

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

<http://www.flofr.com/Cabinet/PublicNotices.htm>

**March 20, 2012**

**MEMBERS**

Governor Rick Scott  
Attorney General Pam Bondi  
Chief Financial Officer Jeff Atwater  
Commissioner Adam Putnam

**Contact: Gigi Price (OFR)**  
**(850) 410-9601**

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

<b>ITEM</b>	<b>SUBJECT</b>	<b>RECOMMENDATION</b>
-------------	----------------	-----------------------

1. The Office respectfully requests approval of the minutes of the September 20, 2011, meeting.

**(ATTACHMENT 1)**

**FOR APPROVAL**

2. The Office respectfully requests approval to publish Notices of Proposed Rules in the Florida Administrative Weekly for the following rules:

**Rule Repeal:** The proposed amendments repeal 27 rules identified as unnecessary as the result of the 2011 Enhanced Rule Review under Sections 120.74 and 120.745, F.S.

- Indexing Agency Orders: Rule 69T-8.002, Florida Administrative Code (F.A.C.)
- Savings Associations: Rule 69U-150.730, F.A.C.
- Mortgage Brokerage: Rules 69V-40.177 and 69V-40.265 (conforming change), F.A.C.
- Motor Vehicle Sales Finance: Rule 69V-50.002, F.A.C.
- Retail Installments Sales: Rule 69V-60.003, F.A.C.
- Sales Finance: Rule 69V-70.002, F.A.C.
- Home Improvement Sales and Finance: 69V-80.002, F.A.C.
- Florida Consumer Finance Act: Rules 69V-160.034 and .035, F.A.C.
- Collection Agencies: Rules 69V-180.050 and .060, F.A.C.
- Money Transmitters: Rules 69V-560.403, .802, and .901, F.A.C.
- Certified Capital Companies: Rules 69W-7.001, .002, .003, .004, .005, .006, .007, and .008, F.A.C.
- Procedural Rules for Processing Securities Registration Applications: Rules 69W-301.001 and .003, F.A.C.
- Registration of Securities: Rules 69W-700.018, .024, and .028, F.A.C.

**Fingerprint Processing Fees:** The proposed amendments reduce fingerprint processing fees. The U.S. Department of Justice is reducing the cost of a federal criminal history check from \$19.25 to \$16.50. Rules 69W-600.002 and .006, F.A.C., (relating to securities regulation), and Rule 69V-560.1012, F.A.C., (relating money services business regulation), are updated to reflect the reduction.

**Organizational Structure:** The proposed amendments to Rule 69T-1.001, F.A.C., reflect changes to the Office's organizational structure that will promote efficiency and accountability. Among other things, the rule amendments rename organizational units to more accurately reflect their function and focus, and the amendments consolidate two units in the finance area to streamline operations.

**(ATTACHMENT 2)**

**RECOMMEND APPROVAL FOR PUBLICATION**

3. The Office respectfully requests approval to publish a Notice of Intent to adopt federal standards for the following rule:

**Uniform Securities Forms:** The proposed amendments to Rule 69W-301.002, F.A.C., adopt the latest version of uniform forms that have been approved by the Securities and Exchange Commission to register investment advisers and broker-dealers. Form ADV is the Uniform Application for Investment Adviser Registration used by investment advisers to register with both the Securities and Exchange Commission (SEC) and state securities regulators through the Investment Adviser Registration Depository. Form BD is the Uniform Application for Broker-Dealer Registration, which is used by broker-dealers to register with the SEC and state securities regulators through the Central Registration Depository.

**(ATTACHMENT 3)**

**APPROVAL TO ADOPT FEDERAL STANDARDS**

# ATTACHMENT 1

**Financial Services Commission**  
**Office of Financial Regulation**  
**Meeting Minutes**  
**September 20, 2011**

APPEARANCES:

Representing the Florida Cabinet:

RICH SCOTT THE CABINET

Governor

STATE OF FLORIDA

DM BORN

Attorney General

Representing:

JEFF AIWATER

Chief Financial Officer

BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND  
ADMINISTRATION COMMISSION

FLORIDA LAND AND WATER ADJUDICATORY COMMISSION  
DIVISION OF BOND FINANCE

FINANCIAL SERVICES COMMISSION, FINANCIAL REGULATION

FINANCIAL SERVICES COMMISSION, INSURANCE REGULATION  
DEPARTMENT OF REVENUE

DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES

The above agencies came to be heard before  
THE FLORIDA CABINET, the Honorable Governor Scott  
presiding, in the Cabinet Meeting Room, LL-03, The  
Capitol, Tallahassee, Florida, on Tuesday, September 20,  
2011, commencing at approximately 9:09 a.m.

Reported by:

MARY ALLEN NEEL

Registered Professional Reporter

Florida Professional Reporter

Notary Public

ACCURATE STENOTYPE REPORTERS, INC.

