of the rule. As used in this paragraph, "transactional costs" are direct costs that are readily ascertainable based upon standard business practices, and include filing fees, the cost of obtaining a license, the cost of equipment required to be installed or used or procedures required to be employed in complying with the rule, additional operating costs incurred, and the cost of monitoring and reporting.

There are no transactional costs associated with the implementation of this rule. Currently, a relevant person is subject to a criminal background check as part of the application submission process. This requirement is established by s. 517.12(7), F.S. As the result of this statutory requirement, relevant persons are subject to a fingerprinting processing fee of \$43.25.

(d) An analysis of the impact on small businesses as defined by s. 288.703, and an analysis of the impact on small counties and small cities as defined by s. 120.52.

The possible impact associated with the implementation of this rule is that certain relevant persons associated with an applicant firm may cause the applicant firm to be disqualified from approval for registration due to the existence of a criminal history.

There will be no impact on small counties or small cities because this is a state regulatory program.

[A small business is defined in section 288.703, F.S., as “an independently owned and operated business concern that employs 200 or fewer permanent full-time employees and that, together with its affiliates, has a net worth of not more than \$5 million or any firm based in this state which has a Small Business Administration 8(a) certification. As applicable to sole proprietorships, the \$5 million net worth requirement shall include both personal and business investments.”]

(e) Any additional information that the agency determines may be useful.

The Office has adopted similar rules for stock brokers, mortgage brokers, mortgage lenders, mortgage brokerage businesses, and money services businesses. See Rules 69W-600.0021, 69V-40.0311, 69V-40.0511, 69V-40.201, and 69V-560.1021.

(f) In the statement or revised statement, whichever applies, a description of any good faith written proposal submitted under paragraph (1)(a) and either a statement adopting the alternative or a statement of the reasons for rejecting the alternative in favor of the proposed rule.

No lower cost regulatory alternative to the proposed rule has been submitted to the office.

THE FULL TEXT OF THE PROPOSED RULE IS:

69W-600.0011 Effect of Law Enforcement Records on Applications for Registration as Dealer, Issuer/Dealer, or Investment Adviser.

(1) General Procedure Regarding Law Enforcement Records. For purposes of this rule, an “applicant” is any Dealer, Issuer/Dealer or Investment Adviser seeking registration in Florida. Any member, principal, or director of the applicant or any person having similar status or performing similar functions; any person directly or indirectly controlling the applicant: direct owners, principals, or indirect owners that are required to be reported on behalf of the applicant on Form BD or Form ADV pursuant to subsection 517.12(15), F.S. shall be referred to collectively as “relevant persons”. As part of the application review process for each Dealer, Issuer/Dealer, or Investment Adviser, submitted on Form BD or Form ADV, the Office is required to consider all relevant persons law enforcement records when deciding whether to approve an application for registration. When conducting this review, the Office reviews the criminal history information derived from the fingerprint check, any responses made by the applicant or relevant person, and information from other resources such as the Financial Industry Regulatory Authority. In the event of a question regarding the relevant person’s criminal history, the Office may request additional information from the applicant to determine the status of a criminal event, the specific facts and circumstances surrounding a criminal event, or to address other issues determined relevant to the review of the law enforcement record. The Office will notify the applicant of any specific documents that it requires in order to complete its review of the relevant person’s law enforcement record. Documentation that is typically requested includes:

- (a) A copy of the police arrest affidavit, arrest report or similar document.
- (b) A certified copy of the charges.
- (c) A certified copy of the plea, judgment, and sentence where applicable.
- (d) A certified copy of an order of entry into pre-trial intervention, and the order of termination of pre-trial intervention showing dismissal of charges where applicable.
- (e) A certified copy of an order of termination of probation or supervised release, if applicable.

If the requested documentation cannot be obtained, the applicant shall submit evidence of that fact in order for the application to be deemed complete. Evidence that documentation cannot be obtained shall consist of a written statement on the letterhead of the agency that would be the custodian of the documents, signed by a representative of that agency, stating that they have no record of such matter, or that the record is lost or was damaged or destroyed, or otherwise stating why the document cannot be produced.

(2) Effect of Failure to Fully Disclose Law Enforcement Record on Application.

(a) The omission of any part of a law enforcement record required to be disclosed is a material misrepresentation or material misstatement on the application and the application shall be denied pursuant to Section 517.161(1)(b), Florida Statutes.

(b) If the Office discovers the applicant's failure to disclose any part of a law enforcement record required to be disclosed regarding a relevant person on the application after a registration has been granted, the Office will suspend or revoke each registration currently held by the applicant as follows:

1. Suspension for 12 months if, had the application been accurate, the application would have been granted, based upon the statutes and rules applicable to the application at the time the Office granted registration.

2. Revocation if, had the application been accurate, the application would have been denied, based upon the statutes and rules applicable to the application at the time the Office granted registration.

(3) Classification of Crimes.

(a) The Office makes a general classification of crimes into two classes: A and B, as listed in subsections (14) and (15), of this rule.

(b) These classifications reflect the Office's evaluation of various crimes in terms of moral turpitude and the seriousness of the crime as such factors relate to the prospective threat to public welfare typically posed by a person who would commit such a crime.

(c) The names or descriptions of crimes, as set out in the classification of crimes, are intended to serve only as generic names or descriptions of crimes and shall not be read as legal titles of crimes, or as limiting the included crimes to crimes bearing the exact name or description stated.

(d) For purposes of this rule, “trigger date” means the date on which an applicant was found guilty, or pled guilty, or pled nolo contendere to a crime.

(e) A charge in the nature of attempt or intent to commit a crime, or conspiracy to commit a crime, is classified the same as the crime itself.

(4) Relevant Person(s) With a Single Crime. The Office finds it necessary to implement the following standards for an applicant with relevant person(s) whose law enforcement record includes a single crime, subject to the mitigating factors set forth elsewhere in this rule before registration. All disqualifying periods referenced in this rule run from the trigger date.

(a) Class A Crime. The applicant will not be granted a registration until 15 years have passed since the trigger date.

(b) Class B Crime. The applicant will not be granted a registration until 5 years have passed since the trigger date.

(5) Relevant Person(s) With Multiple Crimes.

(a) The Office construes Section 517.161, Florida Statutes, to require that an applicant with relevant person(s) whose law enforcement record includes multiple Class A or Class B crimes, or any combination thereof, wait longer than those whose law enforcement record includes only a single crime before becoming eligible for registration in order to assure that such relevant person’s greater inability or unwillingness to abide by the law has been overcome. Therefore, the Office finds it necessary that a longer disqualifying period be utilized in such instances before registration can safely be granted. Accordingly, where the relevant person has been found guilty or pled guilty or pled nolo contendere to more than one crime, the Office shall add 5 years to the disqualifying period for each additional crime.

(b) The additional periods are added to the basic disqualifying period for the one most serious crime, and the combined total disqualifying period then runs from the trigger date of the most recent crime.

(c) Classification as “Single Crime” versus “Multiple Crimes.” For purposes of this rule, two (2) or more offenses are considered a single crime if they are based on the same act or transaction or on two (2) or more connected acts or transactions.

(6) Mitigating Factors.

(a) The disqualifying period for a Class "A" or "B" crime or crimes shall be shortened upon proof of one or more of the following factors. Where more than one factor is present the applicant is entitled to add together all the applicable mitigation amounts and deduct that total from the usual disqualifying period, provided that an applicant shall not be permitted an aggregate mitigation of more than three (3) years for the following factors:

1. One year is deducted if the relevant person's probation officer or prosecuting attorney in the most recent crime states in a signed writing that the probation officer or prosecuting attorney believes the relevant person would pose no significant threat to public welfare if registered.

2. One year is deducted if restitution or settlement has been made for all crimes in which restitution or settlement was ordered by the court, and proof of such restitution or settlement is shown in official court documents or as verified in a signed writing by the relevant person's prosecuting attorney or probation officer.

3. One year will be deducted if the relevant person was under age 21 when the crime was committed and there is only one crime in the relevant person's law enforcement record.

4. One year is deducted if the applicant furnishes proof that the relevant person was at the time of the crime addicted to drugs or suffering active alcoholism. The proof must be accompanied by a written letter from a properly licensed doctor, psychologist, or therapist licensed by a duly constituted state licensing body stating that the licensed person has examined or treated the relevant person and that in his or her professional opinion the addiction or alcoholism is currently in remission and has been in remission for the previous 12 months. The professional opinion shall be dated within 45 days of the time of application.

5. Other Mitigating Factors. An applicant is permitted to submit any other evidence of facts that the applicant believes should decrease the disqualifying period before registration is allowed and one additional year shall be deducted if the Office agrees the facts have a mitigating effect on the registration decision.

(b) The burden is upon the applicant to establish these mitigating factors. Where the mitigating factor relates to or requires evidence of government agency or court action, it must be proved by a certified true copy of the agency or court document.

(7) Circumstances Not Constituting Mitigation. The Office finds that no mitigating weight exists, and none will be given, for the following factors:

(a) Type of Plea. The Office draws no distinction among types of pleas, e.g., found guilty; pled guilty; pled nolo contendere.

(b) Collateral Attack on Criminal Proceedings. The Office will not allow or give any weight to an attempt to re-litigate, impeach, or collaterally attack judicial criminal proceedings or their results wherein the relevant person was found guilty or pled guilty or nolo contendere. Thus the Office will not hear or consider arguments such as: the criminal proceedings were unfair; the judge was biased; the witnesses or prosecutor lied or acted improperly; the defendant only pled guilty due to financial or mental stress; the defendant was temporarily insane at the time of the crime; or the defendant had ineffective counsel.

(c) The Office finds that subjective factors involving state of mind have no mitigating weight.

(8) Effect of Pending Appeal in Criminal Proceedings; Reversal on Appeal.

(a) The Office interprets the statutory grounds for denial of registration as arising immediately upon a finding of guilt, or a plea of guilty or nolo contendere, regardless of whether an appeal is or is not allowed to be taken. The Office will not wait for the outcome of an appeal to deny registration, unless a Florida court specifically stays the Office's adverse action.

(b) If on appeal the conviction is reversed, the Office shall immediately drop the said crime as grounds for denial of registration.

(9) Pre-Trial Intervention. If at the time of application a relevant person is participating in a pre-trial intervention program based upon a charge of criminal conduct that would authorize denial of a registration under Section 517.161(1), F.S., the Office will deny the application for registration. The Office considers participation in a pre-trial intervention program to be a pending criminal prosecution under Section 517.161(6), F.S., and finds it necessary to the public welfare to wait until final disposition of all charges of criminal conduct that would authorize denial of a registration under Section 517.161(1), F.S., before an application for registration may be considered.

(10) Effect of Sealing or Expunging of Criminal Record.

(a) An applicant is not required to disclose or acknowledge, and is permitted in fact to affirmatively deny, any arrest or criminal proceeding for a relevant person, the record of which has been legally and properly expunged or sealed by order of a court of competent jurisdiction

prior to the time of application, and such denial or failure to disclose is not grounds for adverse action by the Office.

(b) Matters Sealed or Expunged Subsequent to Application. Occasionally a relevant person will have a matter sealed or expunged after the applicant submits an application, but before an application decision is made by the Office. In such situations the Office policy is as follows:

1. If the applicant properly revealed the law enforcement record relating to the relevant person on the application, and thereafter the record is sealed or expunged, the Office will not consider the matter in the application decision.

2. However, if the applicant did not reveal the law enforcement record relating to the relevant person on the application and the matter had not been sealed or expunged at the time of making the application, the Office will construe the failure to disclose the matter on the application as a material misrepresentation or material misstatement, and the application shall be denied pursuant to Section 517.161(1)(b), Florida Statutes.

(11) Effect of Varying Terminology.

(a) With regard to the following six subparagraphs, the Office treats each phrase in a particular subparagraph as having the same effect as the other phrases in that same subparagraph:

1. Adjudicated guilty; convicted.

2. Found guilty; entered a finding of guilt.

3. Pled guilty; entered a plea of guilty; admitted guilt; admitted the charges.

4. Nolo contendere; no contest; did not contest; did not deny; no denial.

5. Adjudication of guilt withheld; adjudication withheld; no adjudication entered; entry of findings withheld; no official record to be entered; judgment withheld; judgment not entered.

6. Nolle prosequi; charges withdrawn; charges dismissed; charges dropped.

(b) In all other instances the Office will look to the substantive meaning of the terminology used in the context in which it was used under the law of the jurisdiction where it was used.

(12) Imprisoned Persons and Community Supervision.

(a) Imprisonment. Notwithstanding any provision to the contrary in this rule, the Office shall not register any applicant under Chapter 517, Florida Statutes, while any relevant person of the applicant is imprisoned, under arrest, or serving a sentence for any crime. Further, the Office shall not register any applicant with a relevant person who has been released from imprisonment

until the later of the period otherwise set out in these rules or five (5) years after the date of release. The Office finds it necessary that the person be released from imprisonment and thereafter demonstrate an ability to abide by the law by passage of at least five (5) years on good behavior, before registration can be granted without undue risk to the public welfare.

(b) Community Supervision. The Office shall not grant registration to an applicant who at the time of application or at any time during the pendency of the application has a relevant person who is under supervision as the result of the commission of a criminal offense and released to the community under the jurisdiction of the courts, paroling authorities, correctional agencies, or other criminal justice agencies for any felony crime or any misdemeanor crime involving fraud, dishonest dealing, or moral turpitude.

(13) Effect of Disqualifying Periods. The disqualifying periods established in this rule do not give an applicant a right to registration after any set period of time. Regardless of the expiration of any disqualifying period imposed by these rules, the burden to prove entitlement to registration remains on the applicant.

(14) Class "A" Crimes include felonies involving an act of fraud, dishonesty, or a breach of trust, or money laundering, and the Office finds that such crimes constitute crimes of moral turpitude. The Office finds the following list of crimes are Class "A" crimes. Crimes similar to the crimes on this list may also be considered Class "A" crimes, and no inference should be drawn from the absence of any crime from this list.

(a) Any type of fraud, including but not limited to Fraud, Postal Fraud, Wire Fraud, Securities Fraud, Welfare Fraud, Defrauding the Government, Credit Card Fraud, Defrauding an Innkeeper, Passing worthless check(s) with intent to defraud.

(b) Perjury.

(c) Armed robbery.

(d) Robbery.

(e) Extortion.

(f) Bribery.

(g) Embezzlement.

(h) Grand theft.

(i) Larceny.

- (j) Burglary.
- (k) Breaking and entering.
- (l) Identity Theft.
- (m) Any type of forgery or uttering a forged instrument.
- (n) Misuse of public office.
- (o) Racketeering.
- (p) Buying, receiving, concealing, possessing or otherwise dealing in stolen property.
- (q) Treason against the United States, or a state, district, or territory thereof.
- (r) Altering public documents.
- (s) Witness tampering.
- (t) Tax evasion.
- (u) Impersonating or attempting to impersonate a law enforcement officer.
- (v) Money laundering.
- (w) Murder in all degrees.
- (x) Arson.
- (y) Sale, importation, or distribution of controlled substances (drugs); or possession for sale, importation or distribution.
- (z) Aggravated Assault (e.g., as with a deadly weapon).
- (aa) Aggravated Battery (e.g., as with a deadly weapon).
- (bb) Rape.
- (cc) Sexually molesting any minor.
- (dd) Sexual battery.
- (ee) Battery of or threatening a law enforcement officer or public official in the performance of his/her duties.
- (ff) Kidnapping.
- (15) Class "B" Crimes any misdemeanor that involves fraud, dishonest dealing or any other act of moral turpitude.
- (16) Foreign Law Enforcement Records. If a law enforcement record includes convictions, charges, or arrests outside the United States, the Office shall consider the following factors to reduce, eliminate, or apply a disqualifying period:

(a) Whether the crime in the criminal record would be a crime under the laws of the United States or any state within the United States;

(b) The degree of penalty associated with the same or similar crimes in the United States; and

(c) The extent to which the foreign justice system provided safeguards similar to those provided criminal defendants under the Constitution of the United States: for example, the right of a defendant to a public trial, the right against self-incrimination, the right of notice of the charges; the right to confront witnesses, the right to call witnesses, and the right to counsel.

(17) Form BD and Form ADV are incorporated by reference in subsection 69W-301.002(7), F.A.C.

(18) For purposes of this rule, “certified” means that there must be a certification or attestation by the issuer of the record that the document is a true copy of a record contained in the issuer’s office and the issuer’s seal, if any.

Rulemaking Authority 517.1611(2) FS. Law Implemented 517.12, 517.161 FS. History—  
New \_\_\_\_\_.

# ATTACHMENT 3

**FINANCIAL SERVICES COMMISSION  
OFFICE OF FINANCIAL REGULATION  
AGENDA ITEM #3**

**Action Requested**

The Office is requesting permission to file amendments to Rule 69U-100.045, relating to examination manual and referenced standards, for final adoption with the Florida Department of State.

**Statement of Justification**

The rule is being amended to reflect the manuals that the Division of Banking uses to examine state-chartered financial institutions.

**Summary of the Rule**

The rule is being amended to reflect the manuals that the Division of Banking uses to examine state-chartered financial institutions. The manuals include: a) Federal Financial Institutions Examination Council, Bank Secrecy Act/Anti-Money Laundering Examination Manual (2010); b) Federal Deposit Insurance Corporation, DSC Risk Management Manual of Examination Policies (12/2004); c) Federal Deposit Insurance Corporation, Trust Examination Manual (2008); d) National Credit Union Administration Examiner's Guide (06/2002); e) State Credit Union Examination Manual (03/25/09); and f) The Federal Reserve Board's Examination Manual for U.S. Branches and Agencies of Foreign Banking organizations (7/1997).

**Federal Standards**

The manuals adopted by reference in this rule refer to federal statutes, federal regulations, and federal guidance issued by federal regulatory agencies, which are also applicable to the regulation and oversight of state-chartered financial institutions.

### **Statement of Estimated Regulatory Costs**

No Statement of Estimated Regulatory Costs has been prepared. The Office has determined the proposed rule will not have an adverse impact on small businesses.

### **Procedural History**

On December 31, 2009, a Notice of Rule Development was published in the Florida Administrative Weekly (FAW). On May 25, 2010, the Financial Services Commission approved the proposed rule for publication in the FAW. After the meeting, a drafting error was discovered in the proposed rule amendments. The proposed amendments referenced the FDIC Trust Examination Manual published in 2005, and the correct reference is 2008. On June 8, 2010, the Finance Services Commission approved a corrected notice for publication. On June 18, 2010, a Notice of Proposed Rulemaking was published in the FAW. No comments were received from the public and no comments were received from the staff of the Joint Administrative Procedures Committee. The Office filed a Notice of Final Hearing, which will be published in the July 16, 2010, edition of the FAW. The final hearing for the rule is noticed for the Financial Services Commission meeting to be held on July 29, 2010, at the regularly scheduled cabinet meeting in Tallahassee.

THE FULL TEXT OF THE PROPOSED RULE IS:

69U-100.045 Examination Manuals and Referenced Standards.

~~(1) Examination manuals used by OFR which contain referenced standards are available for inspection at OFR's Office in Tallahassee and at the following location:~~

~~Federal Deposit Insurance Corporation~~

~~10 Tenth Street N. E.~~

~~Suite 800~~

~~Atlanta, Georgia 30309-3906~~

(2) ~~The OFR uses the following examination manuals are used by OFR in the~~ implementation of its examination responsibilities; which ~~and~~ are hereby ~~adopted and~~ incorporated by reference into the body of printed materials that the ~~which~~ OFR uses for the purposes of conducting examinations of financial institutions to assess the performance and condition of such institutions. ~~The OFR examiners use the manuals are used by the examiners as~~ reference guidelines when conducting safety and soundness examinations of such financial institutions:

(a) Federal Financial Institutions Examination Council, *Bank Secrecy Act/Anti-Money Laundering Examination Manual* (2010), which may be obtained electronically through the following website:

[http://www.ffiec.gov/bsa\\_aml\\_infobase/documents/BSA\\_AML\\_Man\\_2010.pdf](http://www.ffiec.gov/bsa_aml_infobase/documents/BSA_AML_Man_2010.pdf) ~~OFR Examination Procedures Manual (7/89).~~

(b) Federal Deposit Insurance Corporation, *DSC Risk Management Revised DOS Manual of Examination Policies* (12/2004 Revised 6/95), which may be obtained electronically through the following website:

[http://www.fdic.gov/regulations/safety/manual/manual\\_examinations\\_full.pdf](http://www.fdic.gov/regulations/safety/manual/manual_examinations_full.pdf).

(c) Federal Deposit Insurance Corporation, *Trust Examination Manual* (2008), which may be obtained electronically through the following website:

<http://www.fdic.gov/regulations/examinations/trustmanual/> ~~Management Evaluation Guidelines (5/93).~~

(d) National Credit Union Administration, *Examiner's Guide* (06/2002), which may be obtained electronically through the following website:

[http://www.ncua.gov/GenInfo/GuidesManuals/examiners\\_guide/examguide.aspx](http://www.ncua.gov/GenInfo/GuidesManuals/examiners_guide/examguide.aspx). Examiner's Guide for the Core Examination Program (2/87).

(e) Office of Financial Regulation, *State Credit Union Examination Manual* Section Examiner's Guide (03/25/09 Revised 7/90), which may be obtained from the Florida Office of Financial Regulation, Division of Banking, 200 E. Gaines Street, Tallahassee, FL 32399.

(f) The Federal Reserve Board's Examination Manual for U.S. Branches and Agencies of Foreign Banking organizations (07/1997), which may be obtained electronically through the following website:

[http://www.federalreserve.gov/boarddocs/supmanual/us\\_branches/usbranch.pdf](http://www.federalreserve.gov/boarddocs/supmanual/us_branches/usbranch.pdf). Bureau of International Banking Examination Procedures Manual (3/90).

Rulemaking Specific Authority 120.53(1), 655.012(2)(3) FS. Law Implemented 655.045 FS. History--New 10-24-93, Formerly 3C-1.015, Amended 1-2-95, 6-4-95, 5-22-96, Formerly 3C-100.045, Amended \_\_\_\_\_.

ATTACHMENT 4

**FINANCIAL SERVICES COMMISSION  
OFFICE OF FINANCIAL REGULATION  
AGENDA ITEM #4**

**Rule Chapter 69W-301: Processing Applications**

Forms

Rule 69W-301.002 is amended to reflect the latest versions of state and federal forms referenced in Rule Chapters 69W-100 through 900, F.A.C.

Consolidation of Filing Requirements

Rule 69W-301.002 is amended to clarify and consolidate the procedures for filing documents and fees with the Office, which procedures are currently spread throughout Rule Chapters 69W-600 through 69W-900, F.A.C. For clarity, these provisions are relocated to Rule 69W-301.002, which is the general provision governing the application submission process.

Electronic Filing

Rule 69W-301.002 is amended to implement electronic filing requirements for all types of filings under chapter 517, F.S. While the majority of individuals and entities are required to file forms and fees electronically, there are a few groups that are still permitted to submit paper filings. The rule will extend electronic filing requirements to those few remaining groups, which include Canadian dealers, dealers that are not members of the Financial Industry Regulation Authority (FINRA), issuer/dealers, securities registration filings submitted under section 517.081, F.S., and securities notification filings submitted under section 517.082, F.S. Under the proposed rule amendments, these filings will be required to be made electronically through the Office's Regulatory Enforcement and Licensing System. Electronic filing is currently required under the rules for FINRA dealers through the Central

Registration Depository and investment advisers through the Investment Adviser Registration Depository.

## **Rule Chapter 69W-600: Registration of Dealers, Investment Advisers, and Associated Persons**

### Materials Incorporated by Reference

The rules are amended to reflect the latest versions of materials incorporated by reference in the rules, including federal regulations, federal statutes, forms, Financial Industry Regulatory Authority rules, New York Stock Exchange rules, other stock exchange rules, National Association of Securities Dealers rules, and Municipal Securities Rulemaking Board rules.

### Conforming Changes

The rules are amended to reflect the changes that are being proposed to Rule 69W-301.002, which is the general rule governing the application submission process. Currently, the procedures for filing applications and fees with the Office are spread throughout Rule Chapters 69W-600 through 69W-900, F.A.C. For clarity, the provisions specifying the process for filing the applications and fees with the Office are relocated to Rule 69W-301.002. This rule is also amended to require the electronic filing of certain documents and fees that are currently accepted by the Office in paper form.

### Financial Industry Regulatory Authority

The rules are amended to replace references to the National Association of Securities Dealers (NASD) with the Financial Industry Regulatory Authority (FINRA). In July 2007, FINRA was created through the consolidation of NASD and the member regulation, enforcement and arbitration functions of the New York Stock Exchange.

### Other changes

Rule 69W-600.005 is amended to remove the reference to the examination requirement for investment adviser principals as there is no longer a principal investment adviser designation.

Rule 69W-600.006 is amended to reflect the statutory requirement for fingerprint submissions for any direct owner, principal, or indirect owner that is required to be reported on the Form BD, Uniform Broker-Dealer Registration, or Form ADV, Uniform Application for Investment Adviser Registration, under s. 517.12(7), F.S.

Rule 69W-600.0132, F.A.C., is amended to allow investment advisers under certain conditions to file unaudited financial statements with the Office in lieu the requirement for audited financial statements.

### **Rule Chapter 69W-700: Registration of Securities**

The rules are amended to reflect the latest versions of federal regulations, federal statutes, and forms referenced in the rules. The rules are also clarified to reflect the appropriate forms that must be filed in connection with small corporate offering registrations.

### **Rule Chapter 69W-800 : Notification Registration of Securities**

Rule 69W-800.001, F.A.C., is amended to reflect the latest versions of federal regulations referenced in the rule, clarify the appropriate forms that must be filed for notification registrations, and reference the latest versions of forms.

Rule 69W-800.003, F.A.C., is amended to clarify the registration process. The proposed amendments to Rule 69W-800.003 reference Rule 69W-300.002, which is being amended to require the electronic filing of certain registration information and fees through the Office's Regulatory Enforcement and Licensing System.

Rule 69W-800.004, F.A.C., is amended to reflect the latest version of the Notification Registration form.

**Rule Chapter 69W-900: Disclosure of Business Activities in Cuba**

Rule 69W-900.001 is amended to reflect the latest versions of federal regulations and federal statutes referenced in the rule. The rule is also amended to reflect the latest version of the Disclosure of Business Activities in Cuba Form.

**Rule Chapter 69W-1000: Disciplinary Guidelines**

Section 517.1611(1), F.S., requires the Financial Services Commission to adopt disciplinary guidelines for each ground for which disciplinary action may be imposed by the Office against individuals and firms that are subject to regulation under Chapter 517, F.S., the Florida Securities and Investor Protection Act. The proposed rule implements this statutory requirement. Each violation of any provision of Chapter 517, F.S., or the rules adopted under that chapter, constitutes a ground for disciplinary action by the Office. The level of sanction imposed for each violation is reflected in the disciplinary guidelines. Sanctions include fines, suspensions, revocations, etc. A list of aggravating and mitigating factors is provided in the rule. These factors will be used to determine the appropriate level of sanction within the range of sanctions provided in the disciplinary guidelines. These factors will also be used when determining whether a deviation from the range of sanctions prescribed in the disciplinary guidelines is warranted.

## Notice of Proposed Rule

### **DEPARTMENT OF FINANCIAL SERVICES**

#### **Securities**

Rule No.: RULE TITLE

69W-301.002: Processing of Applications

**PURPOSE AND EFFECT:** Rule 69W-301.002, F.A.C., is amended to reflect the latest versions of applicable forms incorporated by reference in the rule. The rule is also amended to clarify and consolidate the procedures for filing documents and fees with the Office. The process for filing documents and fees with the Office is currently spread throughout Rule Chapters 69W-600, 69W-700, 69W-800, and 69W-900, F.A.C. For clarity, these provisions are relocated to Rule 69W-301.002, which is the general provision governing the application submission process. The rule is also amended to implement electronic filing requirements for Canadian dealers, dealers that are not members of the Financial Industry Regulation Authority (FINRA), issuer/dealers, securities registrations filings submitted under section 517.081, F.S., and securities notification filings submitted under section 517.082, F.S. Currently, the Office accepts paper submissions for these particular filings. Under the proposed rule amendments, these filings will be required to be made electronically through the Office's Regulatory Enforcement and Licensing (REAL) System. Electronic filing is currently required under the rules for FINRA dealers (through the Central Registration Depository) and investment advisers (through the Investment Adviser Registration Depository).

**SUMMARY:** The proposed rule amendments: 1) reflect the latest versions of applicable forms incorporated by reference in the rule; 2) clarify and consolidate the procedures for filing documents and fees with the Office, and 3) implement electronic filing requirements for Canadian dealers, dealers that are not members of the FINRA (including their branch offices and associated persons), issuer/dealers (including their associated persons and branch offices), securities registrations filings submitted under section 517.081, F.S., and securities notification filings under section 517.082, F.S.

**SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS:** A statement of estimated regulatory costs has been prepared. Under the proposed rule, issuer dealers (including their branch offices and associated persons), Canadian dealers, non-FINRA dealers (including their branch offices and associated persons), offerings for securities registrations submitted under section 517.081, F.S., and securities notification filings submitted under section 517.082, F.S., will be required to file applicable forms and fees through the Office's REAL System. Currently, the individuals and entities identified above may file forms and fees manually ("in paper") or electronically with the Office. The rule eliminates the ability to file forms manually. There are no additional fees associated with filing electronically. In order to file electronically, an applicant/registrant would need a desk or lap-top computer, and internet access. There will be no additional costs to the agency as the result of the proposed changes.

Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 517.03(1), 517.12, 517.1201, 517.081, 517.082 FS

LAW IMPLEMENTED: 120.60(1), 517.051, 517.081, 517.082, 517.12, 517.161(5)

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN FAW.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Pam Epting, Chief, Bureau of Regulatory Review, Division of Securities, Office of Financial Regulation, The Fletcher Building, 200 East Gaines Street, Tallahassee, Florida 32399-0375, (850)410-9500, pam.epting@flofr.com

THE FULL TEXT OF THE PROPOSED RULE IS:

69W-301.002 Processing of Applications.

(1) Forms. Application forms for all license actions covered by these rules may be obtained from the Office of Financial Regulation at no cost. All applications must be in the format required by the Office of Financial Regulation. Requests for forms should be sent directly to: The Office of Financial Regulation, Division of Securities, 200 East Gaines Street, Tallahassee, Florida 32399-0375.

(2) Electronic Filing of Application and Fee. Applications in the format required by the Office of Financial Regulation, accompanied by the prescribed fee for the requested license action, shall be filed electronically with the Office of Financial Regulation. Forms and fees deemed received are subject to the Office's Request for Additional Information requirements found in Rule 69W-301.002(3) F.A.C. Application forms and fees shall be filed as follows:

(a) ~~at the address indicated in subsection (1) above; however,~~ All all dealers who are members of the Financial Industry Regulatory Authority (formerly known as the National Association of Securities Dealers) (FINRA), Inc. ("NASD") shall file such items through the Central Registration Depository (CRD) of the FINRA in accordance with the provisions of Rules 69W-600.001 and 69W-600.0091, F.A.C. Chapter 69W-600, F.A.C., as prescribed therein.

(b) ~~All~~ However, all Federal Covered Advisers shall file such items through the Investment Adviser Registration Depository (IARD) of the FINRA in accordance with the provisions of Section 517.1201, Florida Statutes, and Rule 69W-600.0092, F.A.C.

(c) Investment advisers ~~shall~~ may file the required forms and fees with the Investment Adviser Registration Depository (IARD) in accordance with the provisions of Rules 69W-600.001 and 69W-600.0093, F.A.C. ~~Issuers may file the required forms and fees with the Securities Registration Depository (SRD) in accordance with the provisions of Rule 69W-400.004 or 69W-800.001, F.A.C., upon implementation of the system in this state.~~

(d) Issuer/Dealers shall file the required forms and fees electronically on the Office's website at [www.flofr.com](http://www.flofr.com) through the Regulatory Enforcement and Licensing (REAL) System of the OFR and shall be deemed received on the date the Office issues a confirmation of submission and payment to the applicant via the Office's website. A confirmation of submission is issued by the Office upon successful

filing of an application and payment of all fees. Such filings shall be made in accordance with Rules 69W-400.002, 69W-600.001 and 69W-600.004, F.A.C.

(e) Dealers that are not members of FINRA shall file the required forms and fees electronically on the Office's website at www.flofr.com through the Regulatory Enforcement and Licensing (REAL) System of the OFR and shall be deemed received on the date the Office issues a confirmation of submission and payment to the applicant via the Office's website. A confirmation of submission is issued by the Office upon successful filing of an application and payment of all fees. Such filings shall be made in accordance with Rule 69W-600.001, F.A.C.

(f) Canadian dealers shall file the required forms and fees electronically on the Office's website at www.flofr.com through the Regulatory Enforcement and Licensing (REAL) System of the OFR and shall be deemed received on the date the Office issues a confirmation of submission and payment to the applicant via the Office's website. A confirmation of submission is issued by the Office upon successful filing of an application and payment of all fees. Such filings shall be made in accordance with Rule 69W-600.0015, F.A.C.

(g) All dealers who are members of the Financial Industry Regulatory Authority (FINRA) shall file requests for Branch Office registration through the Central Registration Depository (CRD) of the FINRA in accordance with the provisions of Rules 69W-600.004 and 69W-600.0091, F.A.C.

(h) Investment Advisers shall file requests for Branch Office registration through the Central Registration Depository (CRD) of the FINRA in accordance with the provisions of Rules 69W-600.004 and 69W-600.0093, F.A.C.

(i) Issuer/Dealers shall file requests for Branch Office registration on the Office's website at www.flofr.com through the Regulatory Enforcement and Licensing (REAL) System of the OFR and shall be deemed received on the date the Office issues a confirmation of submission and payment to the applicant via the Office's website. A confirmation of submission is issued by the Office upon successful filing of an application and payment of all fees. Such filings shall be made in accordance with Rule 69W-600.004, F.A.C.

(j) Dealers that are not members of FINRA shall file requests for Branch Office registration electronically on the Office's website at www.flofr.com through the Regulatory Enforcement and Licensing (REAL) System of the OFR and shall be deemed received on the date the Office issues a confirmation of submission and payment to the applicant via the Office's website. A confirmation of submission is issued by the Office upon successful filing of an application and payment of all fees. Such filings shall be made in accordance with Rule 69W-600.004, F.A.C.

(k) All dealers who are members of the Financial Industry Regulatory Authority (FINRA) shall file requests for Associated Person registration through the Central Registration Depository (CRD) of the FINRA in accordance with the provisions of Rules 69W-600.002 and 69W-600.0091, F.A.C.

(l) Federal Covered Advisers shall file requests for Associated Person registration through the Central Registration Depository (CRD) of the FINRA in accordance with the provisions of Rules 69W-600.002 and 69W-600.0092, F.A.C.

(m) Investment Advisers shall file requests for Associated Person registration through the Central Registration Depository (CRD) of the FINRA in accordance with the provisions of Rules 69W-600.002 and 69W-600.0093, F.A.C.

(n) Issuer/Dealers shall file requests for Associated Person registration on the Office's website at www.flofr.com through the Regulatory Enforcement and Licensing (REAL) System of the OFR and shall be deemed received on the date the Office issues a confirmation of submission and payment to the applicant via the Office's website. A confirmation of submission is issued by the Office upon successful filing of an application and payment of all fees. Such filings shall be made in accordance with Rules 69W-600.002 and 69W-600.004, F.A.C.

(o) Dealers that are not members of FINRA shall file requests for Associated Person registration electronically on the Office's website at www.flofr.com through the Regulatory Enforcement and Licensing (REAL) System of the OFR and shall be deemed received on the date the Office issues a confirmation of submission and payment to the applicant via the Office's website. A confirmation of submission is issued by the Office upon successful filing of an application and payment of all fees. Such filings shall be made in accordance with Rule 69W-600.002, F.A.C.

(p) An applicant for registration of securities pursuant to Section 517.081, F.S., shall file electronically on the Office's website at www.flofr.com through the Regulatory Enforcement and Licensing (REAL) System of the OFR and shall be deemed received on the date the Office issues a confirmation of submission and payment to the applicant via the Office's website. A confirmation of submission is issued by the Office upon successful filing of an application and payment of all fees. Such filings shall be made in accordance with Rule Chapter 69W-700, F.A.C.

(q) An applicant for Notification Registration pursuant to Section 517.082, F.S., shall file electronically on the Office's website at www.flofr.com through the Regulatory Enforcement and Licensing (REAL) System of the OFR and shall be deemed received on the date the Office issues a confirmation of submission and payment to the applicant via the Office's website. A confirmation of submission is issued by the Office upon successful filing of an application and payment of all fees. Such filings shall be made in accordance with Rule Chapter 69W-800, F.A.C.

(3) through (6) No change.

(7)(a) The forms referred to in this section below are incorporated by reference and readopted by this rule for the purposes of Rule Chapters 69W-100 through 69W-900, F.A.C.:

1. OFR-S-1-91, Application for Registration of Securities, effective \_\_\_ (~~Revised 10/97~~);
2. OFR-S-7-91, Exhibit I (General Issue), effective \_\_\_ (~~Revised 10/97~~);
3. OFR-S-5-91, Uniform Consent to Service of Process, effective \_\_\_ (~~Revised 1/91~~);
4. OFR-S-6-91, Corporate Resolution, effective \_\_\_ (~~Revised 1/91~~);
5. OFR-S-10-91, Report of Sales of Securities and Use of Proceeds Therefrom, effective \_\_\_ (~~Revised 1/91~~);
6. Form BD, Uniform Application for Broker-Dealer Registration (5/2002), effective \_\_\_ (~~Revised 7/99~~);

7. Form ADV, Uniform Application for Investment Adviser Registration (1/2008), effective ~~(Revised 10/03)~~;
8. Form U-4, Uniform Application for Securities Industry Registration or Transfer (5/2009), effective ~~(Revised 10/05)~~;
9. Form BDW, Uniform Request for Broker-Dealer Withdrawal (4/2007), effective ~~(Revised 8/99)~~;
10. Form ADV-W, Notice of Withdrawal from Registration as Investment Adviser (3/2008), effective ~~(Revised 10/03)~~;
11. Form U-5, Uniform Termination Notice for Securities Industry Registration (5/2009), effective ~~(Revised 10/05)~~;
12. Form BR, Uniform Branch Office Registration Form (10/2005), effective ~~(Revised 10/05)~~;
13. OFR Form DA-5-91, Issuer/Dealer Compliance Form, effective ~~(Revised 1/91)~~;
14. Form FL921250Z, Florida Fingerprint Card (5/11/99), effective ~~(Revised 1/91)~~; and
15. OFR Form CAN, Canadian Dealer Notification, effective (New 6-10-07).

(b) This rule also incorporates by reference:

1. OFR Form S-3-91, Notification Registration, effective (Revised 1/91);
2. Form U-1, Uniform Application to Register Securities (Effective 10/97);
3. Form U-2, Uniform Consent to Service of Process (Effective 10/1/96);
4. Form U-2A, Uniform Corporate Resolution (Effective 10/1/96);
5. Form U-7, Small Corporate Offering Registration Form (Effective 10/97);
6. OFR-S-12-97, SCOR (Small Corporate Offering Registration) Application to Register Securities, effective (Effective 10/97);
7. OFR-S-13-97, Florida Guide to Small Business Investments, effective (Effective 10/97); and
8. OFR-S-14-97, Promotional Shares Escrow Agreement, effective (Effective 10/97); and
9. CUBA FORM, Disclosure of Business Activities in Cuba Form, effective.

(c) Social security number. The following forms contain a field that allows, but does not require, an individual to submit his or her social security number: Form ADV, Uniform Application for Investment Adviser Registration (~~Revised 1/2008 10/03~~); Form U-4, Uniform Application for Securities Industry Registration or Transfer (~~Revised 5/2009 10/05~~); and Form U-5, Uniform Termination Notice for Securities Industry Registration (~~Revised 5/2009 10/05~~). If provided, an individual's social security number will be used by the Office of Financial Regulation to facilitate the identification of the individual to obtain the required criminal justice information, which may expedite the processing of the forms. Social security numbers obtained through the submission of the above-listed forms are subject to the confidentiality provisions of Section 119.071(5), F.S.

(d) All forms referenced in this rule are incorporated by referenced and may be obtained by mail from the Florida Office of Financial Regulation, Division of Securities, 200 E. Gaines Street, Tallahassee, Florida 32399.

Rulemaking Specific Authority 517.03(1), 517.12, 517.1201, 517.081(2), 517.082(4) FS. Law Implemented 120.60(1), 517.051, 517.081, 517.082, 517.12, 517.161(5) FS. History—Revised and Transferred from 3E-300.01, 9-20-82, Formerly 3E-301.02, Amended 10-15-86, 2-1-87, 12-8-87, 7-29-90, 7-31-91, 6-16-92, 1-10-93, 3-13-94, 10-1-96, 10-23-97, 6-22-98, 6-10-99, 5-7-00, 7-10-02, Formerly 3E-301.002, Amended 3-16-06, 6-10-07,\_\_\_\_\_.

NAME OF PERSON ORIGINATING PROPOSED RULE: Pam Epting, Chief, Bureau of Regulatory Review, Division of Securities, Office of Financial Regulation, The Fletcher Building, 200 East Gaines Street, Tallahassee, Florida 32399-0375, (850)410-9500, pam.epting@flofr.com

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: Financial Services Commission

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: July 29, 2010

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: December 24, 2009

Notice of Proposed Rule

**DEPARTMENT OF FINANCIAL SERVICES**

**Securities**

Rule No.: RULE TITLE

69W-600.001: Application for Registration as a Dealer, Issuer/Dealer, or Investment Adviser

69W-600.0015: Canadian Dealer Notification

69W-600.002: Application for Registration as Associated Person

69W-600.004: Registration of Issuer/Dealers, Principals and Branch Offices

69W-600.005: Examinations/Qualifications

69W-600.006: Associated Persons' Fingerprints

69W-600.007: Changes in Name and Successor Registration Requirements

69W-600.008: Termination of Registration as Dealer, Investment Adviser, Branch Office, Principal or Agent

69W-600.009: Registration Renewals

69W-600.0091: Central Registration Depository System

69W-600.0092: Investment Adviser Registration Depository for Federal Covered Advisers

69W-600.0093: Investment Adviser Registration Depository for Investment Advisers

69W-600.010: Notice of Civil, Criminal or Administrative Action

69W-600.012: Rules of Conduct

69W-600.013: Prohibited Business Practices for Dealers and Their Associated Persons

69W-600.0131: Prohibited Business Practices for Investment Advisers and Their Associated Persons

69W-600.0132: Custody Requirements for Investment Advisers

69W-600.014: Books and Records Requirements

69W-600.015: Financial Reporting Requirements - Statement of Financial Condition - Dealers and Investment Advisers

69W-600.016: Net Capital Requirements for Dealers and Investment Advisers

69W-600.017: Customer Protection Rule - Reserve Requirements and Custody of Customer Funds and Securities

69W-600.020: Continuing Education Requirements

PURPOSE AND EFFECT: The rules are amended to reflect the latest versions of materials incorporated by reference in the rules, including federal regulations, federal statutes, forms, Financial Industry Regulatory Authority (FINRA) rules, New York Stock Exchange rules, other stock exchange rules, National Association of Securities Dealers (NASD) rules, and Municipal Securities Rulemaking Board (MSRB) rules. The rules are amended to reflect the changes that are being proposed to Rule 69W-301.002, which is the general rule governing the application submission process. Currently, the process for filing applications and fees with the Office is spread throughout Rule Chapters 69W-600, 69W-700, 69W-800 and 69W-900, F.A.C. For clarity, the provisions specifying the process for filing the applications and fees with the Office are relocated to Rule 69W-301.002. This rule is also amended to require the electronic filing of certain applications, documents and fees that are currently accepted by the

Office in paper form. The rules are also amended to replace references to the National Association of Securities Dealers (NASD) with the Financial Industry Regulatory Authority (FINRA). FINRA was created in July 2007 through the consolidation of NASD and the member regulation, enforcement and arbitration functions of the New York Stock Exchange. Rule 69W-600.005 is amended to remove the reference to the examination requirement for investment adviser principals as there is no longer a principal investment adviser designation. Rule 69W-600.006 is amended to reflect the statutory requirement for fingerprint submissions for any direct owner, principal, or indirect owner that is required to be reported on the Form BD, Uniform Broker-Dealer Registration, or Form ADV, Uniform Application for Investment Adviser Registration, under s. 517.12(7), F.S. Rule 69W-600.0132, F.A.C., is amended to allow investment advisers under certain conditions to file unaudited financial statements with the Office in lieu the requirement for audited financial statements.

SUMMARY: The rules are amended to: 1) reflect the latest versions of materials incorporated by reference in the rules; 2) reflect the changes to the application filing process that are being proposed to Rule 69W-301.002; 3) replace references to the National Association of Securities Dealers with the Financial Industry Regulatory Authority; 4) remove the reference to the examination requirement for investment adviser principals; 5) reflect the statutory requirement for fingerprint submissions for any direct owner, principal, or indirect owner that is required to be reported on the Form BD, Uniform Broker-Dealer Registration, or Form ADV, Uniform Application for Investment Adviser Registration, under s. 517.12(7), F.S.; and 6) allow investment advisers under certain conditions to file unaudited financial statements with the Office in lieu the requirement for audited financial statements.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS: No Statement of Estimated Regulatory Cost has been prepared. The Office has determined that the rules will not have an adverse impact on small businesses.

Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 517.03(1), 517.12(6), 517.12(9), 517.12(13), 517.12(15), 517.12(17), 517.1201, 517.121(1), 517.121(2), 517.1215, 517.1217, 215.405 FS.

LAW IMPLEMENTED: 517.081, 517.12, 517.12(4), 517.12(5), 517.12(6), 517.12(7), 517.1205, 517.12(8), 517.12(9), 517.12(10), 943.053, 517.12(11), 517.12(12), 517.12(12)(b), 517.12(13), 517.12(15), 517.12(16), 517.12(18), 517.161, 517.161(1), 517.161(5), 517.1201(1), 517.1201(2), 517.121, 517.121(1), 517.121(2), 517.1215, 517.1217, 517.301(1) FS.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN FAW.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Bill Reilly, Chief, Bureau of Securities Regulation, Division of Securities, Office of Financial Regulation, 200 East Gaines Street, Tallahassee, FL 32399, phone (850)410-9805, E-mail: [Bill.Reilly@flofr.com](mailto:Bill.Reilly@flofr.com)

THE FULL TEXT OF THE PROPOSED RULE IS:

69W-600.001 Application for Registration as a Dealer, Issuer/Dealer, or Investment Adviser.

(1)(a) Applications for initial and renewal registration of dealers, issuer/dealers, and investment advisers shall be filed ~~as on the forms~~ prescribed by the Financial Services Commission in Rule subsection 69W-301.002(7), F.A.C., and shall include all information required by such forms, any other information the Financial Services Commission or Office of Financial Regulation may require, and payment of the statutory fees required by Sections 517.12(10) and 517.131, F.S. ~~Except as otherwise provided in Rule 69W-600.0091 or 69W-600.0093, F.A.C., the Office of Financial Regulation shall deem an application to be received at such time as it and the appropriate fee have been date-stamped by the cashier's office of the Department of Financial Services. For dealers that are members of the National Association of Securities Dealers (NASD), such application shall be filed with the Office of Financial Regulation through the Central Registration Depository (CRD) of the NASD in accordance with Rule 69W-600.0091, F.A.C. For investment advisers, such application shall be filed with the Office of Financial Regulation through the Investment Adviser Registration Depository (IARD) of the NASD in accordance with Rule 69W-600.0093, F.A.C.~~

(b) A complete application must include the following exhibits or forms that are appropriate for the type of registration requested:

1. For registration as a dealer or issuer/dealer, a Uniform Application for Broker-Dealer Registration, Form BD, which is incorporated by reference in Rule subsection 69W-301.002(7), F.A.C. ~~For dealers that are members of the NASD, such application shall be filed with the Office of Financial Regulation through the CRD in accordance with Rule 69W-600.0091, F.A.C.~~ For registration as an investment adviser, a Uniform Application for Investment Adviser Registration, Form ADV, which is incorporated by reference in Rule subsection 69W-301.002(7), F.A.C. ~~shall be filed with the Office of Financial Regulation. Such application shall be filed with the Office of Financial Regulation through the Investment Adviser Registration Depository (IARD) of the NASD in accordance with Rule 69W-600.0093, F.A.C.;~~

2. No change.

3. A Uniform Application for Securities Industry Registration or Transfer, Form U-4, which is incorporated by reference in Rule subsection 69W-301.002(7), F.A.C., to register at least one principal as set forth in Rule 69W-600.002, F.A.C. ~~For any dealer that is a member of the NASD, or any investment adviser, the application for registration of any principal shall be filed through the CRD as set forth in Rule 69W-600.002, F.A.C.~~ In conjunction with filing its Form BD or Form ADV with the Office of Financial Regulation, the dealer, issuer/dealer, or investment adviser shall provide the Office of Financial Regulation written notification of the principal's name, CRD number, and social security number;

4. No change.

5. Proof of effective registration for dealers with the Securities and Exchange Commission (SEC). Where required by Section 517.12(16), F.S., applicants for registration as a dealer shall also provide the Office of Financial Regulation with proof of insurance coverage by the Securities Investor Protection

Corporation. Evidence of current membership as a dealer with the FINRA NASD shall satisfy this requirement;

6. No change.

7. Applicants for registration as an issuer/dealer must file Issuer/Dealer Compliance Form (OFR-DA-5-91), which is incorporated by reference in Rule 69W-301.002(7), F.A.C., (Revised 1-91) to meet requirements under Rules paragraphs 69W-600.004(1)(b), 69W-600.005(2)(d) and Rule 69W-400.002, F.A.C.;

8. through 9 No change.