2894 REMINGTON GREEN LANE

TALLAHASSEE, FLORIDA 32308

850.878.2221

I N D E XBOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND  
(Presented by HERSCHEL VINYARD)

ITEM	ACTION	PAGE
1	Approved	9

ADMINISTRATION COMMISSION  
(Presented by PHILLIP MILLER)

ITEM	ACTION	PAGE
1	Approved	12

FLORIDA DEPARTMENT OF LAW ENFORCEMENT  
(Presented by PHILLIP MILLER)

ITEM	ACTION	PAGE
1	Approved	13

DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES  
(Presented by BEN WATKINS)

ITEM	ACTION	PAGE
1	Approved	14
2	Approved in Part	18
	Withdrawn in Part	
3	Approved	20
4	Approved	20
5	Approved	21
6	Approved	21
7	Approved	22
8	Approved	24

FINANCIAL SERVICES COMMISSION, FINANCIAL REGULATION  
(Presented by TOM GRADY)

ITEM	ACTION	PAGE
1	Approved	28
2	Approved	30

GOVERNOR INDEX CONTINUED

is the Financial Services Commission, Office of  
FINANCIAL SERVICES COMMISSION, INSURANCE REGULATION  
(Presented by KEVIN McCARTY) presented by Tom Grady. Good

ITEM	ACTION	PAGE
1	MR. GRADY: Approved	31
2	Approved	32
3	of the Cabinet. Approved	33
4	Approved	33
5	and as you know, Withdrawn	34

appears at these meetings I'm going to have a  
DEPARTMENT OF REVENUE  
(Presented by LISA VICKERS) has a "Where's Ann?" People

ITEM	ACTION	PAGE
1	Ann?" Well, she Approved	47
2	Approved	51
3	She thought I could Approved	56
4	Approved	57
5	you very much for Approved	58

2nd and for my new nickname.  
DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES  
(Presented by JULIE JONES) items on my agenda, Governor,

ITEM	ACTION	PAGE
1	is to thank you, Approved	59
2	Approved	63
3	the office of Approved	68

Financial Regulation, and thank you for the  
CERTIFICATE OF REPORTER 70

opportunity. It has been a tremendous experience  
already, and I am discovering that the myth out  
there that somehow public sector employees are  
inferior to private sector employees is a myth, and  
we at the OFR intend to shatter that myth, and we  
intend to show you, and we ask you to hold us

1           accountable.

2           Moving forward to your agenda items, the first  
3           agenda item that we have is the approval of the  
4           minutes for the meetings of June 16 and August 2nd,  
5           and we request your approval.

6           GOVERNOR SCOTT: Sure. Is there a motion to  
7           approve Item 1?

8           ATTORNEY GENERAL BONDI: Move to approve.

9           GOVERNOR SCOTT: Is there a second?

10          CFO ATWATER: Second.

11          GOVERNOR SCOTT: Moved and seconded. Item 1  
12          is approved without objection.

13          MR. GRADY: Thank you. And the second item  
14          has to do with rules and regulations. Pursuant to  
15          Chapter 559, our office was tasked with coming  
16          forward with a set of rules to govern consumer  
17          collection agencies pursuant to that chapter.

18          And I'm pleased to tell you two things:  
19          First, we have proposed the rules. They have been  
20          through the rulemaking process. You have seen them  
21          before. They are in their final form, and they're  
22          only six pages long, and that's a good thing.

23          And secondly, within our office, we also have  
24          embarked upon a regulatory reform initiative so  
25          that our goal is to have a net decrease in the

1 number of rules and the pages of rules and the  
2 overall regulatory burden on those we regulate.

3 Now, these particular rules benefit both the  
4 industry and the consumer, and they're common  
5 sense. They are concise, and they specifically  
6 implement your directions and that of the  
7 Legislature regarding consumer collection agencies.  
8 They create books and records requirements. They  
9 give some discretion to our office regarding fines  
10 and create a matrix so that good guys and bad guys  
11 can know what the penalties are and what's  
12 appropriate to the compliance with Chapter 559.

13 And importantly, it includes a complaint form  
14 requirement so that consumers will be required to  
15 have some skin in the game when they make a  
16 complaint and file these under penalty of perjury,  
17 which will likely reduce the number and make it  
18 easier for us to do our job of prosecuting these  
19 claims and regulating these claims.

20 And finally, it does provide for the  
21 destruction of records that are maintained by folks  
22 involved in the credit agency bureau. Of course,  
23 we're all concerned about privacy these days.

24 So these rules specifically implement those  
25 requirements that you have directed, and we would

1 ask that you approve those today.

2 GOVERNOR SCOTT: All right. Is there a motion  
3 to approve Item 2?

4 CFO ATWATER: So moved.

5 GOVERNOR SCOTT: Is there a second?

6 COMMISSIONER PUTNAM: Second.

7 GOVERNOR SCOTT: Moved and seconded. Show  
8 Item 2 is approved without objection.

9 MR. GRADY: I have no further agenda items. I  
10 invite you to contact me if there's anything I can  
11 do for you, and thank you very much.