(2) If the information contained in any application for registration as a dealer or investment adviser or in any amendment thereto, becomes inaccurate for any reason, the dealer or investment adviser shall file an amendment on the Form BD or the Form ADV, respectively, correcting such information within 30 days. For applicants and registrants that are members of the FINRA NASD, each such amendment, including those required by Rule 69W-600.007, F.A.C., shall be filed with the Office of Financial Regulation through the CRD system. For investment adviser applicants and registrants who file via the IARD, each such amendment, including those required by Rule 69W-600.007, F.A.C., may be filed with the Office of Financial Regulation through the IARD system in accordance with Rule 69W-600.0093, F.A.C. All other applicants and registrants shall file such amendments, including those required by Rule 69W-600.007, F.A.C., directly with the Office of Financial Regulation electronically through the Regulatory Enforcement and Licensing System.

(3) No change.

Rulemaking Specific Authority 517.03(1), 517.12(6) FS. Law Implemented 517.12(6), (7), 517.1205 FS. History—New 12-5-79, Amended 9-20-82, Formerly 3E-600.01, Amended 7-29-90, 8-1-91, 6-16-92, 1-11-93, 11-14-93, 4-30-96, 6-22-98, 5-10-00, 9-19-00, 7-31-02, Formerly 3E-600.001, Amended 3-16-06, 5-15-07, \_\_\_\_\_.

69W-600.0015 Canadian Dealer Notification.

All Canadian dealers making initial and renewal notice filing, or terminating a notice filing in this state shall file OFR Form CAN, Canadian Dealer Notification, which is incorporated by reference in Rule 69W-301.002(7), F.A.C., and shall include all information required by such form, any other information the Office of Financial Regulation may require, and the fee required by Section 517.12(17)(b), F.S., with the Office of Financial Regulation. Such forms and fees shall be filed electronically in accordance with Rule 69W-301.002, F.A.C. Any notice filing made by a Canadian dealer with the Office of Financial Regulation shall be deemed received by the Office of Financial Regulation at such time as OFR Form CAN and the fee have been date stamped by the cashier's office of the Department of Financial Services. When requested by the Office of Financial Regulation, ~~OFR Form CAN~~ and all responses to any other requests for additional information shall be filed directly with the Office of Financial Regulation. ~~OFR Form CAN, Canadian Dealer Notification, is incorporated by reference in subsection 69W-301.002(7), F.A.C.~~

Rulemaking Specific Authority 517.03 FS. Law Implemented 517.12 FS. History--New 5-15-07, Amended \_\_\_\_\_.

69W-600.002 Application for Registration as Associated Person.

(1)(a) Applications for initial, reaffiliation, and renewal registrations of a principal or associated person shall be filed on Form U-4, Uniform Application for Securities Industry Registration or Transfer, which is incorporated by reference in Rule subsection 69W-301.002(7), F.A.C., and shall include all information required by such form, any other information the Office of Financial Regulation may require, and payment of the statutory fees required by Section 517.12(10), F.S. Such forms and fees shall be filed electronically in accordance with Rule 69W-301.002, F.A.C. ~~Except as otherwise provided in Rule 69W-600.0091, 69W-600.0092, or 69W-600.0093, F.A.C., the Office of Financial Regulation shall deem an application to be received at such time as it and the appropriate fee have been date-stamped by the cashier's office of the Department of Financial Services. For dealers that are members of the National Association of Securities Dealers ("NASD"), such application shall be filed with the Office of Financial Regulation through the Central Registration Depository ("CRD") of the NASD in accordance with Rule 69W-600.0091, F.A.C. For federal covered advisers, such application shall be filed with the Office of Financial Regulation through the Central Registration Depository ("CRD") of the NASD in accordance with Rule 69W-600.0092, F.A.C. For investment adviser applicants and registrants who file via the IARD, such application shall be filed with the Office of Financial Regulation through the CRD of the NASD in accordance with Rule 69W-600.0093, F.A.C.~~

(b) A complete initial application must include the following exhibits or forms that are appropriate for the type of registration requested:

1. Form U-4. As used on the Form U-4, the term "Office of Employment Address" shall mean the location where the person seeking registration will regularly conduct business on behalf of the dealer or investment adviser. ~~For dealers that are members of the NASD, such application shall be filed with the Office of Financial Regulation through the CRD of the NASD.~~ Form U-4, Uniform Application for Securities Industry Registration or Transfer, is incorporated by reference in subsection 69W-301.002(7), F.A.C.

2. and 3. No change

4. Evidence of examinations/qualifications set forth in Rule subsection 69W-600.005(2), F.A.C.

5. A complete Florida Fingerprint Card (FL921250Z) when required under Section 517.12(7), F.S., and Rule 69W-600.006, F.A.C., provided by the Office of Financial Regulation and taken by an authorized law enforcement agency and accompanied by a non-refundable \$43.25 processing fee. Form FL921250Z, Florida Fingerprint Card, is incorporated by reference in Rule subsection 69W-301.002(7), F.A.C.

(c) If the information contained in any Form U-4 becomes inaccurate for any reason before or after the associated person becomes registered, the associated person through the dealer or investment adviser, as applicable, shall be responsible for correcting the inaccurate information within thirty (30) days. If the information being updated relates to the applicant's or registrant's disciplinary history, in addition to

updating the Form U-4, the associated person through the dealer or investment adviser shall also provide the Office of Financial Regulation with notice and copies of each civil, criminal or administrative action initiated against the associated person as provided in Rule 69W-600.010, F.A.C. For associated persons who have filed by using the CRD of the FINRA NASD, such amendments shall be made through the CRD system of the NASD. All other applicants and registrants shall file such amendments electronically with the Office of Financial Regulation through the Regulatory Enforcement and Licensing System. Form U-4, Uniform Application for Securities Industry Registration or Transfer, is incorporated by reference in subsection 69W-301.002(7), F.A.C.

(2) No change.

Rulemaking Specific Authority 215.405, 517.03(1), 517.12(6) FS. Law Implemented 517.12(6), (7), (10), 517.1205, 943.053 FS. History—New 9-20-82, Formerly 3E-301.02, Amended 10-15-86, 10-4-88, 6-24-90, 7-29-90, 10-14-90, 8-1-91, 6-16-92, 6-28-93, 11-14-93, 3-13-94, 4-30-96, 12-29-96, 6-22-98, 5-10-00, 9-19-00, 7-31-02, 12-11-03, Formerly 3E-600.002, Amended 3-16-06, 5-15-07, 12-24-07, 12-25-08, \_\_\_\_\_.

69W-600.004 Registration of Issuer/Dealers, Principals and Branch Offices.

(1) through (2) No change.

(3)(a) Every branch office of a registered Florida dealer or investment adviser shall be registered with the Office of Financial Regulation prior to engaging in business therefrom. Such registration shall consist of an application filed with the Office of Financial Regulation on the forms prescribed by the Office of Financial Regulation and payment of the statutory fees required by Section 517.12(10), F.S. Such forms and fees shall be filed electronically in accordance with Rule 69W-301.002, F.A.C. ~~The Office of Financial Regulation shall deem an application to be received at such time as it and the appropriate fee have been date stamped by the cashier's office of the Department of Financial Services.~~ Such office may or may not be designated as an Office of Supervisory Jurisdiction (OSJ) at the discretion of the registrant. A manager for each branch office shall be designated and registered with the Office of Financial Regulation as a principal. For such offices not designated as an OSJ, the branch office manager need not be located at the office(s) for which he is delegated supervisory responsibility; however, in such cases, the registrant must specify in writing to the Office of Financial Regulation, the names of the associated persons designated as resident agent in charge as well as the branch office manager. ~~For any dealer that is a member of the NASD, or any investment adviser, the application for registration of any branch office shall be filed with the Office of Financial Regulation through the CRD.~~

(b) No change

(c) If the information contained in any branch office registration form becomes inaccurate or incomplete for any reason before or after the branch office becomes registered, including changing the location of the branch office or the supervisory personnel thereof, the dealer or investment adviser shall amend the information by filing a complete and originally executed Form BR, with the Office of Financial Regulation within thirty (30) days of the change and denoting thereon that the information reported is an amendment to a previous filing. For any dealer that is a member of the FINRA NASD, or

any investment adviser, the Form BR shall be filed with the Office of Financial Regulation through the CRD, as set forth in ~~this rule~~ Rules 69W-301.002, 69W-600.0091 and 69W-600.0093, F.A.C.

~~Issuer/Dealers and Dealers that are not members of FINRA A non-NASD member registrant~~ may amend the branch office registration information by submitting a Form BR directly with the Office of Financial Regulation electronically through the Regulatory Enforcement and Licensing System, in accordance with Rule 69W-301.002, F.A.C. Form BR, Uniform Branch Office Registration Form, is incorporated by reference in subsection 69W-301.002(7), F.A.C. Failure to file any amendment or written notification, as provided herein, shall be considered a violation of Section 517.12(13), F.S.

(d) No change.

Rulemaking Specific Authority 517.03(1), 517.12(6) FS. Law Implemented 517.12(5), (6), (10) FS. History--New 12-5-79, Amended 9-20-82, Formerly 3E-600.04, Amended 10-14-90, 6-16-92, 1-11-93, 11-7-93, 11-14-93, 12-29-96, 10-20-97, 6-10-99, 8-19-99, 5-27-01, 7-31-02, Formerly 3E-600.004, Amended 3-16-06, 5-15-07, \_\_\_\_\_.

69W-600.005 Examinations/Qualifications.

(1) through (2) No change.

(3) Examination Requirements for Investment Adviser Representative ~~and Principal~~: An individual applying to be registered as an investment adviser or investment adviser representative shall provide the Office of Financial Regulation with proof of passing, within two years of the date of application for registration, one of the following examinations: 1. the Uniform Investment Adviser Law Examination (Series 65) or 2. the General Securities Representative Examination (Series 7) and the Uniform Combined State Law Examination (Series 66).

(4) No change.

(5) The examination requirement for ~~investment adviser principals~~; investment adviser representatives, and associated persons of issuer dealers shall not apply to an individual who currently holds one of the following professional designations: 1. Certified Financial Planner (TM) or CFP® awarded by the Certified Financial Planner Board of Standards, Inc.; 2. Chartered Financial Consultant (ChFC) awarded by the American College, Bryn Mawr, PA; 3. Personal Financial Specialist (PFS) awarded by the American Institute of Certified Public Accountants; 4. Chartered Financial Analyst (CFA) awarded by the Institute of Chartered Financial Analysts; 5. Chartered Investment Counselor (CIC) awarded by the Investment Counsel Association of America, Inc.

Rulemaking Specific Authority 517.03(1) FS. Law Implemented 517.12(8) FS. History--New 12-5-79, Amended 9-20-82, Formerly 3E-600.05, Amended 8-1-91, 1-11-93, 4-18-96, 4-2-00, 10-30-03, Formerly 3E-600.005, Amended \_\_\_\_\_.

69W-600.006 ~~Associated Persons'~~ Fingerprints Requirements.

(1) Fingerprints filed in accordance with Section 517.12(7), F.S., shall be on fingerprint cards supplied by the Office of Financial Regulation taken by an authorized law enforcement agency, and

accompanied by a non-refundable \$43.25 processing fee. Form FL921250Z, Florida Fingerprint Card, is incorporated by reference in Rule subsection 69W-301.002(7), F.A.C.

(2) The fingerprint card requirement to file a fingerprint card and fee with the Office of Financial Regulation is waived for those associated persons pending requesting registration in Florida with a Financial Industry Regulatory Authority (FINRA) member firm and such fingerprint card has with a dealer which is registered with a national securities exchange or national securities association or the Securities and Exchange Commission, provided that fingerprints have been submitted and processed by FINRA on behalf of the member firm with which said associated person is pending registration, for such persons pursuant to the provisions of SEC rule 17f-2 (17 C.F.R. § 240.17f-2 (2010) 2006), which is hereby incorporated by reference, by said person's current employer.

(3) Notwithstanding any exemptions found in SEC rule 17f-2 (17 C.F.R. § 240.17f-2 (2010)), any direct owner, principal, or indirect owner that is required to be reported on Form BD, Uniform Application for Broker-Dealer Registration, or Form ADV, Uniform Application for Investment Adviser Registration, pursuant to Section 517.12(7), F.S., who is not currently registered in Florida with the firm they are seeking to join or act as a direct owner, principal, or indirect owner shall submit to the Office fingerprint cards supplied by the Office of Financial Regulation taken by an authorized law enforcement agency, and accompanied by a non-refundable \$43.25 processing fee. Such fingerprint card and fee shall be filed directly with the Office until such time as FINRA has the capability to electronically display the fingerprint card results to Florida via the CRD system. Form FL921250Z (Florida Fingerprint Card), Form BD, and Form ADV are incorporated by reference in Rule 69W-301.002(7), F.A.C.

(4) The federal regulations referenced in this rule are hereby incorporated by reference and may be obtained by mail from the Florida Office of Financial Regulation, Division of Securities, 200 E. Gaines Street, Tallahassee, Florida 32399. Copies of the Code of Federal Regulation are also available online through the U.S. Government Printing Office via GPO Access: <http://www.gpoaccess.gov/cfr/index.html>. Rulemaking Specific Authority 215.405, 517.03 FS. Law Implemented 517.12(7), 943.053 FS. History-- New 12-5-79, Amended 9-20-82, Formerly 3E-600.06, Amended 8-1-91, Formerly 3E-600.006, Amended 5-15-07, 12-24-07, 12-25-08,\_\_\_\_\_.

#### 69W-600.007 Changes in Name and Successor Registration Requirements.

(1) Where only a change in the name of an applicant or registrant as dealer, investment adviser or associated person occurs, notices of such fact shall be filed as an amendment on the forms prescribed by the Office of Financial Regulation within thirty (30) calendar days of the date of such change. For registrants who are a member of the Financial Industry Regulatory Authority (FINRA) NASD, such amendment shall be filed with the Office of Financial Regulation through the CRD System pursuant to Rule subsection 69W-600.001(2), F.A.C. Any amendments to organizational documents or accompanying letters of explanation shall be promptly submitted directly to the Office of Financial Regulation when specifically requested by the Office of Financial Regulation.

(2) Where there is a change in legal entity of a proprietary, partnership, or corporate registrant, the successor entity shall file with the Office of Financial Regulation an amendment to Form BD, Uniform Application for Broker-Dealer Registration, which is incorporated by reference in Rule subsection 69W-

301.002(7), F.A.C. or Form ADV, Uniform Application for Investment Adviser Registration, which is incorporated by reference in subsection 69W-301.002(7), F.A.C., within thirty (30) calendar days of the date of such change. For registrants who are a member of the ~~FINRA NASD~~, such amendment shall be filed with the Office of Financial Regulation through the CRD System pursuant to ~~Rule subsection~~ 69W-600.001(2), F.A.C. Any amendments to organizational documents, accompanying letters of explanation, or current financial statements of the successor shall be promptly submitted directly to the Office of Financial Regulation when specifically requested by the Office of Financial Regulation.

(3) Merger Situations: Where there is a merger of dealer or investment adviser registrants involving (a) the assumption by the successor of substantially all assets and liabilities of the merged entities, and (b) the continuation of the activities of the merged entities successor entity, the merging entities shall file notification with the Office of Financial Regulation denoting such changes as are applicable within thirty (30) calendar days prior to the date of such change. The successor entity shall file an amendment to Form BD, which is incorporated by reference in ~~Rule subsection~~ 69W-301.002(7), F.A.C., or Form ADV, which is incorporated by reference in ~~Rule subsection~~ 69W-301.002(7), F.A.C. denoting such changes as are applicable within thirty (30) calendar days of date of such change. For registrants who are a member of the ~~FINRA NASD~~, each such amendment shall be filed with the Office of Financial Regulation through the CRD System pursuant to ~~Rule subsection~~ 69W-600.001(2), F.A.C. A copy of the plan of merger/merger agreement, amended organizational documents, accompanying letters of explanation, or current financial statements of the successor (merged) entity shall be promptly provided directly to the Office of Financial Regulation when specifically requested by the Office of Financial Regulation.

(4) through (6) No change

Rulemaking Specific Authority 517.03(1), 517.12(13) FS. Law Implemented 517.12(13) FS. History—New 12-5-79, Amended 9-20-82, Formerly 3E-600.07(4), Amended 10-15-86, 12-8-87, 8-1-91, 6-16-92, 1-11-93, 6-22-98, 8-9-98, 6-10-99, 5-10-00, 7-31-02, Formerly 3E-600.007, Amended 3-16-06, \_\_\_\_\_  
C.f. See Rule 69W-301.002(7) for forms referenced herein which have been previously adopted by the Office of Financial Regulation.

69W-600.008 Termination of Registration as Dealer, Investment Adviser, Branch Office, Principal or Agent.

(1) Where a registrant withdraws, cancels, or otherwise terminates registration, or is terminated for any reason, notice of such fact shall be filed with the Office of Financial Regulation on the forms prescribed by the Financial Services Commission, in accordance with Rule 69W-301.002(7), F.A.C., within twenty (20) calendar days of the date of termination. Such forms shall be filed electronically in accordance with Rules 69W-301.002, 69W-600.0091, 69W-600.0092 and 69W-600.0093, F.A.C.

(2) Any dealer which is a member of the Financial Industry Regulatory Authority (FINRA) National Association of Securities Dealers (“NASD”) or any associated person or branch office of a member firm shall file any withdrawals, cancellations, or terminations of registrations with the Office of Financial Regulation through the Central Registration Depository (“CRD”) of the FINRA NASD.

(3) Any investment adviser shall file any withdrawals, cancellations, or terminations of registration with the Office of Financial Regulation through the Investment Adviser Registration Depository (“IARD”) of the FINRA. Any associated person or branch office of an investment adviser shall file any withdrawals, cancellations, or terminations of registration with the Office of Financial Regulation through the Central Registration Depository of the FINRA. Any withdrawals, cancellations, or terminations of registrations for branch offices shall be filed directly with the Office of Financial Regulation as prescribed in paragraph 69W-600.004(3)(c), F.A.C.

(4) through (5) No change.

(6) The forms to be utilized for providing notice to the Office of Financial Regulation under subsections (1), (2) and (3) above, and which are incorporated by reference in Rule subsection 69W-301.002(7), F.A.C., are:

(a) Notice of Withdrawal from Registration as Investment Adviser (Form ADV-W).

(b) Uniform Request for Broker Dealer Withdrawal (Form BDW).

(c) Uniform Branch Office Registration Form (Form BR).

(d) Uniform Termination Notice for Securities Industry Registration (Form U-5).

Rulemaking Specific Authority 517.03(1) FS. Law Implemented 517.12(12)(b), 517.161(5) FS. History-- New 12-5-79, Amended 9-20-82, Formerly 3E-600.08, Amended 7-29-90, 8-1-91, 6-16-92, 1-11-93, 6-22-98, 6-10-99, 5-10-00, 5-27-01, Formerly 3E-600.008, Amended 3-16-06, \_\_\_\_\_.

69W-600.009 Registration Renewals.

(1) No change.

(2) In addition to verifying registration with the Office of Financial Regulation as provided in subsection (1), to renew its registration and that of its branch offices and associated persons, each dealer or investment adviser shall pay all renewal fees as required by Section 517.12(11), F.S.

(a) Renewal fees for FINRA NASD member firms, associated persons of FINRA NASD member firms, and branch offices of FINRA NASD member firms, shall be submitted through the CRD by December 31 of the year the registration expires.

(b) No change.

(c) Renewal fees for non-FINRA non-NASD member firms, associated persons of non-FINRA non-NASD member firms and all branch offices of non-FINRA non-NASD member firms shall be filed electronically on the Office’s website at [www.flofr.com](http://www.flofr.com) through the Regulatory Enforcement and Licensing (REAL) System of the OFR and shall be deemed received on the date the Office issues a confirmation of submission and payment to the applicant via the Office’s website sent directly to the Office of Financial Regulation. A confirmation of submission is issued by the Office upon successful filing of a renewal and payment of all fees. The Office of Financial Regulation shall deem a fee received as payment at such time as it has been date stamped by the cashier’s office of the Department of Financial Services. All renewal fees must be received by the Office of Financial Regulation by December 31 of the year the registration expires.

(3) For FINRA members, federal covered advisers and investment advisers, failure to submit the requisite amount of fees as provided for in subsection (2) of this rule by December 31 of the year of expiration of the registration shall result in such registration not being renewed. If December 31 falls on a Saturday, Sunday or legal holiday pursuant to Section 110.117, F.S., the renewals received on the next business day will be considered timely received. However, an expired registration may be reinstated in accordance with the provisions of Section 517.12(11), F.S., provided that all requisite information and fees are date stamped by the cashier's office of the Department of Financial Services on or before January 31 of the year following the year of expiration. Failure to submit the requisite amount of fees necessary to reinstate registration by January 31 of the year following the year of expiration shall result in such registration not being reinstated. If January 31 falls on a Saturday, Sunday, or legal holiday pursuant to Section 110.117, F.S., the reinstatement received on the next business day will be considered timely received. In the event that the renewal or reinstatement is withdrawn or not granted, any fees filed to renew or reinstate registration shall become the revenue of the state pursuant to Section 517.12(10), F.S., and shall not be returnable.

(4) For issuer/dealers, Canadian dealers, and dealers that are not members of FINRA, failure to submit the requisite amount of fees as provided for in subsection (2) of this rule by December 31 of the year of expiration of the registration shall result in such registration not being renewed. If December 31 falls on a Saturday, Sunday or legal holiday pursuant to Section 110.117, F.S., the renewals received on the next business day will be considered timely received. However, an expired registration may be reinstated in accordance with Section 517.12(11), F.S., provided that all requisite information and fees are filed electronically on the Office's website at www.flofr.com through the Regulatory Enforcement and Licensing (REAL) System of the OFR on or before January 31 of the year following the year of expiration. Failure to submit the requisite amount of fees necessary to reinstate registration by January 31 of the year following the year of expiration shall result in such registration not being reinstated. If January 31 falls on a Saturday, Sunday, or legal holiday pursuant to Section 110.117, F.S., the reinstatement received on the next business day will be considered timely received. If the renewal or reinstatement is withdrawn or not granted, any fees filed to renew or reinstate registration shall become the revenue of the state pursuant to Section 517.12(10), F.S., and shall not be returnable.

Rulemaking Specific Authority 517.03(1), 517.12(6), (15) FS. Law Implemented 517.12(6), (10), (11), (15) FS. History—New 12-5-79, Amended 9-20-82, 8-29-83, Formerly 3E-600.09, Amended 1-7-88, 6-16-92, 11-14-93, 2-5-01, 5-27-01, Formerly 3E-600.009, Amended 5-15-07, \_\_\_\_\_.

69W-600.0091 Central Registration Depository System.

(1) All FINRA NASD member dealers requesting initial registration, amendment or termination of registration in this state shall file the appropriate Form BD or BDW, which are incorporated by reference in Rule subsection 69W-301.002(7), F.A.C., and the assessment fee required by Section 517.12(10) or (11), F.S., with the Central Registration Depository System ("CRD") of the FINRA NASD. However, responses to requests by the Office of Financial Regulation for additional information shall be filed directly with the Office of Financial Regulation. Any application for registration as a dealer filed with the

Office of Financial Regulation through the CRD shall be deemed received by the Office of Financial Regulation upon receipt of the Form BD and the application fee. The application fee shall be deemed received by the Office of Financial Regulation on the “payment date” reflected on the CRD “disbursement detail” report.

(2) All FINRA NASD member dealers registered in this state requesting initial registration, amendment, or termination of a branch office of such member dealer shall file the appropriate Form BR and the application fee required by Section 517.12(10) or (11), F.S., with the CRD. However, responses to requests by the Office of Financial Regulation for additional information shall be filed directly with the Office of Financial Regulation. Any application for registration as a branch office filed with the Office of Financial Regulation through the CRD shall be deemed received by the Office of Financial Regulation upon receipt of the Form BR and the application fee. The application fee shall be deemed received by the Office of Financial Regulation on the “payment date” reflected on the CRD “disbursement detail” report.

(3) All FINRA NASD member dealers registered in this state requesting initial registration, amendment, reaffiliation or termination of an associated person of such member dealer shall file Form U-4 or U-5, which are incorporated by reference in Rule subsection 69W-301.002(7), F.A.C., and the assessment fee required by Section 517.12(10) or (11), F.S., with the CRD of the FINRA NASD. However, responses to requests by the Office of Financial Regulation for additional information shall be filed directly with the Office of Financial Regulation. Any application for registration as an associated person of an FINRA NASD member dealer filed with the Office of Financial Regulation through the CRD shall be deemed received by the Office of Financial Regulation on the date designated in the “Status Date” field on the line notated “FL” with a “Registration Status” of “pending” as indicated on the CRD “Registrations with Current Employers” screen.

Rulemaking Specific Authority 517.03, 517.12(15) FS. Law Implemented 517.12(10), (11), (15) FS. History--New 8-29-83, Formerly 3E-600.091, Amended 8-1-91, 6-16-92, 4-30-96, 9-19-00, Formerly 3E-600.0091, Amended 5-15-07,\_\_\_\_\_.

69W-600.0092 Investment Adviser Registration Depository for Federal Covered Advisers.

(1) All federal covered advisers making, amending, or terminating a notice filing in this state shall file Form ADV, Part 1, or Form ADV-W and the assessment fee required by Section 517.1201(1) or (2), F.S., with the Investment Adviser Registration Depository (IARD) of the FINRA in accordance with Rule 69W-301.002(2), F.A.C NASD. When requested by the Office of Financial Regulation, Form ADV, Part 2, and all responses to requests by the Office of Financial Regulation for additional information shall be filed directly with the Office of Financial Regulation. Any notice filing made by a federal covered adviser with the Office of Financial Regulation through the IARD shall be deemed received by the Office of Financial Regulation upon receipt of the Form ADV and the filing fee. The filing fee shall be deemed received by the Office of Financial Regulation on the “payment date” reflected on the CRD “disbursement detail” report. Forms ADV and ADV-W are incorporated by reference in subsection 69W-301.002(7), F.A.C.

(2) All federal covered advisers who notice file in this state and who request initial registration, amendment, reaffiliation or termination of an associated person of such federal covered adviser shall file the Form U-4 or Form U-5, and the assessment fee required by Section 517.12(10) or (11), F.S. with the CRD of the FINRA in accordance with Rule 69W-301.002(2), F.A.C. NASD. However, responses to requests by the Office of Financial Regulation for additional information shall be filed directly with the Office of Financial Regulation. Forms U-4 and U-5 are incorporated by reference in subsection 69W-301.002(7), F.A.C.

Rulemaking Specific Authority 517.03, 517.12(6), (15), 517.1201 FS. Law Implemented 517.1201(1), (2), (15) FS. History—New 7-31-02, Formerly 3E-600.0092, Amended 3-16-06, 5-15-07, \_\_\_\_\_.

69W-600.0093 Investment Adviser Registration Depository for Investment Advisers.

(1) All investment advisers requesting initial registration, amendment, or termination of registration in this state shall file the Form ADV, Part 1 and 2, or ADV-W and the assessment fee required by Section 517.12(10) or (11), F.S., with the Investment Adviser Registration Depository (IARD) of the FINRA in accordance with Rule 69W-301.002(2), F.A.C. NASD. ~~Form ADV, Part 2, and a~~ All responses to requests by the Office of Financial Regulation for additional information shall be filed directly with the Office of Financial Regulation. ~~Investment advisers shall file Form ADV, Part 2 with the IARD at such time as the IARD develops the capability to process the form.~~ Applications for registration as an investment adviser filed with the Office of Financial Regulation through the IARD shall be deemed received by the Office of Financial Regulation upon receipt of the Form ADV and the filing fee. The filing fee shall be deemed received by the Office of Financial Regulation on the “payment date” reflected on the CRD “disbursement detail” report. Forms ADV and ADV-W are incorporated by reference in subsection 69W-301.002(7), F.A.C.

(2) All investment advisers registered in this state through the IARD requesting initial registration, amendment, or termination of a branch of such investment adviser shall file Form BR and the assessment fee required by Section 517.12(10) or (11), F.S., with the CRD of the FINRA in accordance with Rule 69W-301.002(2), F.A.C. NASD. However, all responses to requests by the Office of Financial Regulation for additional information shall be filed directly with the Office of Financial Regulation. Applications for registration as a branch office filed with the Office of Financial Regulation through the CRD shall be deemed received by the Office of Financial Regulation upon receipt of the Form BR and the application fee. The application fee shall be deemed received by the Office of Financial Regulation on the “payment date” reflected on the CRD “disbursement detail” report. Form BR is incorporated by reference in Rule subsection 69W-301.002(7), F.A.C.

(3) All investment advisers registered in this state through the IARD requesting initial registration, amendment, reaffiliation or termination of an associated person of such investment adviser may file Form U-4 or Form U-5 and the assessment fee required by Section 517.12(10) or (11), F.S., with the CRD of the FINRA ~~NASD~~ in accordance with Rule 69W-301.002(2), F.A.C. However, all responses to requests by the Office of Financial Regulation for additional information shall be filed directly with the Office of

Financial Regulation. Forms U-4 and U-5 are incorporated by reference in subsection 69W-301.002(7), F.A.C.

~~(4) All investment advisers currently registered with the Office of Financial Regulation shall transition their Florida registrations onto IARD of the NASD, and the Florida registrations of their associated persons onto the CRD of the NASD, by June 30, 2007. All investment advisers who transition onto IARD of the NASD shall file a complete Form ADV through the IARD of the NASD within 30 days after the transition date. All associated persons who transition onto the CRD of the NASD shall file a complete Form U-4 through the CRD of the NASD within 30 days after the transition date. Form U-4 and Form ADV are incorporated by reference in subsection 69W-301.002(7), F.A.C.~~

~~Rulemaking Specific Authority 517.03, 517.12(6), (15) FS. Law Implemented 517.12(10), (11), (15) FS. History--New 7-31-02, Formerly 3E-600.0093, Amended 3-16-06, 5-15-07, \_\_\_\_\_.~~

69W-600.010 Notice of Civil, Criminal or Administrative Action.

(1) through (2) No change.

(3) Any applicant or registrant in this state who is a member of the Financial Industry Regulatory Authority (FINRA) (formerly known as the National Association of Securities Dealers, Inc.) ("NASD") shall file such notifications with the Office of Financial Regulation through the Central Registration Depository ("CRD") of the FINRA NASD in accordance with Rule 69W-600.0091, F.A.C. However, responses to requests by the Office of Financial Regulation for additional information shall be filed directly with the Office of Financial Regulation.

(4) Any applicant or registrant in this state who is a federal covered adviser or investment adviser shall file such notifications with the Office of Financial Regulation through the Investment Adviser Registration Depository (IARD) of the FINRA in accordance with Rules 69W-600.0092 and 69W.600.0093, F.A.C. However, responses to requests by the Office of Financial Regulation for additional information shall be filed directly with the Office of Financial Regulation.

~~Rulemaking Specific Authority 517.03 FS. Law Implemented 517.12(6), (12), 517.161 FS. History--New 12-5-79, Amended 9-20-82, Formerly 3E-600.10, Amended 9-19-00, Formerly 3E-600.010, Amended \_\_\_\_\_.~~

69W-600.012 Rules of Conduct.

(1) Confirmation of Transactions: Every dealer registered in this state, including those defined as issuer/dealers under Rule 69W-200.001, F.A.C., shall give or send to the customer a written confirmation at or before completion of each transaction. Such confirmation shall set forth at least the following:

(a) through (c) No change.

(d) Compliance with SEC Rule 10b-10 (17 CFR § 240.10b-10 (2010)) and the confirmation, preparation and disclosure requirements of SEC Rule 17a-3 (17 CFR § 240.17a-3 (2010)) or MSRB Rules G-8 and G-15, as those rules existed on June 23, 2010 July 1, 2003, shall be deemed compliance with this rule.

(2) through (4) No change.

(5) It shall be ~~unlawful and~~ a violation of Section 517.301(1), F.S., for any dealer or associated person to engage in any “device, scheme, or artifice to defraud” which shall include selling or effecting the purchase of any security into, in, or from offices in this state in violation of:

(a) Sections 9, 10, 11A, 15(c) or 15(g) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78i, 78j, 78k-1, 78o(c) or 78o(g) (2006 & Supp. III));

(b) SEC Rules 9b-1 (17 CFR § 240.9b-1(2010));

(c) SEC Rules 10b-1 through 10b-21 (17 CFR §§ 240.10b-1 through 240.10b-21 (2010));

(d) SEC Rules 15c1-1 through 15c1-9 (17 CFR §§ 240.15c1-1 through 240.15c1-9 (2010));

(e) SEC Rules 15c2-1 through 15c2-12 (17 CFR §§ 240.15c2-1 through 240.15c2-12 (2010));

(f) SEC Rules 15g-1 through 15g-9 (17 CFR §§ 240.15g-1 through 240.15g-9 (2010));

(g) Regulation M (17 CFR 242.100 through 242.105 (2010)); or

(h) SEC Rule 601 (17 C.F.R. § 242.601 (2010)).

~~sections 9, 10, 11A or 15(e) of the Securities Exchange Act of 1934 or of SEC Rules 9b-1, 10b-1 et seq., 11Aa3-1, 15c1-1 et seq., or 15c2-1 et seq. (17 CFR 240.9b-1; 17 CFR 240.10b-1 et seq.; 17 CFR 240.11Aa3-1; 17 CFR 240.15c1-1 et seq.; or 17 CFR 240.15c2-1 et seq., respectively), as such provisions existed on July 1, 2003; or section 15(g) of the Securities Exchange Act of 1934 or of SEC Rules 15g-1, et seq. (17 CFR 240.15g-1 et seq.) as such provisions existed on July 1, 2003; or Regulation M (17 CFR 242.100-105) as such provisions existed on July 1, 2003.~~

(6) All federal statutes, federal regulations, and Municipal Securities Rulemaking Board (MSRB) rules referenced in this rule are incorporated by reference and may be obtained by mail from the Florida Office of Financial Regulation, Division of Securities, 200 E. Gaines Street, Tallahassee, Florida 32399. Copies of the United States Code are also available online through the U.S. House of Representatives, Office of the Law Revision Counsel: <http://uscode.house.gov/download/downloadPDF.shtml>. Copies of the Code of Federal Regulation are available online through the U.S. Government Printing Office via GPO Access: <http://www.gpoaccess.gov/cfr/index.html>.

Rulemaking Specific Authority 517.03(1) FS. Law Implemented 517.121, 517.301(1) FS. History—New 12-5-79, Amended 9-20-82, Formerly 3E-600.12, Amended 12-25-89, 10-14-90, 8-1-91, 6-16-92, 1-11-93, 4-11-94, 1-3-99, 8-19-99, 10-30-03, Formerly 3E-600.012, Amended \_\_\_\_\_.

69W-600.013 Prohibited Business Practices for Dealers and Their Associated Persons.

(1) The following are deemed demonstrations of unworthiness by a dealer under Section 517.161(1)(h), F.S., without limiting that term to the practices specified herein:

(a) Extending, arranging for, or participating in arranging for credit to a customer in violation of Regulation T, Credit by Brokers and Dealers, (12 C.F.R. §§ 220.1-220.132 (2010 ~~2006~~)), ~~which is incorporated by reference.~~

(b) Executing any transaction in a margin account without obtaining from its customer a written margin agreement prior to settlement date for the initial transaction in the account.

(c) Failing to segregate customers’ free securities or securities in safekeeping.

(d) Hypothecating a customer’s securities in violation of SEC Rule 8c-1, (17 C.F.R. § 240.8c-1 (2010 ~~2006~~)), ~~which is incorporated by reference.~~

(e) Failing to execute a customer’s order.

(f) Executing orders for the purchase by a customer of securities not registered under Section 517.081 or 517.082, F.S., unless the securities are exempted under Section 517.051, F.S., or the transaction is exempted under Section 517.061, F.S.

(g) Representing itself as a financial or investment planner, consultant, or advisers, when the representation does not fairly describe the nature of the services offered, the qualifications of the person offering the services, and the method of compensation for the services.

(h) With respect to any customer, transaction or business in this state, violating any of the following:

1. ~~Financial Industry Regulatory Authority (FINRA) Rules 2000 through 7740, National Association of Securities Dealers (NASD) Conduct Rules 2000 through 3370, Conduct Rules, Marketplace Rules, or the Uniform Practice Code of the NASD National Association of Securities Dealers (NASD), Rules 11100 through 11900, as such rules existed on June 23, 2010. The foregoing NASD regulations, along with the interpretive materials for those regulations, are published in the NASD manual dated March 2006, which is incorporated by reference.~~

2. ~~For members of the New York Stock Exchange, Rule 405, 412, or 435, or 445 of the New York Stock Exchange, as such rules and interpretative supplementary materials existed on June 23, 2010 May 31, 2006. The foregoing New York Stock Exchange rules, including the interpretative supplementary materials, are incorporated by reference.~~

3. ~~Section 2, 4, 5, or 6 of the Securities Act of 1933, (15 U.S.C.A. §§ 77b, 77c, 77d, 77e, or 77f (2006 & Supp. III Thomson/West 2006 (current through P.L. 109-229)), or SEC Rules 134, 134a, 135a, 144, 144A, 156, 419, 481, or 482, (17 C.F.R. §§ 230.134, 230.134a, 230.135a, 230.144, 230.144A, 230.156, 230.419, 230.481 or 230.482 (2010 2006)). The foregoing sections of the Securities Act of 1933 and rules of the SEC are incorporated by reference.~~

4. ~~Section 15(b)(4)(E) of the Securities Exchange Act of 1934, (15 U.S.C.A. § 78o(b)(4)(E) (2006 & Supp. III Thomson/West 2006 (current through P.L. 109-229)); Regulation SHO, Regulation of Short Sales, (17 C.F.R. §§ 242.200-242.203 (2010 2006)); or NASD Conduct Rule 3210, as it existed on June 23, 2010. The foregoing provisions of the Securities Exchange Act of 1934 and Regulation SHO, Regulation of Short Sales, are incorporated by reference. NASD Conduct Rule 3210, as it existed on July 3, 2006, is incorporated by reference.~~

5. ~~Section 15B of the Securities Exchange Act of 1934, (15 U.S.C.A. § 78o-4 (2006 & Supp. III Thomson/West 2006 (current through P.L. 109-229)), or the following rules of the Municipal Securities Rulemaking Board (MSRB), which have been promulgated under Section 15B: MSRB Definitional Rules D-1 to D-12, inclusive, and General Rules G-1 to G-41 G-34, inclusive, as those rules existed on June 23, 2010 May 31, 2006. Section 15B of the Securities Act of 1934 and the foregoing MSRB rules, including the MSRB interpretative letters and notices construing those rules, are incorporated by reference.~~

6. To the extent that any of the rules described in subparagraphs 1. through 5. of this section or their interpretation by the FINRA, NASD, NYSE, MSRB, or SEC, as appropriate, conflict or are inconsistent with other provisions of the Florida Securities and Investor Protection Act or rules promulgated pursuant thereto, this paragraph of this rule shall not be deemed controlling.

(i) through (l) No change

(m) Selling or offering for sale any security in a transaction exempt from registration pursuant to Section 517.061(17)(a)1., F.S., where the issuer of such securities has not filed with the SEC within the specified period of time all reports required by Sections 13 or 15D of the Securities Exchange Act of 1934, (15 A. §§ 78m, 78o-6 (2006 & Supp. III Thomson/West 2006 (current through P.L. 109-229)). The foregoing sections of the Securities Exchange Act of 1934 are incorporated by reference.

(n) and (o) No change

(2) The following are deemed demonstrations of unworthiness by an associated person of a dealer under Section 517.161(1)(h), F.S., without limiting that term to the practices specified herein:

(a) Borrowing money or securities from a customer, except when persons are in compliance with FINRA NASD Conduct Rule 32402370(a)(1), (a)(2)(A)-(C) only, and FINRA NASD Conduct Rule 32402370(b)-(c), as these rules existed on June 23, 2010 which are incorporated by reference in subparagraph (1)(h)1.;

(b) Acting as a custodian for money, securities or an executed stock power of a customer;

(c) Effecting transactions in securities, or investments as defined by Section 517.301(2), F.S., not recorded on the regular books or records of the dealer, which the associated person represents, unless the transactions are disclosed to, and authorized in writing by, the dealer prior to execution of the transactions;

(d) Operating an account under a fictitious name, unless disclosed to the dealer, which the associated person represents;

(e) Sharing directly or indirectly in profits or losses in the account of any customer without the written authorization of the customer and the dealer, which the associated person represents;

(g) Failing to furnish to each offeree of a Small Corporate Offering Registration (SCOR) a copy of the "Florida Guide to Small Business Investments", OFR-S-13-97, ~~revised May 1, 2004~~, which is incorporated by reference in Rule 69W-301.002(7), F.A.C.; and (f) Dividing or otherwise splitting commissions, profits or other compensation in connection with the purchase or sale of securities in this state with any person not also licensed as an associated person for the same dealer, or for a dealer under direct or in indirect common control;

(h) Engaging in any of the practices specified in paragraph (1)(a), (b), (e), (f), (g), (h), (i), (k), (l), (m), (n) or (o).

(3) The federal statutes, federal regulations, Financial Industry Regulatory Authority (FINRA) rules, National Association of Securities Dealers (NASD) rules, New York Stock Exchange rules, and Municipal Securities Rulemaking Board (MSRB) rules referenced in this rule are hereby incorporated by reference and All materials incorporated by reference in this rule may be obtained by mail from the Office of Financial Regulation, Bureau of Securities Regulation, 200 E. Gaines Street, Tallahassee, Florida 32399-0374. Copies of the United States Code are also available through the U.S. House of Representatives, Office of the Law Revision Counsel: <http://uscode.house.gov/download/downloadPDF.shtml>. Copies of the Code of Federal Regulation are available online through the U.S. Government Printing Office via GPO Access: <http://www.gpoaccess.gov/cfr/index.html>.

Rulemaking Specific Authority 517.03(1), 517.1217 FS. Law Implemented 517.081, 517.1217, 517.161(1) FS. History—New 12-5-79, Amended 9-20-82, Formerly 3E-600.13, Amended 8-1-91, 6-16-92, 1-11-93, 11-7-93, 5-5-94, 9-9-96, 10-20-97, 1-25-00, 10-30-03, Formerly 3E-600.013, Amended 10-23-06, 1-18-09, \_\_\_\_\_.

69W-600.0131 Prohibited Business Practices for Investment Advisers and Their Associated Persons.

(1) The following are deemed demonstrations of unworthiness by an investment adviser or an associated person of an investment adviser under Section 517.161(1)(h), F.S., without limiting that term to the practices specified herein:

(a) With respect to any customer, transaction or business in, to or from this state, engaging in any conduct prohibited by, or failing to comply with the requirements of, the following:

Sections 204, 204A, 205, 206, 207, 208 of the Investment Advisers Act of 1940, (15 U.S.C.A. §§ 80b-4, 80b-4a, 80b-5, 80b-6, 80b-7, 80b-8 (2006 & Supp. III Thomson/West 2006 (current through P.L. 109-237))), or SEC Rules 204-3, 205-1, 205-2, 205-3, 206(3)-1, 206(3)-2, 206(4)-1, 206(4)-3, and 206(4)-4, (17 C.F.R. §§ 275.204-3, 275.205-1, 275.205-2, 275.205-3, 275.206(3)-1, 275.206(3)-2, 275.206(4)-1, 275.206(4)-3, and 275.206(4)-4 (2010 2006)), promulgated under the Investment Advisers Act of 1940. The foregoing provisions of the Investment Advisers Act of 1940 and rules of the SEC are incorporated by reference.

(b) through (q) No change.

(r) Entering into, extending or renewing any investment advisory contract contrary to the provisions of Section 205 of the Investment Advisers Act of 1940, 15 U.S.C.A. § 80b-5 (2006 & Supp. III (Thomson/West 2006 (current through P.L. 109-237))), which is incorporated by reference in paragraph (a) of this subsection. This provision shall apply to all advisers and investment adviser representatives registered or required to be registered under this Act, notwithstanding whether such adviser or representative would be exempt from federal registration pursuant to Section 203(b) of the Investment Advisers Act of 1940, (15 U.S.C.A. § 80b-3(b) (2006 & Supp. III Thomson/West 2006 (current through P.L. 109-237))), which is incorporated by reference;

(s) Including, in an advisory contract, any condition, stipulation, or provisions binding any person to waive compliance with any provision of Chapter 517, F.S., or with any provision of, or with any rule, regulation, or order issued under, the Investment Advisers Act of 1940 (15 U.S.C. § 80b-1 through 80b-21 (2006 & Supp. III)), which is incorporated by reference;

(t) Taking any action, directly or indirectly, with respect to those securities or funds in which any client has any beneficial interest, where the investment adviser has custody or possession of such securities or funds when the adviser's action is subject to and does not comply with the requirements of Rule 69W-600.0132, F.A.C.

(u) No change.

(2) The federal statutory and regulatory provisions referenced herein shall apply to investment advisers, investment adviser representatives and federal covered advisers, to the extent permitted by the National Securities Markets Improvement Act of 1996 (Pub. L. 110-290).

(3) The federal statutes and federal regulations referenced in this rule are hereby incorporated by reference and All materials incorporated by reference in this rule may be obtained by mail from the Office of Financial Regulation, Bureau of Securities Regulation, 200 E. Gaines Street, Tallahassee, Florida 32399-0374. Copies of the United States Code are also available online through the U.S. House of Representatives, Office of the Law Revision Counsel:

<http://uscode.house.gov/download/downloadPDF.shtml>. Copies of the Code of Federal Regulation are available online through the U.S. Government Printing Office via GPO Access:

<http://www.gpoaccess.gov/cfr/index.html>.

Rulemaking Specific Authority 517.03(1), 517.1215 FS. Law Implemented 517.12(4), 517.1215, 517.161(1), FS. History—New 1-25-00, Amended 10-30-03, Formerly 3E-600.0131, Amended 10-23-06, 1-18-09,\_\_\_\_\_.

69W-600.0132 Custody Requirements for Investment Advisers.

(1) Definitions. For purposes of this section:

(a) through (b) No change.

(c) “Qualified custodian” means the following independent institutions or entities that are not affiliated with the adviser by any direct or indirect common control and have not had a material business relationship with the adviser in the previous two years:

1. through 2. No change.

3. A registered futures commission merchant registered under Section 4f(a) of the Commodity Exchange Act (7 U.S.C. § 6f (2006 & Supp. III)), holding the client assets in customer accounts, but only with respect to clients’ funds and security futures, or other securities incidental to transactions in contracts for the purchase or sale of a commodity for future delivery and options thereon; and

4. No change.

(2) Safekeeping required. If the investment adviser is registered or required to be registered, it is unlawful and deemed to be a fraudulent, deceptive, or manipulative act, practice or course of business for the investment adviser to have custody of client funds or securities unless:

(a) through (e) No change.

(f) Direct Fee Deduction. An adviser who has custody as defined in sub-subparagraph (1)(a)1.b. of this rule by having fees directly deducted from client accounts must also provide the following safeguards:

1. through 4. No change

5. Waiver of Audited Financial Statements. An investment adviser having custody solely because it meets the definition of custody as defined in sub-subparagraph (1)(a)1.b. of this rule and who complies with the safekeeping requirements in paragraphs (2)(a)-(f) of this rule may file unaudited financial statements and must comply with the requirements as set forth in paragraph 69W-300.002(4)(c), F.A.C.

(g) through (h) No change.

(3) Exceptions.

(a) Shares of mutual funds. With respect to shares of an “open-end company” as defined in Section 5(a)(1) of the Investment Company Act of 1940, (15 U.S.C. § 80a-5(a)(1) (2006 & Supp. III)), (“mutual

fund”), the investment adviser may use the mutual fund’s transfer agent in lieu of a qualified custodian for purposes of complying with subsection (2) of this rule;

(b) through (c) No change.

(d) Registered investment companies. The investment adviser is not required to comply with this rule with respect to the account of an investment company registered under the Investment Company Act of 1940 (15 U.S.C. § 80a-1 through 80a-64 (2006 & Supp. III)) [~~15 U.S.C. 80a-1 to 80a-64~~].

(e) through (f) No change.

(4) ~~The federal statutes referenced in this rule are hereby incorporated by reference and All materials incorporated by reference in this rule~~ may be obtained by mail from the Office of Financial Regulation, Bureau of Securities Regulation, 200 E. Gaines Street, Tallahassee, Florida 32399-0374. Copies of the United States Code are also available online through the U.S. House of Representatives, Office of the Law Revision Counsel: <http://uscode.house.gov/download/downloadPDF.shtml>. Rulemaking Specific Authority 517.03(1), 517.1215 FS. Law Implemented 517.1215 FS. History--New 10-23-06, Amended \_\_\_\_\_.

#### 69W-600.014 Books and Records Requirements.

Except as otherwise provided herein, every dealer, investment adviser, branch office, and associated person conducting business in this state shall prepare and maintain on a current basis, and preserve for the periods of time specified, such records, prescribed herein, as are appropriate for said dealer’s, investment adviser’s, branch office’s, or associated person’s course of business, and are sufficient to provide an audit trail of all business transactions by said dealer, investment adviser, associated person, or branch office. Associated persons who conduct business from a registered branch office in this state shall be exempt from the provisions of this rule.

(1) All dealers are required to prepare and maintain appropriate books and records relating to their business as described in either SEC Rules 17a-3 or 17a-4, (17 C.F.R. §§ 240.17a-3, 240.17a-4 (2010 2006)), or MSRB Rules G-7, G-8 and G-9, as such rules existed on June 23, 2010; and records evidencing compliance with NASD Conduct rule 3000, as such rule existed on June 23, 2010. ~~SEC Rules 17a-3 and 17a-4 are incorporated by reference.~~ MSRB Rules G-7, G-8, and G-9 are incorporated by reference in subparagraph 69W-600.013(1)(h)5., F.A.C. NASD Conduct Rule 3000 is incorporated by reference in subparagraph 69W-600.013(1)(h)1., F.A.C.

(2) All issuer/dealers are required to maintain at least the following records:

(a) and (b) No change

(c) A record of all sales of securities made by, or on behalf of, the issuer as described in and in compliance with SEC Rule 17a-3(a)(1), (17 C.F.R. § 17a-3(a)(1) (2010 2006)), ~~which is incorporated by reference in subsection (1)~~;

(d) and (e) No change

(3) All investment advisers, notwithstanding the fact that the investment adviser is not registered or required to be registered under the Investment Advisers Act of 1940, shall prepare and maintain true, accurate and current records relating to their business as described in SEC Rule 204-2, (17 C.F.R. §

275.204-2 (2010 2006)), ~~which is incorporated by reference~~; and have available for the Office of ~~Financial~~ financial Regulation at least the following records;

(a) through (c) No change

(d) A file containing a copy of each record required by SEC Rule 204-2(11), (17 C.F.R. § 275.204-2(11) (2010 2006)), ~~which is incorporated by reference in this subsection~~, including any communication by electronic media that the investment adviser circulates or distributes, directly or indirectly, to two or more persons, other than persons connected with the investment adviser.

(e) A copy of each written statement and each amendment or revision given or sent to any client or prospective client of the investment adviser in accordance with the provisions of SEC Rule 204-3, (17 C.F.R. § 275.204-3 (2010 2006)), which is incorporated by reference in paragraph 69W-600.0131(1)(a), F.A.C., and a record of the dates that each written statement, and each amendment or revision was given or offered to be given to any client or prospective client who subsequently becomes a client.

(f) For each client that was obtained by the adviser by means of a solicitor to whom a cash fee was paid by the adviser, records required by SEC Rule 206(4)-3, (17 C.F.R. § 275.206(4)-3 (2010 2006)), which is incorporated by reference in paragraph 69W-600.0131(1)(a), F.A.C.

(g) All records required by SEC Rule 204-2(16), (17 C.F.R. § 275.204-2(16) (2010 2006)), ~~which is incorporated by reference in this subsection~~.

(h) through (k) No change

(4) Notwithstanding other record preservation requirements of this rule, the following records or copies shall be required to be maintained in the business location of the investment adviser from which the customer or client is being provided or has been provided with investment advisory services:

(a) Records required to be preserved under paragraphs (a)(3), (a)(7)-(11), (a)(14)-(15), (b) and (c) inclusive, of SEC Rule 204-2 of the Investment Advisers Act of 1940, (17 C.F.R. § 275.204-2 (2010 2006)), which is incorporated by reference in subsection (3); and

(b) Records or copies required under the provision of paragraphs (a)(11) and (a)(16) of SEC Rule 204-2 of the Investment Advisers Act of 1940 (17 C.F.R. § 275.204-2 (2010)), which records or related records identify the name of the investment adviser representative providing investment advice from that business location, or which identify the business location's physical address, mailing address, electronic mailing address, or telephone number. ~~SEC Rule 204-2, 17 C.F.R. § 275.204-2 (2006), is incorporated by reference in subsection (3).~~

(5) and (6) No change

(7) All books and records described in this rule shall be preserved in accordance with the following:

(a) Those records required under subsection (1) of this rule shall be preserved for such periods of time as specified in either SEC Rule 17a-4, (17 C.F.R. § 240.17a-4 (2010 2006)), ~~which is incorporated by reference in subsection (1)~~, or MSRB Rule G-9, as such rule existed on June 23, 2010, which is incorporated by reference in paragraph 69W-600.0131(1)(h), F.A.C.

(b) through (d) No change

(e) Each investment adviser registered or required to be registered in this state and which has a business location in this state shall maintain at such business location:

1. The records or copies required under the provisions of paragraphs (a)(3), (a)(7)-(10), (a)(14)-(15), (b), and (c) of SEC Rule 204-2, (17 C.F.R. § 275.204-2 (2010 2006)), ~~which is incorporated by reference in subsection (3); and~~

2. The records or copies required under the provisions of paragraphs (3)(a)-(k)(~~l~~) above related to customers or clients for whom the investment adviser representative provides or has provided investment advisory services; and

3. The records or copies required under the provisions of paragraphs (a)(11) and (a)(16) of SEC Rule 204-2, (17 C.F.R. § 275.204-2 (2010 2006)), which records or related records identify the name of the investment adviser representative or which identify the business location's physical address, mailing address, electronic mailing address, or telephone number. The records will be maintained for the period described in subsections (d) and (e) of SEC Rule 204-2, (17 C.F.R. § 275.204-2 (2010 2006)). The investment adviser shall be responsible for ensuring compliance with the provision of this subsection. SEC Rule 204-2, (17 C.F.R. § 275-204-2 (2010 2006)), ~~is incorporated by reference in subsection (3).~~ (8) The federal regulations, federal statutes, and Municipal Securities Rulemaking Board (MSRB) rules referenced in this rule are hereby incorporated by reference and All materials incorporated by reference in this rule may be obtained by mail from the Office of Financial Regulation, Bureau of Securities Regulation, 200 E. Gaines Street, Tallahassee, Florida 32399-0374. Copies of the United States Code are also available online through the U.S. House of Representatives, Office of the Law Revision Counsel: <http://uscode.house.gov/download/downloadPDF.shtml>. Copies of the Code of Federal Regulation are available online through the U.S. Government Printing Office via GPO Access: <http://www.gpoaccess.gov/cfr/index.html>. Rulemaking Specific Authority 517.03(1), 517.121(1), 517.1215 FS. Law Implemented 517.121(1), 517.1215 FS. History—New 12-5-79, Amended 9-20-82, Formerly 3E-600.14, Amended 10-14-90, 8-1-91, 6-16-92, 1-11-93, 9-9-96, 6-22-98, 1-25-00, 10-30-03, Formerly 3E-600.014, Amended 10-23-06, 5-15-07,\_\_\_\_\_.

69W-600.015 Financial Reporting Requirements – Statement of Financial Condition – Dealers and Investment Advisers.

(1) No change.

(2) Every dealer registered pursuant to Section 517.12, F.S., and rules thereunder shall file annually with the Office of Financial Regulation, within ninety (90) days after the conclusion of said registrant's fiscal year, audited financial statements as prepared by an independent outside auditor, unless exempted under Rule 69W-300.002, F.A.C.

(a) and (b) No change

(c) In lieu of the provisions of paragraph (b) above, the Office of Financial Regulation will accept those statements prepared and filed by a dealer in accordance with the provisions of SEC Rule 17a-5 (17 C.F.R. CFR § 240.17a-5 (2010)) and SEC Rule 17a-10 (17 C.F.R. CFR § 240.17a-10 (2010)), ~~as such rules existed on July 1, 2003.~~

(3) and (4) No change

(5) The federal regulations referenced in this rule are hereby incorporated by reference and may be obtained by mail from the Florida Office of Financial Regulation, Division of Securities, 200 E. Gaines Street, Tallahassee, Florida 32399. Copies of the Code of Federal Regulation are also available online through the U.S. Government Printing Office via GPO Access: <http://www.gpoaccess.gov/cfr/index.html>. Rulemaking Specific Authority 517.03(1), 517.12(9), 517.121(2) FS. Law Implemented 517.12(9), 517.121(2) FS. History—New 12-5-79, Amended 9-20-82, Formerly 3E-600.15, Amended 6-16-92, 10-30-03, 4-8-04, Formerly 3E-600.015, Amended \_\_\_\_\_.

69W-600.016 Net Capital Requirements for Dealers and Investment Advisers.

(1) No change

(2) All dealer applicants and registrants shall meet and at all times maintain the net capital and ratio requirements as prescribed by SEC Rule 15c3-1 including any appendices thereto (17 C.F.R. § 240.15c3-1, 240.15c3-1a, 240.15c3-1b, 240.15c3-1c and 240.15c3-1d (2010)), computed in accordance with said rule, ~~as such rule existed on January 1, 1993.~~

(a) All reporting requirements as specified in (17 C.F.R. § 240.17a-11 (2010)), ~~as such rule existed on January 1, 1993,~~ when such regulation is referred in SEC Rule 15c3-1 shall be applicable with the exception that such reports and notifications required by said rule shall be forwarded to the Office of Financial Regulation as well as the other regulatory agencies specified, if applicable.

(b) All references to (17 C.F.R. § 240.17a-3 (2010)) and (17 C.F.R. § 240.17a-4 (2010)), ~~as such provisions existed on January 1, 1993,~~ in the foregoing and subsequent provisions of Office of Financial Regulation or SEC Rules as adopted by the Office of Financial Regulation, shall be read as to mean Office of Financial Regulation, Rule 69W-600.014, F.A.C.

(3) Issuer/dealer or investment adviser applicants or registrants shall meet the net capital requirements of this section:

(a) Investment advisers who have custody of client funds or securities or who receive payment of advisory fees six months or more in advance and in excess of \$500 per client shall maintain net capital in the amount of \$25,000 calculated as prescribed by SEC Rule 15c3-1 (17 C.F.R. ~~CFR~~ § 240.15c3-1 (2010)), including any ratio requirements and appendices thereto, ~~as such provisions existed on January 1, 1993.~~

(b) Investment advisers who do not have custody of client funds or securities or who do not receive payment for advisory services six months or more in advance and in excess of \$500 per client shall maintain net capital: (1) in the amount of \$5,000 calculated as prescribed by SEC Rule 15c3-1 (17 C.F.R. ~~CFR~~ § 240.15c3-1 (2010)), including any ratio requirements and appendices thereto, ~~as such provisions existed on January 1, 1993;~~ or (2) of at least \$2,500. For purposes of option (2) of this subsection, net capital shall be defined as assets minus liabilities in accordance with United States Generally Accepted Accounting Principles as adopted by the American Institute of Certified Public Accountants, ~~as such provisions existed on June 1, 1992.~~

(c) Investment advisers who compute net capital in accordance with SEC Rule 15c3-1, ~~as such rule existed on January 1, 1993,~~ may exclude liabilities which are subordinated to the claims of creditors pursuant to a subordination agreement, provided such agreement complies with all terms and conditions

specified in Appendix D to SEC Rule 15c3-1 (17 C.F.R. ~~CFR~~ § 240.15c3-1 and 240.15c3-1d (2010)), as such provision existed on January 1, 1993, except for the requirement that such agreement be filed with and approved by the Securities and Exchange Commission. Those investment advisers who have subordination agreements in effect prior to the effective date of this subsection shall not be required to comply with the conditions specified in Appendix D to SEC Rule 15c3-1. Should the investment adviser renegotiate or enter into a new subordination agreement, the agreement must comply with the provisions of Appendix D of SEC Rule 15c3-1.

(d) An issuer/dealer shall maintain net capital, defined as assets minus liabilities and computed in accordance with United States Generally Accepted Accounting Principles as adopted by the American Institute of Certified Public Accountants, as such provisions existed on June 1, 1992, of at least \$5,000, unless required elsewhere by these rules to maintain a greater minimum net capital.

(4) and (5) No change

(6) The federal regulations referenced in this rule are hereby incorporated by reference and may be obtained by mail from the Florida Office of Financial Regulation, Division of Securities, 200 E. Gaines Street, Tallahassee, Florida 32399. Copies of the Code of Federal Regulation are also available online through the U.S. Government Printing Office via GPO Access: <http://www.gpoaccess.gov/cfr/index.html>. Rulemaking Specific Authority 517.03(1) FS. Law Implemented 517.12(9), (16) FS. History—New 12-5-79, Amended 9-20-82, Formerly 3E-600.16, Amended 10-15-86, 8-1-91, 6-29-93, 11-22-93, Formerly 3E-600.016, Amended \_\_\_\_\_.

69W-600.017 Customer Protection Rule – Reserve Requirements and Custody of Customer Funds and Securities.

All Dealer applicants and registrants subject to the net capital provisions of subsection 69W-600.016(2), F.A.C., shall be required to prepare and maintain such records and accounts as specified in, and to comply in all other respects with, the provisions of SEC Rule 15c3-3 (17 C.F.R. ~~CFR~~ § 240.15c3-3 (2010)), which is hereby incorporated by reference and may be obtained by mail from the Florida Office of Financial Regulation, Division of Securities, 200 E. Gaines Street, Tallahassee, Florida 32399 as such provisions existed on February 28, 1992. Copies of the Code of Federal Regulation are also available online through the U.S. Government Printing Office via GPO Access: <http://www.gpoaccess.gov/cfr/index.html>. Rulemaking Specific Authority 517.03(1), 517.12(9), 517.121(2) FS. Law Implemented 517.12(9), 517.121(2) FS. History—New 12-5-79, Formerly 3E-600.17, Amended 6-16-92, Formerly 3E-600.017, Amended \_\_\_\_\_.

69W-600.020 Continuing Education Requirements.

(1) Failure to comply with any of the applicable continuing education requirements set forth in any one of the following shall be deemed a demonstration of unworthiness by a dealer or associated person under Section 517.161(1)(h), F.S.:

~~(a)(4)~~ NASD Membership and Registration Rule 1120 of the Financial Industry Regulatory Authority National Association of Securities Dealers, as such provisions existed on June 23, 2010 July 1, 2003;

~~(b)(2)~~ Rule ~~345A~~ 345-A of the New York Stock Exchange, as such provisions existed on June 23, 2010 July 1, 2003;

~~(c)(3)~~ Rule G-3(h) of the Municipal Securities Rulemaking Board, as such provisions existed on June 23, 2010 July 1, 2003;

~~(d)(4)~~ Rule ~~341A~~ 341-A of the American Stock Exchange, as such provisions existed on June 23, 2010 July 1, 2003;

~~(5)~~ Rule ~~9.3A~~ of the Chicago Board of Options Exchange, as such provisions existed on July 1, 2003;

~~(e)(6)~~ Article VI, Rule ~~11~~ 9 of the Chicago Stock Exchange, as such provisions existed on June 23, 2010 July 1, 2003;

~~(7)~~ Rule ~~9.27(c)~~ of the Pacific Stock Exchange, as such provisions existed on July 1, 2003; or

~~(8)~~ Rule ~~640~~ of the Philadelphia Stock Exchange, as such provisions existed on July 1, 2003.

(2) The rules of the NASD, New York Stock Exchange, Municipal Securities Rulemaking Board, American Stock Exchange and Chicago Stock Exchange referenced in this rule are hereby incorporated by reference and may be obtained by mail from Florida Office of Financial Regulation, Division of Securities, 200 E. Gaines Street, Tallahassee, Florida 32399.

Rulemaking Specific Authority 517.03(1) FS. Law Implemented 517.12(18), 517.161(1) FS. History—New 12-21-95, Amended 8-19-99, 10-30-03, Formerly 3E-600.020, Amended \_\_\_\_\_.

NAME OF PERSON ORIGINATING PROPOSED RULE: Bill Reilly, Chief, Bureau of Securities Regulation, Division of Securities, Office of Financial Regulation, 200 East Gaines Street, Tallahassee, FL 32399, phone (850)410-9805, E-mail: Bill.Reilly@flofr.com

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: Financial Services Commission

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: July 29, 2010

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: December 24, 2009

Notice of Proposed Rule

**DEPARTMENT OF FINANCIAL SERVICES**

**Securities**

Rule No.: RULE TITLE

69W-700.002: Filing of Prospectus

69W-700.015: Offering Price of Equity Securities

69W-700.028: Small Corporate Offering Registration ("SCOR" Offering)

PURPOSE AND EFFECT: The rules are amended to reflect the latest versions of federal regulations, federal statutes, and forms referenced in the rules. The rules are also clarified to reflect the appropriate forms that must be filed in connection with small corporate offering registrations.

SUMMARY: The rules are amended to reflect the latest versions of federal regulations, federal statutes, and forms referenced in the rules. The rules are also clarified to reflect the appropriate forms that must be filed in connection with small corporate offering registrations.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS: No Statement of Estimated Regulatory was prepared. The Office has determined that the proposed amendments will not have an adverse impact on small businesses.

Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 517.03(1), 517.061(19) FS.

LAW IMPLEMENTED: 517.081(3), 517.081(7) FS.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN FAW.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Pam Epting, Chief, Bureau of Regulatory, Review, Division of Securities, Office of Financial Regulation, The Fletcher Building, 200 East Gaines Street, Tallahassee, Florida 32399-0375, (850)410-9500, [pam.epting@flofr.com](mailto:pam.epting@flofr.com)

THE FULL TEXT OF THE PROPOSED RULE IS:

69W-700.002 Filing of Prospectus.

(1) No change.

(2) Any prospectus which depicts the United States Securities and Exchange Commission's statement pursuant to a registration statement filed under the Securities Act of 1933 or a letter of notification under Regulation A of the Securities Act of 1933 (17 C.F.R. §§ 230.251 through 230.263 (2010)) will be considered to be in substantial compliance with the requirement of subsection (1) above. The federal regulations referenced in this rule are hereby incorporated by reference and may be obtained by mail from the Florida Office of Financial Regulation, Division of Securities, 200 E. Gaines Street, Tallahassee,

Florida 32399. Copies of the Code of Federal Regulation are also available online through the U.S. Government Printing Office via GPO Access: <http://www.gpoaccess.gov/cfr/index.html>.

Rulemaking Specific Authority 517.03(1) FS. Law Implemented 517.081(3) FS. History--(Formerly 3E-20.01) New 9-20-82, Formerly 3E-700.02, Amended 10-26-97, Formerly 3E-700.002, Amended \_\_\_\_\_.

69W-700.015 Offering Price of Equity Securities.

(1) The offering price of securities that an issuer is seeking to register shall not exceed:

(a) The established market price, for the securities of the same class as that proposed to be offered; or

(b) A proposed price that reflects a price earnings ratio of securities of similar issuers in the same industry; and further provided that the issuer has a consistent record of earnings for the preceding three (3) fiscal years; or

(c) The proposed offering price established by an underwriter under a firm underwriting commitment, if the underwriter is registered under the Securities Exchange Act of 1934 (15 U.S.C. §§ 78a through 78oo (2006 & Supp. III)) and has the financial ability to perform its commitment in light of its net capital position. The federal statutes referenced in this rule are hereby incorporated by reference and may be obtained by mail from the Florida Office of Financial Regulation, Division of Securities, 200 E. Gaines Street, Tallahassee, Florida 32399. . Copies of the United States Code are also available online through the U.S. House of Representatives, Office of the Law Revision Counsel: <http://uscode.house.gov/download/downloadPDF.shtml>.

(2) through (3) No change.

(4) As a condition to registration, the Office of Financial Regulation shall require an escrow of all promotional securities issued where the Office of Financial Regulation determines that the promoters are unfairly benefiting at the expense of the public shareholders. The escrow agreement shall comply with Section 517.181, F.S., on Form OFR-S-14-97, SCOR (Small Corporate Offering Registration) Application to Register Securities, which is incorporated by reference in Rule 69W-301.002(7), F.A.C., and shall include but not be limited to the following:

(a) through (d) No change.

Rulemaking Specific Authority 517.03(1) FS. Law Implemented 517.081(3), (7) FS. History--(Formerly 3E-20.15) New 9-20-82, Formerly 3E-700.15, Amended 11-30-97, Formerly 3E-700.015, Amended \_\_\_\_\_.

69W-700.028 Small Corporate Offering Registration ("SCOR" Offering).

(1) For the purpose of compliance with the registration provisions of Section 517.081(3)(g)2., the issuer shall file an application on Form OFR-S-12-97, SCOR (Small Corporate Offering Registration) Application to Register Securities, which is incorporated by reference in Rule 69W-301.002(7), F.A.C. The application shall include:

(a) Three (3) copies of Form U-7, Small Corporate Offering Registration Form, which is incorporated by reference in Rule 69W-301.002(7), F.A.C.;

(b) An irrevocable written Uniform Consent to Service of Process, Form U-2 or Form OFR-S-5-91, and Uniform Corporate Resolution, Form U-2A or Form OFR-S-6-91, which are incorporated by reference in Rule 69W-301.002(7), F.A.C., as described in Section 517.101, F.S. It shall be the choice of the applicant to file either the Form U-2 or the Form OFR-S-5-91, either of which are acceptable to the office. It shall also be the choice of the applicant to file either the Form U-2A or Form OFR-S-6-91;

(c) Payment of the statutory fee as required in Section 517.081, F.S.;

(d) Exhibits, where applicable, as prescribed in Part II to Form OFR-S-12-97, SCOR (Small Corporate Offering Registration) Application to Register Securities, which is incorporated by reference in Rule 69W-301.002(7), F.A.C.

(2) through (3) No change.

Rulemaking Specific Authority 517.03(1) FS. Law Implemented 517.081(3), (7) FS. History—New 11-30-97, Formerly 3E-700.028, Amended\_\_\_\_\_.

NAME OF PERSON ORIGINATING PROPOSED RULE: Pam Epting, Chief, Bureau of Regulatory, Review, Division of Securities, Office of Financial Regulation, The Fletcher Building, 200 East Gaines Street, Tallahassee, Florida 32399-0375, (850)410-9500, pam.epting@flofr.com

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: Financial Services Commission

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: July 29, 2010

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: December 24, 2009

Notice of Proposed Rule

**DEPARTMENT OF FINANCIAL SERVICES**

**Securities**

Rule No.: RULE TITLE

69W-800.001: Filing - Notification Registration Including Shelf Filings

69W-800.003: Effective Registration

69W-800.004: Circulation of Preliminary Prospectus

PURPOSE AND EFFECT: Rule 69W-800.001, F.A.C., is amended to reflect the latest versions of federal regulations referenced in the rule, clarify the appropriate forms that must be filed for notification registrations and shelf filings, and reference the latest versions of forms. Rule 69W-800.003, F.A.C., is amended to clarify the registration process. The proposed amendments to Rule 69W-800.003 reference Rule 69W-300.002, which is being amended to require the electronic filing of registration documents and fees through the Office's Regulatory Enforcement and Licensing System. Rule 69W-800.004, F.A.C., is amended to reflect the latest version of the Notification Registration form.

SUMMARY: : Rule 69W-800.001, F.A.C., is amended to reflect the latest versions of federal regulations referenced in the rule, clarify the appropriate forms that must be filed for notification registrations and shelf filings, and reference the latest versions of forms. Rule 69W-800.003, F.A.C., is amended to clarify the registration process. The proposed amendments to Rule 69W-800.003 reference Rule 69W-300.002, which is being amended to require the electronic filing of registration documents and fees through the Office's Regulatory Enforcement and Licensing System. Rule 69W-800.004, F.A.C., is amended to reflect the latest version of the Notification Registration form.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS: No Statement of Estimated Regulatory Cost was prepared. The Office has determined that the proposed amendments will not have an adverse impact on small businesses.

Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 517.03(1) FS.

LAW IMPLEMENTED: 517.082 FS.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN FAW.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Pam Epting, Chief, Bureau of Regulatory Review, Division of Securities, Office of Financial Regulation, The Fletcher Building, 200 East Gaines Street, Tallahassee, Florida 32399-0375, (850)410-9500, [pam.epting@flofr.com](mailto:pam.epting@flofr.com)

THE FULL TEXT OF THE PROPOSED RULE IS:

69W-800.001 Filing – Notification Registration Including Shelf Filings.

(1) An application for Notification Registration or a shelf filing not in conflict with the provisions of Section 517.082(3), Florida Statutes, shall be filed on OFR FORM-S-3-91, Notification Registration (~~Revised 1-91~~), and Form U-1, Uniform Application to Register Securities (~~Effective 10/97~~), which are hereby incorporated by reference in Rule 69W-301.002(7), F.A.C. The application shall include:

(a) One (1) copy of the initial registration statement as filed with the United States Securities and Exchange Commission unless effective upon filing with the Office of Financial Regulation;

(b) An irrevocable written Uniform Consent to Service of Process, Form U-2 or Form OFR-S-5-91 and Uniform Corporate Resolution, Form U-2A or Form OFR-S-6-91, which are incorporated by reference in Rule 69W-301.002(7), F.A.C., as described in Section 517.101, Florida Statutes. It shall be the choice of the applicant to file either the Form U-2 or the Form OFR-S-5-91, either of which are acceptable to the office. It shall also be the choice of the applicant to file either the Form U-2A or Form OFR-S-6-91;

(c) Payment of the statutory fee as required in Section 517.082, Florida Statutes;

(d) One (1) copy of the final pricing amendment/final prospectus as per the effective registration date with the Securities and Exchange Commission, except for Shelf Registration offerings to be made on a delayed or continuous basis pursuant to SEC Rule 415 (17 C.F.R. § 230.415 (2010)), which is incorporated by reference and may be obtained by mail from the Florida Office of Financial Regulation, Division of Securities, 200 E. Gaines Street, Tallahassee, Florida 32399; and

(e) No Change

(2) through (6) No change

~~(7) The forms adopted by the Office of Financial Regulation for registration under this section are as follows:~~

~~(a) OFR FORM S 3-91, Notification Registration (Revised 1-91).~~

~~(b) Form U-1, Uniform Application to Register Securities (effective 10/97).~~

~~(c) Form U-2, Uniform Consent to Service of Process and Form U-2A, Uniform Corporate Resolution (effective 10-1-96).~~

~~(d) OFR-S-5-91, Uniform Consent to Service of Process (Revised 1-91).~~

~~(e) OFR-S-6-91, Corporate Resolution (Revised 1-91).~~

Rulemaking Specific Authority 517.03(1) FS. Law Implemented 517.082 FS. History–New 10-15-86, Amended 12-8-87, 7-31-91, 10-1-96, 10-20-97, Formerly 3E-800.001, Amended \_\_\_\_\_.

69W-800.003 Effective Registration.

(1) No change

(2) A registration under Section 517.082, F.S., shall be filed in accordance with Rule 69W-301.002(2), F.A.C. The Office of Financial Regulation shall deem an application to be officially received at such time as it has been date stamped by the cashier's office of the Office of Financial Regulation

~~accompanied by the required fee or upon acceptance by the Securities Registration Depository (SRD) and notice by SRD to this state of such filing.~~

(3) No change

Rulemaking Specific Authority 517.03(1) FS. Law Implemented ~~420.53(1)(a), (b), 517.051(11), 517.082~~ FS. History–New 10-15-86, Amended 11-14-93, 10-1-96, Formerly 3E-800.003, Amended \_\_\_\_\_.

69W-800.004 Circulation of Preliminary Prospectus.

A preliminary prospectus if designated as such may be used by dealers registered with the Office of Financial Regulation, provided that the Notification Registration (OFR FORM-S-3-91) ~~(Revised 1-91)~~, which is incorporated by reference in Rule 69W-301.002(7), F.A.C., has been filed with the Office of Financial Regulation and each purchaser of securities is provided not later than the time of the sale of securities with the offering circular contained in the definitive registration statement effective under the Securities Act of 1933 as referenced in Section 517.082, Florida Statutes.

Rulemaking Specific Authority 517.03(1) FS. Law Implemented 517.082 FS. History–New 10-15-86, Amended 12-8-87, 7-31-91, 10-1-96, 10-20-97, Formerly 3E-800.004, Amended \_\_\_\_\_.

NAME OF PERSON ORIGINATING PROPOSED RULE: Pam Epting, Chief, Bureau of Regulatory Review, Division of Securities, Office of Financial Regulation, The Fletcher Building, 200 East Gaines Street, Tallahassee, Florida 32399-0375, (850)410-9500, pam.epting@flofr.com

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: Financial Services Commission

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: July 29, 2010

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: December 24, 2009

Notice of Proposed Rule

**DEPARTMENT OF FINANCIAL SERVICES**

**Securities**

Rule No.: RULE TITLE

69W-900.001: Disclosure of Business Activities in Cuba

PURPOSE AND EFFECT: The rule is amended to reflect the latest versions of federal regulations and federal statutes referenced in the rule. The rule is also amended to reflect the latest version of the Disclosure of Business Activities in Cuba Form.

SUMMARY: The rule is amended to reflect the latest versions of federal regulations and federal statutes referenced in the rule. The rule is also amended to reflect the latest version of the Disclosure of Business Activities in Cuba Form.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS: No Statement of Estimated Regulatory Cost was prepared. The Office has determined that the proposed changes will not impact small businesses.

Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 517.075 FS

LAW IMPLEMENTED: 517.075 FS

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN FAW.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Pam Epting, Chief, Bureau of Regulatory Review, Division of Securities, Office of Financial Regulation, The Fletcher Building, 200 East Gaines Street, Tallahassee, Florida 32399-0375, (850)410-9500, [pam.epting@flofr.com](mailto:pam.epting@flofr.com)

THE FULL TEXT OF THE PROPOSED RULE IS:

69W-900.001 Disclosure of Business Activities in Cuba.

(1) For purposes of Section 517.075, Florida Statutes, a prospectus shall be defined as:

(a) A final prospectus containing the information required by Section 10(a) of the Securities Act of 1933 (15 U.S.C. § 77j(a) (2006 & Supp. III)), for securities registered pursuant to Section 517.082, Florida Statutes; or

(b) A final prospectus in the form prescribed by Rule 69W-700.003, F.A.C., for securities registered pursuant to Section 517.081, Florida Statutes.

(c) The term prospectus shall not include amendments or supplements to a prospectus that is part of a registration statement filed with the Securities and Exchange Commission under Rule 415 of the Securities Act of 1933 (17 C.F.R. CFR § 230.415 (2010)).

(d) The federal regulations and federal statutes referenced in this subsection are hereby incorporated by reference and may be obtained by mail from the Florida Office of Financial Regulation, Division of Securities, 200 E. Gaines Street, Tallahassee, Florida 32399. Copies of the United States Code are also available online through the U.S. House of Representatives, Office of the Law Revision Counsel: <http://uscode.house.gov/download/downloadPDF.shtml>. Copies of the Code of Federal Regulation are also available online through the U.S. Government Printing Office via GPO Access: <http://www.gpoaccess.gov/cfr/index.html>.

(2) The disclosure and notice requirements of Section 517.075, Florida Statutes, apply only to issuers filing initial or renewal applications for securities registration pursuant to Section 517.081 or 517.082, Florida Statutes, on or subsequent to April 10, 1992, who:

(a) Conduct business or have affiliates who conduct business in or with Cuba;

(b) Commence doing business in or with Cuba after the issuer's securities become effective with the Office of Financial Regulation; or

(c) Are required by Florida Law to report a material change in information previously reported regarding business conducted in or with Cuba.

(3) The Office of Financial Regulation's CUBA FORM (4/92), which is hereby incorporated by reference in Rule 69W-301.002(7), F.A.C., and available from the Office of Financial Regulation, shall be used to notify the Office of Financial Regulation of any business or change in business as required by subsection (3) of Section 517.075, Florida Statutes.

(a) When required by Section 517.075, Florida Statutes, such form shall be filed with the Office of Financial Regulation.

(b) The obligation to provide updated information required by subsection 517.075(3), Florida Statutes, shall terminate when the distribution of the securities has been completed.

Rulemaking Specific Authority 517.075 FS. Law Implemented 517.075 FS. History—New 8-17-92, Formerly 3E-900.001, Amended \_\_\_\_\_.

NAME OF PERSON ORIGINATING PROPOSED RULE: Pam Epting, Chief, Bureau of Regulatory Review, Division of Securities, Office of Financial Regulation, The Fletcher Building, 200 East Gaines Street, Tallahassee, Florida 32399-0375, (850)410-9500, [pam.epting@flofr.com](mailto:pam.epting@flofr.com)

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: Financial Services Commission

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: July 29, 2010

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: December 24, 2009

Notice of Proposed Rule

**DEPARTMENT OF FINANCIAL SERVICES**  
**Securities**

Rule No.: RULE TITLE

[69W-1000.001](#): Disciplinary Guidelines

PURPOSE AND EFFECT: Section 517.1611(1), F.S., requires the Financial Services Commission to adopt disciplinary guidelines for each ground for which disciplinary action may be imposed by the Office of Financial Regulation against individuals and firms that are subject to regulation under Chapter 517, F.S., the Florida Securities and Investor Protection Act. The proposed rule implements this statutory requirement.

SUMMARY: The proposed rule sets forth disciplinary guidelines for each ground for which disciplinary action may be imposed by the Office of Financial Regulation against individuals and firms that are subject to regulation under Chapter 517, F.S., the Florida Securities and Investor Protection Act. Each violation of any provision of Chapter 517, F.S., or the rules adopted under the rulemaking authority of Chapter 517, F.S., constitutes a ground for disciplinary action by the Office. The level of sanction imposed for each violation of a ground for disciplinary action is reflected in the disciplinary guidelines. A list of aggravating and mitigating factors is provided in the rule. These factors will be used to determine the appropriate level of sanction within the range of sanctions provided in the disciplinary guidelines. These factors will also be used when determining whether a deviation from the range of sanctions prescribed in the disciplinary guidelines is warranted.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS: A Statement of Estimated Regulatory Costs has been prepared. Under Chapter 517, F.S., the Florida Securities and Investor Protection Act, the Office may impose sanctions against any person who violates any provision of the chapter, including rules adopted or orders issued under the authority of the chapter. Sanctions authorized under chapter 517, F.S., include, but are not limited to, fines, suspensions, and revocations. The disciplinary guidelines provide a framework for imposing sanctions. Anyone who commits a violation of chapter 517, F.S., will be subject to statutorily authorized sanctions that are determined in accordance with the disciplinary guidelines. There are no transactional costs associated with the implementation of this rule. There will be no impact to small counties, cities or other state agencies.

Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: [517.1611\(1\), FS](#)

LAW IMPLEMENTED: [517.1611\(1\), FS](#)

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN FAW.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Bill Reilly, Chief, Bureau of Securities Regulation, Division of Securities, Office of Financial Regulation, 200 East Gaines Street, Tallahassee, FL 32399, phone (850)410-9805, E-mail: Bill.Reilly@flofr.com

THE FULL TEXT OF THE PROPOSED RULE IS:

69W-1000.001 Disciplinary Guidelines.

(1) Pursuant to Section 517.1611, F.S., disciplinary guidelines applicable to each ground for which disciplinary action may be imposed by the Office against an individual or a firm under Chapter 517, F.S., are hereby adopted. The disciplinary guidelines are contained in "Office of Financial Regulation, Division of Securities, Disciplinary Guidelines for Dealers, Investment Advisers and Associated Persons", which is hereby incorporated by reference. A copy of the disciplinary guidelines may be obtained by mail from the Florida Office of Financial Regulation, Division of Securities, 200 E. Gaines Street, Tallahassee, Florida 32399, or may be obtained electronically through the following website: <http://www.flofr.com/Securities/index.htm>.

(2) Each violation of any provision of Chapter 517, F.S., or the rules adopted under the rulemaking authority of Chapter 517, F.S., constitutes a ground for disciplinary action by the Office. The level of sanction imposed for each violation of a ground for disciplinary action is reflected in the disciplinary guidelines. In determining an appropriate sanction for each violation of a ground for disciplinary action, the Office shall consider the circumstances set forth in subsection (5).

(3) In accordance with the disciplinary guidelines contained in this rule:

(a) The Office may impose a cease and desist order in conjunction with and in addition to any of the designated sanctions set forth in this rule when appropriate under the circumstances; and

(b) The Office has determined that repeated disciplinary action for violations of the same or similar ground for disciplinary action should be punished more severely than a first disciplinary action for violation of a ground for disciplinary action. In most instances of repeated violations of a ground for disciplinary action, the disciplinary guidelines allow for increasingly severe sanctions.

(4) The list of grounds for disciplinary action is intended to be comprehensive, but the omission of a violation from the list does not preclude the Office from taking any action authorized by Chapter 517, F.S.

(5) In accordance with Section 517.1611(1)(a), F.S., the Office will consider the following mitigating and aggravating circumstances in determining the appropriate level of sanction within the range of sanctions prescribed in this rule for each violation of a ground for disciplinary action:

(a) The individual's or firm's disciplinary history;

(b) Whether the individual or firm self-reported the conduct to regulatory authorities prior to examination or discovery by regulatory authorities;

(c) Whether the firm implemented corrective measures, prior to examination or discovery by regulatory authorities, to revise procedures to avoid recurrence of misconduct;

(d) Whether the individual or firm, prior to the entry of a Final Order, voluntarily made restitution or otherwise remedied the misconduct;

(e) Whether, at the time of the violation, the firm had controls and procedures that were implemented and reasonably designed to prevent or detect such a violation;

(f) Whether, at the time of the violation, the firm developed and implemented adequate training and educational initiatives;

(g) Whether the individual or firm demonstrated reasonable reliance on competent legal advice;

(h) Whether the individual or firm engaged in numerous acts to facilitate the violation or whether multiple clients were impacted by the acts or both;

(i) Whether the individual or firm engaged in the misconduct over an extended period of time;

(j) Whether the individual or firm attempted to conceal his or her misconduct or to lull into inactivity, mislead, deceive or intimidate a customer, regulatory authorities or, in the case of an individual respondent, the firm with which he or she is or was associated;

(k) With respect to other parties, including the investing public, the firm with which an individual respondent is associated or other market participants:

1. Whether the individual's or firm's misconduct resulted directly or indirectly in injury to such other parties, and

2. The nature and extent of the injury;

(l) Whether the individual or firm provided substantial assistance to the Office in its examination or investigation of the underlying misconduct, or whether the respondent attempted to impede or delay Office's examination or investigation, to conceal or withhold information from the Office, or to provide incomplete, inaccurate or misleading testimony or documentary information to the Office;

(m) Whether the individual's or firm's misconduct was the result of an intentional act, recklessness or negligence;

(n) Whether the firm with which an individual is or was associated disciplined the individual for the misconduct at issue prior to discovery by regulatory authorities and the extent of the discipline imposed by the firm;

(o) Whether the individual or firm engaged in the misconduct at issue, notwithstanding prior direct notice from the Office, another regulatory authority or the firm's staff, that the conduct may or will violate the provisions of Chapter 517, F.S.;

(p) Whether the individual or firm can demonstrate that the misconduct at issue was not reflective of their historical compliance record;

(q) Whether the individual's or firm's misconduct resulted in actual or potential financial or other gain or the value of such gain,

(r) The number, size and character of the transactions at issue;

(s) The age, financial status, and level of investment sophistication of the investor;

(t) Whether the violation is attributable to a principal, manager, supervisor or person exercising a similar function;

(u) The financial resources of the firm, nature of the firm's business, the number of individuals registered with the firm, the level of trading activity of the firm, other entities the firm controls, is controlled by, or is under common control with;

(v) Whether the violation of the ground for disciplinary action is the result of an individual acting alone or the result of two or more persons acting in furtherance of an agreement, scheme or plan; and

(w) Other relevant, case-specific circumstances.

(6) In accordance with Section 517.1611(1)(b), F.S., the Office will consider the circumstances in subsection (5) when determining whether a deviation from the range of sanctions prescribed in the disciplinary guidelines is warranted.

(7)(a) The fines imposed for violation of a ground for disciplinary action are up to \$2,000 for a level "A" fine, \$2,001 to \$5,000 for a level "B" fine, \$5,001 to \$7,500 for a level "C" fine and \$7,501 to \$10,000 for a level "D" fine. The mitigating and aggravating circumstances provided in subsection (5) may be applied to the fines imposed for violation of a ground for disciplinary action resulting in a range of fines of up to \$2,000 for a level "A" fine, \$2,001 to \$5,000 for a level "B" fine, \$5,001 to \$7,500 for a level "C" fine and \$7,501 to \$10,000 for a level "D" fine.

(b) A Notice of Noncompliance shall be a statement issued by the Office as described in Section 120.695, F.S. For the purpose of this rule, a Notice of Noncompliance is not considered an occurrence of a violation.

(c) A previous "occurrence" is the same or similar misconduct which was the subject of a Final Order entered by the Office prior to the acts or omissions which are the subject of the current action by the Office.

(8) The ranges for suspensions imposed by this rule are up to 5 days for an "A" level suspension; 6 to 30 days for a "B" level suspension; and, over 30 days for a "C" level suspension. A business day is defined as a day the major stock exchanges are open. Suspensions of 30 or fewer days are measured in business days while a suspension of 31 or more days is measured in calendar days. The mitigating and aggravating circumstances provided in subsection (5) may be applied to the suspensions imposed for violation of a ground for disciplinary action resulting in a range of suspension of up to 5 days for an "A" level suspension; 6 to 30 days for a "B" level suspension; and over 30 days for a "C" level suspension.

(9) In addition to the provisions of this rule, the Office may, when appropriate, seek civil remedies including the entry of an injunction, the appointment of a receiver by a court of competent jurisdiction, or any other remedy authorized by law.

Rulemaking Authority 517.1611(1) FS. Law Implemented 517.1611(1) FS. History—New \_\_\_\_\_.

NAME OF PERSON ORIGINATING PROPOSED RULE: Bill Reilly, Chief, Bureau of Securities Regulation, Division of Securities, Office of Financial Regulation, 200 East Gaines Street, Tallahassee, FL 32399, phone (850)410-9805, E-mail: Bill.Reilly@flofr.com

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: Financial Services Commission

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: July 29, 2010

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: December 24, 2009,  
and May 28, 2010

**Office of Financial Regulation  
Division of Securities  
Disciplinary Guidelines for Dealers, Investment Advisers and Associated Persons  
Incorporated by Reference in Rule 69W-1000.001, F.A.C.**

Violation #	Violation Category	Statute or Code	Short Description	1st Occurrence	2nd Occurrence	3rd and Subsequent Occurrence(s)
1	Dealer Securities Registration	517.07	Registration of securities	Notice of Non-Compliance, Fine B to Fine C, Restriction, Suspension A to Suspension C	Fine B to Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar
2	Dealer/Agent Registration	517.12	Registration of dealers, associated persons, and branch offices	Notice of Non-Compliance, Fine A to Fine C, Restriction, Suspension A to Suspension C	Fine A to Fine C, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar
3	Dealer Books and Records	517.12(1),(2)	Books and records requirements; examinations.	Notice of Non-Compliance, Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar
4	Dealer Books and Records	517.12(3)	Books and records requirements; examinations.	Summary Suspension	Summary Suspension	Summary Suspension
5	Dealer/Agent Registration	517.161	Revocation, denial, or suspension of registration of dealer, investment adviser, associated person, or branch office.	Denial without prejudice to reapply, Denial, Restriction, Suspension, Summary Suspension Revocation, Bar	Denial without prejudice to reapply, Denial, Restriction, Suspension, Summary Suspension Revocation, Bar	Denial without prejudice to reapply, Denial, Restriction, Suspension, Summary Suspension Revocation, Bar
6	Dealer/Agent Anti-Fraud	517.275	Commodities; prohibited practices.	Restriction, Fine A to Fine D, Suspension A to Suspension C, Revocation, Bar	Restriction, Fine A to Fine D, Suspension A to Suspension C, Revocation, Bar	Restriction, Fine A to Fine D, Suspension A to Suspension C, Revocation, Bar
7	Dealer/Agent Anti-Fraud	517.301	Fraudulent transactions; falsification or concealment of facts.	Fine D, Revocation, Bar	Fine D, Revocation, Bar	Fine D, Revocation, Bar
8	Dealer/Agent Anti-Fraud	517.311	False representations; deceptive words; enforcement.	Fine D, Revocation, Bar	Fine D, Revocation, Bar	Fine D, Revocation, Bar
9	Dealer/Agent Anti-Fraud	517.312	Securities, investments, boiler rooms; prohibited practices; remedies.	Fine D, Revocation, Bar	Fine D, Revocation, Bar	Fine D, Revocation, Bar
10	Dealer Books and Records	69W-700.021	Independent Transfer Agent and/or Registrar.	Notice of Non-Compliance, Fine A to Fine C	Fine B to Fine C	Fine D
11	Dealer Books and Records	69W-700.024	Submission of Final Documents.	Notice of Non-Compliance, Fine A to Fine C	Fine B to Fine C	Fine D
12	Dealer/Agent Sales Practices	69W-100.006	Projected Financial Statements or Presentations	Notice of Non-Compliance, Fine A to Fine B, Restriction	Fine A to Fine B, Restriction	Fine A to Fine C, Restriction

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Violation #	Violation Category	Statute or Code	Short Description	1st Occurrence	2nd Occurrence	3rd and Subsequent Occurrence(s)
13	Dealer/ Agent Anti-Fraud	69W-900	Disclosure of Business Activities in Cuba.	Notice of Non-Compliance, Fine B to Fine C	Fine B to Fine D	Fine D, Suspension B to Suspension C, Revocation
14	Dealer/Agent Sales Practices	69W-100.007	Advertising and Sales Literature	Notice of Non-Compliance, Fine A	Fine A to Fine B, Restriction, Suspension A	Fine A to Fine C, Restriction, Suspension B
15	Dealer/Agent Sales Practices	69W-600.013(1)(a)	Extension of Credit	Notice of Non-Compliance, Fine B to Fine C	Fine B to Fine D, Suspension A to Suspension B, Revocation	Fine C to Fine D, Suspension B to Suspension C, Revocation, Bar
16	Dealer/Agent Sales Practices	69W-600.013(2)(h) - [(1)(b)]	Margin Agreement	Notice of Non-Compliance, Fine B to Fine C	Fine B to Fine D, Suspension A to Suspension B, Restriction	Fine C to Fine D, Suspension B to Suspension C, Revocation, Bar
17	Dealer/Agent Sales Practices	69W-600.013(1)(b)	Margin Agreement	Notice of Non-Compliance, Fine B to Fine C	Fine B to Fine D, Suspension A to Suspension B, Restriction	Fine C to Fine D, Suspension B to Suspension C, Revocation, Bar
18	Dealer/Agent Sales Practices	69W-600.013(1)(c)	Segregation of Securities	Notice of Non-Compliance, Fine B to Fine C	Fine B to Fine D, Suspension A to Suspension B	Fine C to Fine D, Suspension B to Suspension C, Revocation
19	Dealer/Agent Sales Practices	69W-600.013(1)(d)	Hypothecating of Securities	Notice of Non-Compliance, Fine B to Fine D	Fine C to Fine D, Suspension B to Suspension C, Restriction	Fine D, Suspension C, Revocation
20	Dealer/Agent Sales Practices	69W-600.013(1)(e)	Failing to Execute an Order	Notice of Non-Compliance, Fine B to Fine D, Restriction	Fine B to Fine D, Suspension A to Suspension C, Restriction	Fine D, Suspension A to Suspension C, Revocation, Bar
21	Dealer/Agent Sales Practices	69W-600.013(1)(f)	Unregistered Securities	Notice of Non-Compliance, Fine B to Fine C, Restriction, Suspension A to Suspension C	Fine B to Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar
22	Dealer/Agent Sales Practices	69W-600.013(1)(g)	Representation of Qualifications	Notice of Non-Compliance, Fine C to Fine D, Suspension A to Suspension B, Restriction	Fine C to Fine D, Suspension B to Suspension C, Restriction, Revocation	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar
23	Dealer/Agent Sales Practices	69W-600.013(1)(h) and (2)(h) NASD Rule 2110	High standards of commercial honor and just and equitable principles of trade.	Fine C to Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine D, Restriction, Suspension C, Revocation, Bar	Fine D, Revocation, Bar
24	Dealer/Agent Sales Practices	69W-600.013(1)(h) and (2)(h) FINRA Rule 5230	Payments Involving Publications that Influence the Market Price of a Security	Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar	Fine D, Revocation, Bar

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25	Dealer/Agent Sales Practices	69W-600.013(1)(h) and (2)(h) FINRA Rule 5240	Anti-Intimidation /Coordination	Fine D, Restriction, Suspension B to Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar	Fine D, Revocation, Bar
26	Dealer/Agent Sales Practices	69W-600.013(1)(h) and (2)(h) FINRA Rule 2010	Standards of Commercial Honor and Principles of Trade	Fine C to Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine D, Restriction, Suspension C, Revocation, Bar	Fine D, Revocation, Bar
27	Dealer/Agent Sales Practices	69W-600.013(1)(h) and (2)(h) FINRA Rule 2020	Use of Manipulative, Deceptive or Other Fraudulent Devices	Fine D, Suspension C, Revocation, Bar	Fine D, Revocation, Bar	Fine D, Revocation, Bar
28	Dealer/Agent Sales Practices	69W-600.013(1)(h) and (2)(h) FINRA Rule 2114(a)	Recommendations to Customers in OTC Equity Securities	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine D, Restriction, Suspension C, Revocation	Fine D, Revocation, Bar
29	Dealer/Agent Sales Practices	69W-600.013(1)(h) and (2)(h) FINRA Rule 2114(c)	Recommendations to Customers in OTC Equity Securities	Notice of Non-Compliance, Fine C to Fine D, Restriction	Fine C to Fine D, Restriction, Suspension A	Fine D, Suspension C,
30	Dealer/Agent Sales Practices	69W-600.013(1)(h) and (2)(h) FINRA Rule 2114(d)	Recommendations to Customers in OTC Equity Securities	Fine B to Fine C, Restriction, Suspension A	Fine C to Fine D, Restriction, Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar
31	Dealer/Agent Sales Practices	69W-600.013(1)(h) and (2)(h) FINRA Rule 2124	Net Transactions with Customers	Fine C to Fine D, Restriction	Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar
32	Dealer/Agent Sales Practices	69W-600.013(1)(h) and (2)(h) FINRA Rule 2140	Interfering With the Transfer of Customer Accounts in the Context of Employment Disputes	Notice of Non-Compliance, Fine B to Fine C	Fine C to Fine D	Fine D, Suspension A to Suspension B
33	Dealer/Agent Sales Practices	69W-600.013(1)(h) and (2)(h) FINRA Rule 2150(a)	Improper Use of Customers' Securities or Funds; Prohibition Against Guarantees and Sharing in Accounts	Fine D, Restriction, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
34	Dealer/Agent Sales Practices	69W-600.013(1)(h) and (2)(h) FINRA Rule 2150(b)	Improper Use of Customers' Securities or Funds; Prohibition Against Guarantees and Sharing in Accounts	Fine C to Fine D, Restriction, Suspension B to Suspension C, Revocation	Fine D, Restriction, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
35	Dealer/Agent Sales Practices	69W-600.013(1)(h) and (2)(h) FINRA Rule 2150(c)	Improper Use of Customers' Securities or Funds; Prohibition Against Guarantees and Sharing in Accounts	Fine C, Restriction, Suspension B to Suspension C	Fine D, Restriction, Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar
36	Dealer/Agent Sales Practices	69W-600.013(1)(h) and (2)(h) FINRA Rule 2220(b),(c)	Options Communication	Fine B to Fine C, Restriction	Fine C to Fine D, Restriction, Suspension B to Suspension C	Fine D, Suspension C

Fine A = Up to \$2,000, Fine B = \$2,001 to \$5,000, Fine C = \$5,001 to \$7,500; Fine D = \$7,501 to \$10,000 / Suspension A = 5 days; Suspension B = 6 to 30 days; Suspension C = over 30 days

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37	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2262	Disclosure of Control Relationship with Issuer	Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
38	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2264	Margin Disclosure Statement	Fine B to Fine C, Restriction	Fine D, Restriction, Suspension A to Suspension B	Fine D, Suspension C, Revocation, Bar
39	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2265	Extended Hours Trading Risk Disclosure	Notice of Non-Compliance, Fine B to Fine C	Fine B to Fine D, Restriction	Fine C to Fine D, Suspension B to Suspension C
40	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2266	SIPC Information	Notice of Non-Compliance, Fine A	Fine A	Fine B
41	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2267	Investor Education and Protection	Notice of Non-Compliance, Fine A	Fine A	Fine B
42	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2269	Disclosure of Participation or Interest in Primary or Secondary Distribution	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
43	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2310(b)	Direct Participation Programs	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine D, Restriction, Suspension C, Revocation	Fine D, Revocation, Bar
44	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2310(c)	Direct Participation Programs	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine D, Restriction, Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar
45	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2320	Variable Contracts of an Insurance Company	Notice of Non-Compliance, Fine C to Fine D, Restriction, Suspension A to Suspension C	Fine D, Restriction, Suspension B to Suspension C, Revocation	Fine D, Suspension C, Revocation
46	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2342	"Breakpoint" Sales	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine D, Restriction, Suspension C, Revocation	Fine D, Revocation, Bar
47	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2352	Account Approval - Trading in Index Warrants, Currency Index Warrants and Currency Warrants	Notice of Non-Compliance, Fine B to Fine C	Fine B to Fine D, Restriction, Suspension A	Fine C to Fine D, Suspension A to Suspension C
48	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2353	Suitability - Trading in Index Warrants, Currency Index Warrants and Currency Warrants	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine D, Restriction, Suspension C, Revocation	Fine D, Revocation, Bar

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49	Dealer/Agent Sales Practices	69W-600.013(1)(h)I and (2)(h) FINRA Rule 2354	Discretionary Accounts - Trading in Index Warrants, Currency Index Warrants and Currency Warrants	Notice of Non-Compliance, Fine B to Fine C, Restriction	Fine B to D, Restriction, Suspension B	Fine D, Suspension C, Revocation
50	Dealer/Agent Sales Practices	69W-600.013(1)(h)I and (2)(h) FINRA Rule 2355	Supervision of Accounts - Trading in Index Warrants, Currency Index Warrants and Currency Warrants	Notice of Non-Compliance, Fine B to Fine D, Restriction	Fine B to Fine D, Restriction	Fine C to Fine D, Suspension A, Restriction
51	Dealer/Agent Sales Practices	69W-600.013(1)(h)I and (2)(h) FINRA Rule 2357	Communications with the Public and Customers Concerning Index Warrants, Currency Index Warrants and Currency Warrants	Notice of Non-Compliance, Fine B to Fine C, Restriction	Fine C to Fine D, Restriction, Suspension B to Suspension C	Fine D, Suspension C
52	Dealer/Agent Sales Practices	69W-600.013(1)(h)I and (2)(h) FINRA Rule 2358	Maintenance of Records - Trading in Index Warrants, Currency Index Warrants and Currency Warrants	Notice of Non-Compliance, Fine A to Fine B	Fine A to Fine C, Restriction	Fine C to Fine D, Suspension A to Suspension C
53	Dealer/Agent Sales Practices	69W-600.013(1)(h)I and (2)(h) FINRA Rule 2359	Position and Exercise Limits; Liquidations - Trading in Index Warrants, Currency Index Warrants and Currency Warrants	Fine C to Fine D, Restriction	Fine D, Restriction, Suspension B to Suspension C	Fine D, Suspension C, Revocation, Bar
54	Dealer/Agent Sales Practices	69W-600.013(1)(h)I and (2)(h) FINRA Rule 2360	Options	Notice of Non-Compliance, Fine B to Fine D, Restriction, Suspension A to Suspension B	Fine B to D, Restriction, Suspension B	Fine D, Suspension C, Revocation
55	Dealer/Agent Sales Practices	69W-600.013(1)(h)I and (2)(h) FINRA Rule 2370(b)	Security Futures	Notice of Non-Compliance, Fine B to Fine C, Restriction	Fine B to D, Restriction, Suspension A to Suspension B	Fine D, Suspension B to Suspension C, Revocation
56	Dealer/Agent Sales Practices	69W-600.013(1)(h)I and (2)(h) FINRA Rule 3310	Anti-Money Laundering Compliance Program	Notice of Non-Compliance, Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
57	Dealer/Agent Sales Practices	69W-600.013(1)(h)I and (2)(h) NASD Rule 2210(b)	Communications with the Public	Notice of Non-Compliance, Fine A to Fine C, Restriction	Fine A to Fine C, Restriction	Fine C to Fine D, Suspension A to Suspension B
58	Dealer/Agent Sales Practices	69W-600.013(1)(h)I and (2)(h) NASD Rule 2210(c)	Communications with the Public	Notice of Non-Compliance, Fine A to Fine C, Restriction	Fine A to Fine C, Restriction	Fine C to Fine D, Suspension A to Suspension B

Fine A = Up to \$2,000; Fine B = \$2,001 to \$5,000; Fine C = \$5,001 to \$7,500; Fine D = \$7,501 to \$10,000 / Suspension A = 5 days; Suspension B = 6 to 30 days; Suspension C = over 30 days

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59	Dealer/Agent Sales Practices	69W-600.013(1)(h)I and (2)(h) NASD Rule 2210(d), (e)	Communications with the Public	Notice of Non-Compliance, Fine B to Fine C, Suspension A to Suspension B, Restriction	Fine B to Fine D, Restriction, Suspension B to Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar
60	Dealer/Agent Sales Practices	69W-600.013(1)(h)I and (2)(h) NASD Rule 2212(a),(b)	Telemarketing	Notice of Non-Compliance, Fine A to Fine B, Restriction	Fine B to Fine D, Restriction	Fine D
61	Dealer/Agent Sales Practices	69W-600.013(1)(h)I and (2)(h) NASD Rule 2212(d)	Telemarketing	Notice of Non-Compliance, Fine C, Restriction	Fine D, Restriction	Fine D, Suspension A
62	Dealer/Agent Sales Practices	69W-600.013(1)(h)I and (2)(h) NASD Rule 2220(d)	Options Communication	Notice of Non-Compliance, Fine B to Fine C, Suspension A to Suspension B, Restriction	Fine B to Fine D, Restriction, Suspension B to Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar
63	Dealer/Agent Sales Practices	69W-600.013(1)(h)I and (2)(h) NASD Rule 2240	Disclosure of Control Relationship with Issuer	Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
64	Dealer/Agent Sales Practices	69W-600.013(1)(h)I and (2)(h) NASD Rule 2250	Disclosure of Participation or Interest in Primary or Secondary Distribution	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
65	Dealer/Agent Sales Practices	69W-600.013(1)(h)I and (2)(h) NASD Rule 2260	Forwarding of Proxy and Other Materials	Notice of Non-Compliance, Fine A to Fine B	Fine B to Fine C	Fine C to Fine D
66	Dealer/Agent Sales Practices	69W-600.013(1)(h)I and (2)(h) NASD Rule 2270	Disclosure of Financial Condition to Customers	Fine B to Fine C	Fine B to Fine D	Fine D, Suspension A
67	Dealer/Agent Sales Practices	69W-600.013(1)(h)I and (2)(h) NASD Rule 2310	Recommendations to Customers (Suitability)	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine D, Restriction, Suspension C, Revocation	Fine D, Revocation, Bar
68	Dealer/Agent Sales Practices	69W-600.013(1)(h)I and (2)(h) NASD Rule 2320	Best Execution and Interpositioning	Notice of Non-Compliance, Fine A to Fine B, Restriction, Suspension A to B, Revocation	Fine A to Fine C, Restriction, Suspension A to B, Revocation	Fine B to Fine D, Restriction, Suspension B to C, Revocation, Bar
69	Dealer/Agent Sales Practices	69W-600.013(1)(h)I and (2)(h) NASD Rule 2340	Customer Account Statements	Notice of Non-Compliance, Fine A to Fine B	Fine A to Fine C, Suspension A	Fine C to Fine D, Suspension B to Suspension C
70	Dealer/Agent Sales Practices	69W-600.013(1)(h)I and (2)(h) NASD Rule 2341	Margin Disclosure Statement	Notice of Non-Compliance, Fine A to Fine B	Fine A to Fine C, Suspension A	Fine C to Fine D, Suspension B
71	Dealer/Agent Sales Practices	69W-600.013(1)(h)I and (2)(h) NASD Rule 2350(c)	Broker/Dealer Conduct on the Premises of Financial Institutions	Notice of Non-Compliance, Fine B to Fine C, Restriction	Fine B to Fine D, Restriction, Suspension A	Fine D, Suspension C, Revocation, Bar

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72	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2360	Approval Procedures for Day-Trading Accounts	Notice of Non-Compliance, Fine B to Fine C, Restriction	Fine C to Fine D, Suspension A to B	Fine C to Fine D, Suspension B to C
73	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 3240	Borrowing From or Lending to Customers	Notice of Non-Compliance, Fine B to Fine C, Restriction, Suspension A to Suspension C	Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
74	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2410	Net Prices to Persons Not in Investment Banking or Securities Business	Fine D, Restriction	Fine D, Restriction, Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar
75	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2420	Dealing with Non-Members	Fine D, Restriction, Suspension A to Suspension B	Fine D, Restriction, Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar
76	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2430	Charges for Services Performed	Notice of Non-Compliance, Fine B to Fine C, Restriction, Suspension A	Fine B to Fine D, Restriction, Suspension B	Fine C to Fine D, Suspension C, Revocation, Bar
77	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2440	Fair Prices and Commissions	Fine B to Fine D, Restriction, Suspension A to C, Revocation, Bar	Fine D, Restriction, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
78	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2441	Net Transactions with Customers	Fine D, Restriction	Fine D, Restriction, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
79	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2450	Installment or Partial Sales	Fine B to Fine D, Restriction, Suspension A	Fine C to Fine D, Restriction, Suspension A to Suspension B	Fine D, Suspension B to Suspension C, Revocation, Bar
80	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2460	Payments for Market Making	Fine C to D, Suspension B to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
81	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 5250	Payments for Market Making	Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar	Fine D, Revocation, Bar
82	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2510(a)	Discretionary Accounts	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine D, Restriction, Suspension C, Revocation	Fine D, Revocation, Bar
83	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2510(b),(c)	Discretionary Accounts	Notice of Non-Compliance, Fine A to Fine C, Restriction	Fine B to Fine C, Restriction, Suspension A to Suspension B	Fine C to Fine D, Suspension B to Suspension C, Revocation, Bar
84	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2711	Research Analysts and Research Reports	Notice of Non-Compliance, Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine D, Restriction, Suspension C, Revocation, Bar

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85	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 5280	Trading Ahead of Research Reports	Fine D, Restriction, Suspension B to Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar	Fine D, Revocation, Bar
86	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2720	Public Offerings of Securities With Conflicts of Interest	Notice of Non-Compliance, Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine C to Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine D, Restriction, Suspension C, Revocation, Bar
87	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2730	Securities Taken in Trade	Fine B to Fine D, Restriction	Fine C to Fine D, Restriction, Suspension B	Fine D, Suspension C, Revocation, Bar
88	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2740	Selling Concessions, Discounts and Other Allowances	Fine C to Fine D, Restriction	Fine D, Restriction, Suspension A to Suspension B	Fine D, Suspension C, Revocation, Bar
89	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2750	Transactions with Related Persons	Fine C to Fine D, Restriction, Suspension A	Fine D, Suspension B to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
90	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2760	Offerings At the Market'	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
91	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2770	Disclosure of Price in Selling Agreements	Fine C to Fine D, Restriction, Suspension A	Fine D, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
92	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2780	Solicitation of Purchases on an Exchange to Facilitate a Distribution of Securities	Fine D, Restriction, Suspension A to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
93	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2821	Members' Responsibilities Regarding Deferred Variable Annuities	Notice of Non-Compliance, Fine C to Fine D, Restriction, Suspension A to Suspension C	Fine D, Restriction, Suspension B to Suspension C, Revocation	Fine D, Suspension C, Revocation
94	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2830	Investment Company Securities	Fine C to Fine D, Restriction, Suspension A	Fine D, Restriction, Suspension A to Suspension C	Fine D, Suspension C, Revocation, Bar
95	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2910	Disclosure of Financial Condition to Other Members	Fine C to Fine D, Restriction, Suspension A	Fine D, Restriction, Suspension A to Suspension C	Fine D, Suspension C, Revocation, Bar
96	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 3010	Supervision	Notice of Non-Compliance Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine D, Restriction, Suspension A to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar

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Violation #	Violation Category	Statute or Code	Short Description	1st Occurrence	2nd Occurrence	3rd and Subsequent Occurrence(s)
97	Dealer/Agent Sales Practices	69W-600.013(1)(b)1 and (2)(h) NASD Rule 3011	Anti-Money Laundering Compliance Program	Notice of Non-Compliance, Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation, Bar	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
98	Dealer/Agent Sales Practices	69W-600.013(1)(b)1 and (2)(h) NASD Rule 3012	Supervisory Control System	Notice of Non-Compliance, Fine D, Restriction	Fine D, Restriction, Suspension A to Suspension B	Fine D, Suspension C, Restriction, Revocation, Bar
99	Dealer/Agent Sales Practices	69W-600.013(1)(b)1 and (2)(h), FINRA Rule 3130	Annual Certification of Compliance and Supervisory Processes	Notice of Non-Compliance, Fine C to Fine D, Restriction	Fine C to Fine D, Restriction, Suspension A to Suspension B	Fine D, Suspension B to Suspension C, Restriction
100	Dealer/Agent Sales Practices	69W-600.013(1)(b)1 and (2)(h), NASD Rule 3020	Fidelity Bonds	Fine C to Fine D, Restriction	Fine D, Restriction, Suspension A to Suspension C	Fine D, Suspension C, Revocation, Bar
101	Dealer/Agent Sales Practices	69W-600.013(1)(b)1 and (2)(h) NASD Rule 3030	Outside Business Activity	Notice of Non-Compliance, Fine A to Fine C, Restriction, Suspension A to Suspension C	Fine C to Fine D, Restriction, Suspension B to Suspension C, Revocation	Fine C to Fine D, Suspension B to Suspension C, Revocation, Bar
102	Dealer/Agent Sales Practices	69W-600.013(1)(b)1 and (2)(h) NASD Rule 3040	Private Securities Transactions	Fine B to Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
103	Dealer/Agent Sales Practices	69W-600.013(1)(b)1 and (2)(h) NASD Rule 3070	Reporting Requirements	Fine C to Fine D, Restriction, Suspension A	Fine D, Suspension A to Suspension C	Fine D, Suspension C, Revocation, Bar
104	Dealer/Agent Sales Practices	69W-600.013(1)(b)1 and (2)(h) NASD Rule 3210	Short Sale Delivery Requirements	Notice of Non-Compliance, Fine B to Fine C, Restriction, Suspension A	Fine C to Fine D, Restriction, Suspension A to Suspension C	Fine D, Suspension B to Suspension C, Revocation, Bar
105	Dealer/Agent Sales Practices	69W-600.013(1)(b)1 and (2)(h) NASD Rule 3220	Adjustment of Open Orders	Fine B to Fine C	Fine C to Fine D, Suspension A	Fine D, Suspension C
106	Dealer/Agent Sales Practices	69W-600.013(1)(b)1 and (2)(h) NASD Rule 3230	Clearing Agreements	Fine C to Fine D	Fine D	Fine D, Suspension A to Suspension B
107	Dealer/Agent Sales Practices	69W-600.013(1)(b)1 and (2)(h) NASD Rules 3110-3170	Books and Records	Notice of Non-Compliance, Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar
108	Dealer/Agent Sales Practices	69W-600.013(1)(b)2 NASD Rules 2111	Trading Ahead of Customer Market Orders	Fine B to Fine D, Restriction, Suspension A to Suspension C, Revocation, Bar	Fine D, Suspension A to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar

Fine A = Up to \$2,000; Fine B = \$2,001 to \$5,000; Fine C = \$5,001 to \$7,500; Fine D = \$7,501 to \$10,000 / Suspension A = 5 days; Suspension B = 6 to 30 days; Suspension C = over 30 days

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109	Dealer/Agent Sales Practices	69W-600.013(1)(h)2 New York Stock Exchange Rules 435	Registration and Qualifications	Notice of Non-Compliance, Fine B to Fine D, Restriction	Fine B to Fine D, Restriction, Suspension A	Fine D, Restriction, Suspension B to Suspension C
110	Dealer/Agent Sales Practices	69W-600.013(1)(h)2 New York Stock Exchange Rules 405	Know Your Customer	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine D, Restriction, Suspension C, Revocation	Fine D, Revocation, Bar
111	Dealer/Agent Sales Practices	69W-600.013(1)(h)2 New York Stock Exchange Rules 412	Account Transfers Between Firms	Notice of Non-Compliance, Fine B to Fine D	Fine B to Fine D, Suspension A	Fine D, Suspension B to Suspension C
112	Dealer/Agent Sales Practices	69W-600.013(1)(h)2 New York Stock Exchange Rules 435	Rumors	Fine C to Fine D, Suspension B to Suspension C, Revocation	Fine D, Restriction, Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar
113	Dealer/Agent Sales Practices	69W-600.013(1)(h)3 17 CFR 230.419	Blank Check Offerings	Fine C to Fine D, Restriction, Suspension A to Suspension C	Fine D, Suspension B to Suspension C, Revocation, Bar	Fine D, Suspension B to Suspension C, Revocation, Bar
114	Dealer/Agent Sales Practices	69W-600.013(1)(h)3, 17 CFR 230.134, 17 CFR 230.134a	Communications Deemed Not to be a Prospectus	Notice of Non-Compliance, Fine A to Fine C, Restriction, Suspension A to Suspension C	Fine A to Fine C, Restriction, Suspension B to Suspension C, Bar	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar
115	Dealer/Agent Sales Practices	69W-600.013(1)(h)3, 17 CFR 230.156	Investment Company Sales Literature	Notice of Non-Compliance, Fine A to Fine C, Restriction	Fine A to Fine C, Restriction	Fine C to Fine D, Suspension A to Suspension B
116	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2520	Margin Requirements	Notice of Non-Compliance, Fine B to Fine C	Fine B to Fine D, Suspension A to Suspension B, Revocation	Fine C to Fine D, Suspension B to Suspension C, Revocation, Bar
117	Dealer/Agent Sales Practices	69W-600.013(1)(h)3 Section 5 of the Securities Act of 1933	Prohibitions/Use of Mails	Notice of Non-Compliance, Fine B to Fine C, Restriction, Suspension A to Suspension C	Fine B to Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar
118	Dealer/Agent Sales Practices	69W-600.013(1)(h)3 Section 6 of the Securities Act of 1933	Registration of securities	Notice of Non-Compliance, Fine B to Fine C, Restriction, Suspension A to Suspension C	Fine B to Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar
119	Dealer/Agent Sales Practices	69W-600.013(1)(h)3, 17 CFR 230.481	Information Required in a Prospectus	Notice of Non-Compliance, Fine B to Fine C, Restriction, Suspension A to Suspension C	Fine B to Fine C, Restriction, Suspension B to Suspension C	Fine B to Fine D, Restriction, Suspension C, Revocation
120	Dealer/Agent Sales Practices	69W-600.013(1)(h)3, 17 CFR 230.482	Advertising by an Investment Company	Notice of Non-Compliance, Fine A to Fine C, Restriction	Fine A to Fine C, Restriction	Fine C to Fine D, Suspension A to Suspension B
121	Dealer/Agent Sales Practices	69W-600.013(1)(h)3, 17 CFR 230.144, 17 CFR 230.144A	Persons Not Engaged in Distributions or an Underwriter	Notice of Non-Compliance, Fine A to Fine C, Restriction, Suspension A to Suspension C	Fine A to Fine C, Restriction, Suspension B to Suspension C, Bar	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar

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122	Dealer/Agent Sales Practices	69W-600.013(1)(h)4 17 CFR 242.200-242.203, NASD Conduct Rule 3210	Short Sale Delivery Requirements	Notice of Non-Compliance, Fine B to Fine C, Restriction, Suspension A	Fine C to Fine D, Restriction, Suspension A to Suspension C	Fine D, Suspension B to Suspension C, Revocation, Bar
123	Dealer/Agent Sales Practices	69W-600.013(1)(h)5 MSRB General Rule G-10	Delivery of Investor Brochure	Notice of Non-Compliance, Fine A	Fine A	Fine B, Suspension A
124	Dealer/Agent Sales Practices	69W-600.013(1)(h)5 MSRB General Rule G-15	Confirmation, Clearance, Settlement and Other Uniform Practice Requirements with Respect to Transactions with Customers	Notice of Non-Compliance, Fine A	Fine A	Fine B, Suspension A
125	Dealer/Agent Sales Practices	69W-600.013(1)(h)5 MSRB General Rule G-29	Availability of Board rules	Notice of Non-Compliance, Fine A	Fine A	Fine B, Suspension A
126	Dealer/Agent Sales Practices	69W-600.013(1)(h)5 MSRB General Rule G-34	CUSIP numbers, new issue, and market information requirements	Notice of Non-Compliance, Fine A	Fine A	Fine B, Suspension A
127	Dealer/Agent Sales Practices	69W-600.013(1)(h)5 MSRB General Rule G-39	Telemarketing	Notice of Non-Compliance, Fine A to Fine B, Restriction	Fine B to Fine D, Restriction	Fine D
128	Dealer/Agent Sales Practices	69W-600.013(1)(h)5 MSRB General Rule G-41	Anti-money laundering compliance program	Notice of Non-Compliance, Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
129	Dealer/Agent Sales Practices	69W-600.013(1)(h)5 MSRB General Rules G7-9	Books and Records	Notice of Non-Compliance	Fine A	Fine B, Suspension A
130	Dealer/Agent Sales Practices	69W-600.013(1)(h)5 Section 15B of the Securities Exchange Act of 1934, MSRB Definitional Rules D1-12, MSRB General Rules G1-6, G11-14, G17-28, G30-33, G37, G38	Prohibited Business Practices for Dealers and Their Associated Persons	Notice of Non-Compliance, Fine B to Fine D, Restriction	Fine B to Fine D, Suspension A	Fine B to Fine D, Suspension B to Suspension C
131	Dealer/Agent Sales Practices	69W-600.013(1)(i)	Prospectuses	Notice of Non-Compliance, Fine B to Fine C	Fine B to Fine D, Suspension A to Suspension B	Fine C to Fine D, Restriction, Suspension C
132	Dealer/Agent Sales Practices	69W-600.013(1)(i)	Using Unregistered Clearing Dealer	Notice of Non-Compliance, Fine C to Fine D, Restriction	Fine C to Fine D, Suspension A to Suspension B	Fine D, Restriction, Suspension C
133	Dealer/Agent Sales Practices	69W-600.013(1)(k)	Recommending Use of an Unregistered Investment Adviser	Notice of Non-Compliance, Fine B to Fine D, Restriction	Fine C to Fine D, Suspension A to Suspension B, Restriction	Fine D, Restriction, Suspension C

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134	Dealer/Agent Sales Practices	69W-600.013(1)(l)	Receiving Compensation from an Adviser	Notice of Non-Compliance, Fine B to Fine D, Restriction	Fine C to Fine D, Suspension A to Suspension B, Restriction	Fine D, Restriction, Suspension C, Revocation
135	Dealer/Agent Sales Practices	69W-600.013(1)(m)	Sale of Non-Exempt Securities	Notice of Non-Compliance, Fine A to Fine C, Restriction, Suspension A to Suspension C	Fine A to Fine C, Restriction, Suspension B to Suspension C, Bar	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar
136	Dealer/Agent Sales Practices	69W-600.013(1)(m) Section 15D of the Securities Exchange Act of 1934	Securities Analyst and Research Reports	Notice of Non-Compliance, Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine D, Restriction, Suspension C, Revocation, Bar
137	Dealer/Agent Sales Practices	69W-600.013(1)(m) Section 13 of the Securities Exchange Act of 1934	Periodic and Other Reports	Notice of Non-Compliance, Fine C to Fine D	Fine D	Fine D
138	Dealer/Agent Sales Practices	69W-600.013(1)(n)	Providing False Client Data	Notice of Non-Compliance, Fine C to Fine D, Suspension B to Suspension C, Restriction, Revocation, Bar	Fine C to Fine D, Suspension B to Suspension C, Restriction, Revocation, Bar	Fine D, Revocation, Bar
139	Dealer/Agent Sales Practices	69W-600.013(1)(o)	Senior - Specific Certifications and Professional Designations	Notice of Non-Compliance, Fine C to Fine D, Suspension A to Suspension B, Restriction	Fine C to Fine D, Suspension B to Suspension C, Restriction, Revocation, Bar	Fine D, Revocation, Bar
140	Dealer/Agent Sales Practices	69W-600.013(2)(a)	Borrowing From or Lending to Customers	Notice of Non-Compliance, Fine B to Fine C, Restriction, Suspension A to Suspension C	Fine D, Restriction, Suspension B to Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar
141	Dealer/Agent Sales Practices	69W-600.013(2)(b)	Acting as Custodian for Money or Executed Stock Power	Fine C to Fine D, Suspension A to Suspension C, Revocation	Fine C to Fine D, Revocation, Bar	Fine C to Fine D, Revocation, Bar
142	Dealer/Agent Sales Practices	69W-600.013(2)(c)	Effecting Transactions Not Recorded on the Books of the Dealer	Fine C to Fine D, Suspension A to Suspension C, Revocation	Fine C to Fine D, Revocation, Bar	Fine C to Fine D, Revocation, Bar
143	Dealer/Agent Sales Practices	69W-600.013(2)(d)	Operating an Account Under a Fictitious Name	Fine C to Fine D, Suspension A to Suspension C, Revocation	Fine C to Fine D, Revocation, Bar	Fine C to Fine D, Revocation, Bar
144	Dealer/Agent Sales Practices	69W-600.013(2)(e)	Sharing in the Profits or Losses in an Account	Fine C to Fine D, Suspension A to Suspension C, Revocation	Fine C to Fine D, Revocation, Bar	Fine C to Fine D, Revocation, Bar
145	Dealer/Agent Sales Practices	69W-600.013(2)(f)	Splitting Commissions	Fine C to Fine D, Suspension A to Suspension C, Revocation	Fine C to Fine D, Revocation, Bar	Fine C to Fine D, Revocation, Bar

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146	Dealer/Agent Sales Practices	69W-600.013(2)(h) - (1)(m)	Providing False Client Data	Notice of Non-Compliance, Fine C to Fine D, Suspension B to Suspension C, Restriction, Revocation, Bar	Fine C to Fine D, Suspension B to Suspension C, Restriction, Revocation, Bar	Fine D, Revocation, Bar
147	Dealer/Agent Sales Practices	69W-600.013(2)(h) - (1)(o)	Senior - Specific Certifications and Professional Designations	Notice of Non-Compliance, Fine C to Fine D, Suspension A to Suspension B, Restriction	Fine C to Fine D, Suspension B to Suspension C, Restriction, Revocation, Bar	Fine D, Revocation, Bar
148	Dealer/Agent Registration	69W-400.002	Registration of Issuer Under Section 517.051(9), F.S. as Dealer.	Notice of Non-Compliance, Fine A, Suspension A to Suspension C, Revocation	Fine B, Suspension A to Suspension C, Revocation	Fine B, Suspension B to Suspension C, Revocation
149	Dealer/Agent Registration	69W-600.001	Registration of associated persons specific as to securities dealer, investment adviser, or federal covered adviser identified at time of registration approval	Notice of Non-Compliance, Fine A to Fine D, Restriction, Suspension B to C	Fine B to Fine D, Restriction, Suspension B to C, Revocation	Fine C to Fine D, Restriction, Suspension B to C, Revocation
150	Dealer/Agent Registration	69W-600.002	Application for Registration as an Associated Person	Notice of Non-Compliance, Fine A to Fine D, Restriction, Suspension B to C	Fine B to Fine D, Restriction, Suspension B to C, Revocation	Fine C to Fine D, Restriction, Suspension B to C, Revocation
151	Dealer Books and Records	69W-600.012(1) 17 CFR 240.10b-10, 17 CFR 240.17a-3, MSRB Rules G-8, MSRB Rule G-15	Confirmation of Transactions	Notice of Non-Compliance, Fine A to Fine B	Fine A to Fine B, Restriction, Suspension A to Suspension B	Fine A to Fine C, Restriction, Suspension A to Suspension C, Revocation
152	Dealer/Agent Anti-Fraud	69W-600.012(2)	Customer Contracts - Prohibitions	Notice of Non-Compliance, Fine A to Fine C	Fine A to Fine C, Restriction, Suspension A to Suspension B	Fine A to Fine C, Restriction, Suspension A to Suspension C, Revocation
153	Dealer/Agent Anti-Fraud	69W-600.012(3)	Withdrawal of Net Worth	Fine A to Fine C, Suspension A to Suspension B	Fine B to Fine C, Suspension A to Suspension C	Fine B to Fine C, Suspension A to Suspension C, Revocation
154	Dealer Books and Records	69W-600.012(4)	Copies of Contracts to be Provided to Customers	Notice of Non-Compliance, Fine A to Fine C, Suspension A to Suspension B	Fine B to Fine C, Suspension A to Suspension C	Fine B to Fine C, Suspension A to Suspension C, Revocation
155	Dealer/Agent Sales Practices	69W-600.0133(1)	Use of Senior-Specific Certifications and Professional Designations by Associated Persons and Investment Advisers.	Notice of Non-Compliance, Fine C to Fine D, Suspension A to Suspension B, Restriction	Fine C to Fine D, Suspension B to Suspension C, Restriction, Revocation, Bar	Fine D, Revocation, Bar

Fine A = Up to \$2,000; Fine B = \$2,001 to \$5,000; Fine C = \$5,001 to \$7,500; Fine D = \$7,501 to \$10,000 / Suspension A = 5 days; Suspension B = 6 to 30 days; Suspension C = over 30 days

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156	Dealer Securities Registration	69W-700.015(4)	Offering Price of Equity Securities.	Notice of Non-Compliance, Fine C to Fine D	Fine C to Fine D, Suspension	Fine D, Suspension C, Revocation, Bar
157	Dealer Securities Registration	69W-700.019	Submission of Sales Reports.	Notice of Non-Compliance, Fine A to Fine B	Fine B to Fine C	Fine D
158	Dealer Securities Registration	69W-700.020	Termination Date of Registration, Prospectuses not to be Used After Certain Date.	Notice of Non-Compliance, Fine A to Fine B	Fine B to Fine C	Fine D
159	Dealer Securities Registration	69W-700.027	Loans and Other Affiliated Transactions.	Fine C to Fine D, Suspension B to Suspension C, Revocation	Fine D, Restriction, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
160	Dealer Securities Registration	69W-700.009	Escrow of Proceeds from Sale of Securities.	Fine C to Fine D	Fine C to Fine D, Suspension	Fine D, Suspension C, Revocation, Bar
161	Dealer Securities Registration	69W-700.012(5)	Oil and Gas Participation Plans.	Notice of Non-Compliance, Fine C to Fine D, Suspension B to Suspension C, Restriction, Revocation, Bar	Fine D, Restriction, Suspension B to Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar
162	Dealer Securities Registration	69W-700.028	Small Corporate Offering Registration ("SCOR" Offering).	Notice of Non-Compliance, Fine A to Fine B	Fine B to Fine C	Fine D
163	Dealer/Agent Registration	69W-600.004(3)	Registration of Issuer/Dealers, Principals and Branch Offices.	Notice of Non-Compliance, Fine A	Notice of Non-Compliance, Fine A	Fine B, Restriction
164	Dealer/Agent Registration	69W-600.008	Termination of Registration as a Dealer, Branch Office, Principal or Agent	Notice of Non-Compliance, Fine A to Fine B	Notice of Non-Compliance, Fine A to Fine C	Fine B to Fine D
165	Dealer Financial Reporting	69W-600.016(1),(2), (3), (5) 17 CFR 240.15c3-1, 17 CFR 240.15c3-1b, 17 CFR 240.15c3-1c, 17 CFR 240.15c3-1d, 17 CFR 240.17a-11, 17 CFR 240.17a-3, 17 CFR 240.17a-4	Net Capital Requirements for Dealers	Fine C to Fine D, Restriction, Suspension A	Fine D, Restriction, Suspension B to Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar

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166	Dealer/Agent Registration	69W-600.020 NASD Membership and Registration Rule 1120, NYSE Rule 345A, MSRB General Rule G-3(h), ASE Rule 341 A, Article VI, Rule 9 of the CSE	Continuing Education Requirements.	Fine A to Fine B, Suspension A to Suspension C	Fine B to Fine C, Suspension B to Suspension C	Fine C to Fine D, Suspension B to Suspension C
167	Dealer/Agent Registration	69W-600.010	Notice of Civil, Criminal or Administrative Action	Notice of Non-Compliance, Fine A to Fine D, Restriction, Suspension B to C	Fine B to Fine D, Restriction, Suspension B to C, Revocation	Fine C to Fine D, Restriction, Suspension B to C, Revocation
168	Dealer Financial Reporting	69W-600.015(1),(2) 17 CFR 240.17a-5, 17 CFR 240.17a-10	Financial Reporting Requirements - Statement of Financial Condition - Dealers	Notice of Non-Compliance, Fine A, Suspension A to Suspension C, Revocation	Fine B, Suspension A to Suspension C, Revocation	Fine B, Suspension B to Suspension C, Revocation
169	Dealer Financial Reporting	69W-600.017 17 CFR 240.15c3-3	Customer Protection Rule - Reserve Requirements and Custody of Customer Funds and Securities.	Fine C to Fine D, Restriction, Suspension A	Fine D, Restriction, Suspension B to Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar
170	Dealer Books and Records	69W-600.014(1) CFR 240.17a-3, CFR 240.17a-4, MSRB General Rules G-7 -G-9, NASD Conduct Rule 3000	Books and Records Requirements.	Notice of Non-Compliance, Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar
171	Dealer Books and Records	69W-600.014(2) 17 CFR 240.17a-3	Books and Records Requirements.	Notice of Non-Compliance, Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar
172	Dealer Books and Records	69W-600.014(5) 17 CFR 240.17a-4, MSRB General Rule G-9	Books and Records Requirements.	Notice of Non-Compliance, Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar
173	Dealer Books and Records	69W-600.014(7) 17 CFR 240.17a-4, MSRB General Rule G-9	Books and Records Requirements.	Notice of Non-Compliance, Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar

Fine A = Up to \$2,000; Fine B = \$2,001 to \$5,000; Fine C = \$5,001 to \$7,500; Fine D = \$7,501 to \$10,000 / Suspension A = 5 days; Suspension B = 6 to 30 days; Suspension C = over 30 days

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Violation #	Violation Category	Statute or Code	Short Description	1st Occurrence	2nd Occurrence	3rd and Subsequent Occurrence(s)
174	Dealer/Agent Registration	69W-600.008	Termination of Registration as a Dealer, Branch Office, Principal or Agent	Notice of Non-Compliance, Fine A to Fine B	Fine A to Fine C	Fine B to Fine D
175	Dealer/Agent Anti-Fraud	69W-600.012(5), 17 CFR 240.9b-1, 17 CFR 240.10b-1 et seq, 17 CFR 242.601, 17 CFR 240.15c1-1 et seq, 17 CFR 240.15c2-1 et seq, 17 CFR 240.15g-1 et seq, 17 CFR 242.100-105	Anti-Fraud	Fine D, Revocation, Bar	Fine D, Revocation, Bar	Fine D, Revocation, Bar
176	Dealer/Agent Sales Practices	69W-600.013(2)(g)	Failure to Provide Florida Guide to Small Business Investments (SCOR)	Notice of Non-Compliance, Fine A to Fine B	Fine A to Fine B	Fine A to Fine B
177	Dealer/Agent Sales Practices	69W-600.013(2)(h) - [(1)(a)]	Extension of Credit	Notice of Non-Compliance, Fine B to Fine C	Fine B to Fine D, Suspension A to Suspension B, Revocation	Fine C to Fine D, Suspension B to Suspension C, Revocation, Bar
178	Dealer/Agent Sales Practices	69W-600.013(2)(h) - [(1)(e)]	Failing to Execute an Order	Notice of Non-Compliance, Fine B to Fine D, Restriction	Fine B to Fine D, Suspension A to Suspension C, Restriction	Fine D, Suspension A to Suspension C, Revocation, Bar
179	Dealer/Agent Sales Practices	69W-600.013(2)(h) - [(1)(f)]	Unregistered Securities	Notice of Non-Compliance, Fine A to Fine C, Restriction, Suspension A to Suspension C	Fine A to Fine C, Restriction, Suspension B to Suspension C, Bar	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar
180	Dealer/Agent Sales Practices	69W-600.013(2)(h) - [(1)(g)]	Representation of Qualifications	Notice of Non-Compliance, Fine C to Fine D, Restriction	Fine C to Fine D, Suspension B to Revocation	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar
181	Dealer/Agent Sales Practices	69W-600.013(2)(h) - [(1)(i)]	Using Unregistered Clearing Dealer	Notice of Non-Compliance, Fine C to Fine D, Restriction, Suspension A to Suspension C	Fine C to Fine D, Suspension A to Suspension C	Fine D, Restriction, Suspension C, Revocation
182	Dealer/Agent Sales Practices	69W-600.013(2)(h) - [(1)(k)]	Recommending Use of an Unregistered Investment Adviser	Notice of Non-Compliance, Fine B to Fine D, Restriction	Fine C to Fine D, Suspension A to Suspension B, Restriction	Fine D, Restriction, Suspension C
183	Dealer/Agent Sales Practices	69W-600.013(2)(h) - [(1)(l)]	Receiving Compensation from an Adviser	Notice of Non-Compliance, Fine B to Fine D, Restriction	Fine C to Fine D, Suspension A to Suspension B, Restriction	Fine D, Restriction, Suspension C
184	Dealer/Agent Sales Practices	69W-600.013(2)(h) - [(1)(m)]	Sale of Non-Exempt Securities	Notice of Non-Compliance, Fine A to Fine C, Restriction, Suspension A to Suspension C	Fine A to Fine C, Restriction, Suspension B to Suspension C, Bar	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar

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185	Adviser/Agent Registration	517.12	Registration of investment advisers, associated persons, and branch offices	Notice of Non-Compliance, Fine A to Fine C, Restriction, Suspension A to Suspension C	Fine A to Fine C, Restriction, Suspension B to Suspension C, Bar	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar
186	Adviser Books and Records	517.121(1),(2)	Books and records requirements; examinations.	Notice of Non-Compliance, Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine C, Suspension B to Suspension C, Revocation, Bar	Fine B to Fine D, Suspension B to Suspension C, Revocation, Bar
187	Adviser Books and Records	517.121(3)	Books and records requirements; examinations.	Summary Suspension	Summary Suspension	Summary Suspension
188	Adviser/Agent Registration	517.161	Revocation, denial, or suspension of registration of dealer, investment adviser, associated person, or branch office.	Denial without prejudice to reapply, Denial, Restriction, Suspension, Summary Suspension Revocation, Bar	Denial without prejudice to reapply, Denial, Restriction, Suspension, Summary Suspension Revocation, Bar	Denial without prejudice to reapply, Denial, Restriction, Suspension, Summary Suspension Revocation, Bar
189	Adviser/Agent Anti-Fraud	517.275	Commodities; prohibited practices.	Restriction, Fine A to Fine D, Suspension A to Suspension C, Revocation, Bar	Restriction, Fine A to Fine D, Suspension A to Suspension C, Revocation, Bar	Restriction, Fine A to Fine D, Suspension A to Suspension C, Revocation, Bar
190	Adviser/Agent Anti-Fraud	517.301	Fraudulent transactions; falsification or concealment of facts.	Fine D, Revocation, Bar	Fine D, Revocation, Bar	Fine D, Revocation, Bar
191	Adviser/Agent Anti-Fraud	517.311	False representations; deceptive words; enforcement.	Fine D, Revocation, Bar	Fine D, Revocation, Bar	Fine D, Revocation, Bar
192	Adviser/Agent Anti-Fraud	517.312	Securities, investments, boiler rooms; prohibited practices; remedies.	Fine D, Revocation, Bar	Fine D, Revocation, Bar	Fine D, Revocation, Bar
193	Adviser/Agent Registration	69W-600.0093	Investment Adviser Registration Depository for Investment Advisers	Notice of Non-Compliance	Fine A	Fine B
194	Adviser/Agent Registration	69W-600.001	Application for Registration as an Investment Adviser	Notice of Non-Compliance, Fine A to Fine D, Restriction, Suspension B to C	Fine B to Fine D, Restriction, Suspension B to C, Revocation	Fine C to Fine D, Restriction, Suspension B to C, Revocation

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195	Adviser/Agent Registration	69W-600.002	Application for Registration as an Associated Person	Notice of Non-Compliance, Fine A to Fine D, Restriction, Suspension B to C	Fine B to Fine D, Restriction, Suspension B to C, Revocation	Fine C to Fine D, Restriction, Suspension B to C, Revocation
196	Adviser/Agent Registration	69W-600.010	Notice of Civil, Criminal or Administrative Action	Notice of Non-Compliance, Fine A to Fine D, Restriction, Suspension B to C	Fine B to Fine D, Restriction, Suspension B to C, Revocation	Fine C to Fine D, Restriction, Suspension B to C, Revocation
197	Adviser Sales Practices	69W-600.0131(1)(c),(e),(h),(m),(q),(r),(s)	Prohibited Business Practices for Investment Advisers and Their Associated Persons.	Notice of Non-Compliance, Restriction, Fine B to Fine D,	Fine B to Fine D, Suspension A to Suspension B	Fine C, Suspension B or Suspension C
198	Adviser Sales Practices	69W-600.0131(1)(a), 17 CFR 275.205-1, 17 CFR 275.205-2, 17 CFR 275.205-3	Contracts	Notice of Non-Compliance, Fine A to Fine B	Fine A to Fine C, Suspension A	Fine C to Fine D, Suspension B to Suspension C, Revocation, Bar
199	Adviser Sales Practices	69W-600.0131(1)(e), 17 CFR 275.206(3)-1, 17 CFR 275.206(3)-2, 17 CFR 275.206(4)-1, 17 CFR 275.206(4)-3, and 17 CFR 275.206(4)-4	Prohibited Transactions	Notice of Non-Compliance, Fine B to Fine D, Suspension A to Suspension C, Revocation, Bar	Fine A to Fine D, Suspension A to Suspension C, Revocation, Bar	Fine B to Fine D, Suspension B to Suspension C, Revocation, Bar
200	Adviser Sales Practices	69W-600.0131(1), (b)(d),(f),(g),(i)-(l),(n)-(p),(t)-(u)	Prohibited Business Practices for Investment Advisers and Their Associated Persons.	Fine B to Fine D, Restriction, Suspension A to Suspension C, Revocation, Bar	Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine C, Revocation, Bar
201	Adviser Financial Reporting	69W-300.002(4) 17 CFR 240.15c3-1	Financial Statements and Reports	Notice of Non-Compliance, Fine A, Suspension A to Suspension C, Revocation	Fine B, Suspension A to Suspension C, Revocation	Fine B, Suspension B to Suspension C, Revocation
202	Adviser Financial Reporting	69W-600.016(1),(3),(5), 17 CFR 240.15c3-1	Net Capital Requirements for Investment Advisers	Notice of Non-Compliance, Fine B to Fine C, Restriction, Suspension A to Suspension C	Fine B to Fine D, Restriction, Suspension A to Suspension C	Fine D, Suspension C, Revocation, Bar
203	Adviser Books and Records	69W-600.012(3)	Rules of Conduct	Restriction, Fine A to Fine C, Suspension A to Suspension B	Restriction, Fine B to Fine C, Suspension A to Suspension C	Fine B to Fine C, Suspension A to Suspension C, Revocation
204	Adviser Books and Records	69W-600.012(4) 17 CFR 275.204-2	Books and Records to Be Maintained by Investment Advisers	Notice of Non-Compliance, Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine C, Suspension B to Suspension C, Revocation, Bar	Fine B to Fine D, Suspension B to Suspension C, Revocation, Bar

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205	Adviser Books and Records	69W-600.0132(2)	Custody Requirements for Investment Advisers	Notice of Non-Compliance, Fine C to Fine D, Suspension A to Suspension C	Fine C to Fine D, Restriction, Suspension B to Suspension C	Fine D, Suspension C, Revocation, Bar
206	Adviser Books and Records	69W-600.0131(1)(a), 17 CFR 275.204-3	Books and Records	Notice of Non-Compliance, Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine C, Suspension B to Suspension C, Revocation, Bar	Fine B to Fine D, Suspension B to Suspension C, Revocation, Bar
207	Adviser Books and Records	69W-600.014(3), 17 CFR 275.204-2, 17 CFR 275.204-2(11), 17 CFR 275.204-3, 17 CFR 206(4)-3, 17 CFR 204-2(16)	Books and Records Requirements.	Notice of Non-Compliance, Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar
208	Adviser Books and Records	69W-600.014(7)(c) - (e), 17 CFR 275.204-2	Books and Records Requirements.	Notice of Non-Compliance, Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar
209	Adviser Books and Records	69W-600.015(1),(3)	Financial Reporting Requirements - Statement of Financial Condition - Investment Advisers	Notice of Non-Compliance, Fine A, Suspension A to Suspension C, Revocation	Fine B, Suspension A to Suspension C, Revocation	Fine B, Suspension B to Suspension C, Revocation
210	Adviser/Agent Sales Practices	69W-600.0133(1)	Use of Senior-Specific Certifications and Professional Designations by Associated Persons and Investment Advisers.	Notice of Non-Compliance, Fine C to Fine D, Suspension A to Suspension B, Restriction	Fine C to Fine D, Suspension B to Suspension C, Restriction, Revocation, Bar	Fine D, Revocation, Bar