12 GOVERNOR SCOTT: Thanks a lot, Tom.

13

14

15

16

17

18

19

20

21

22

23

24

25

# ATTACHMENT 2

**Financial Services Commission**  
**Office of Financial Regulation**  
**Briefing Sheet**  
**Agenda Item #2**

---

**1. Rule Repeal**

The Office is requesting approval to file Notices of Proposed Rules to repeal several rules that have been identified as unnecessary. Pursuant to sections 120.74, and 120.745, Florida Statutes, the Office conducted a comprehensive review of its rules. In summary, the Office has identified 27 rules for repeal and a number of other rules for amendment. The notices contained in this item represent the rules identified for repeal. A future rule package will be presented to address rules that are recommended for amendment. Listed below are the rules identified for repeal.

Rule Chapter 69T-8, Indexing of Agency Orders

*Rule 69T-8.002: Purpose:* The rule is being repealed because it describes the purpose of the rules adopted under the chapter, which is unnecessary.

Rule Chapter 69U-150, Savings Associations

*69U-150.730: Association Assessments:* This rule is being repealed because it is unnecessary. The rule applies to assessments for capital stock associations chartered under chapter 665, F.S. There are no Florida-chartered capital stock associations operating in the state and there has not been any in recent times. In effect, this type of charter has been replaced by the provisions of chapter 667, F.S., which governs the chartering of state-chartered savings banks.

Rule Chapter 69V-40, Mortgage Brokerage

*69V-40.177: Mortgage Brokerage and Lending Transaction Journal*

*69V-40.265: Mortgage Brokerage and Lending Transaction Journal*

The proposed rule amendments streamline regulations relating to recordkeeping requirements for mortgage loan transactions. Rule 69V-40.177 requires mortgage brokers, and mortgage lenders acting as mortgage brokers, to maintain certain information about each mortgage loan transaction. Rule 69V-40.265 requires the same information for mortgage lenders. To streamline regulations, Rule 69V-40.177 is being repealed and Rule 69V-40.265 is being amended to include mortgage brokers.

#### Rule Chapter 69V-50, Motor Vehicle Sales Finance

[69V-50.002](#): *Excessive Charges, Correction*: The rule is being repealed because it exceeds the rulemaking authority permitted by s. 120.536, F.S., which prohibits a rule from exceeding the specific powers and duties granted by the enabling statute. The Office lacks the statutory authority to require a sales finance company to notify a buyer of subsequently discovered mistakes in the calculation of finance charges.

#### Rule Chapter 69V-60, Retail Installment Sales

[69V-60.003](#): *Excessive Charges, Correction*: The rule is being repealed because it exceeds the rulemaking authority permitted by s. 120.536, F.S., which prohibits a rule from exceeding the specific powers and duties granted by the enabling statute. The Office lacks the statutory authority to require a sales finance company to notify a buyer of subsequently discovered mistakes in the calculation of finance charges.

#### Rule Chapter 69V-70, Sales Finance

[69V-70.002](#): *Excessive Charges, Correction*: The rule is being repealed because it exceeds the rulemaking authority permitted by s. 120.536, F.S., which prohibits a rule from exceeding the specific powers and duties granted by the enabling statute. The Office lacks the statutory authority to require a sales finance company to notify a buyer of subsequently discovered mistakes in the calculation of finance charges.

#### Rule Chapter 69V-80, Home Improvement Sales Finance

[69V-80.002](#): *Excessive Charges, Corrections*: The rule is being repealed because it exceeds the rulemaking authority permitted by s. 120.536, F.S., which prohibits a rule from exceeding the specific powers and duties granted by the enabling statute. The Office lacks the statutory authority to require a home improvement contractor or home improvement finance agency (sales finance company) to notify a buyer of subsequently discovered mistakes in the calculation of finance charges.

#### Rule Chapter 69V-160, Florida Consumer Finance Act

*69V-160.034: Failure to Demonstrate Financial Responsibility Defined*

*69V-160.035: Failure to Demonstrate Character or General Fitness Defined*

Rule 69V-160.034 attempts to define the term "financial responsibility". Issues involving a person's financial responsibility are more appropriately addressed on a case-by-case basis; and therefore, the rule is recommended for repeal. Rule 69V-160.035 defines character and general fitness in terms of criminal history, which is already addressed in chapter 516, F.S. Character and general fitness issues also are more appropriately addressed on a case-by-case basis.

#### Rule Chapter 69V-180, Collection Agencies

*69V-180.050: Consumer Collection Agency Registration Renewal Form and Procedures*

*69V-180.060: Commercial Collection Agency Registration Renewal Form and Procedures*

The rules currently set forth the renewal process for collection agencies. The renewal process is adequately covered in the s. 559.555, F.S., for consumer collection agencies, and s. 559.545, F.S., for commercial collection agencies. Therefore, the rules are unnecessary. The Office does not collect any additional information at the time of renewal; and therefore, does not need a form in order to renew a registrant's registration. Further, the renewal fee is set forth in statute. In addition, there is no need to extend deadlines for renewals because of weekends or holidays because registrants can renew their registration electronically through the Office's REAL system 24 hours a day, 7 days a week.

Rule Chapter 69V-560, Money Transmitters

*69V-560.403: Net Worth*

*69V-560.802: Minimum Disclosure*

*69V-560.901: Scope*

Rule 69V-560.901, relating to scope, is being repealed because it is merely descriptive and does not impose any regulatory requirements. The provisions of Rule 69V-560.403 relating to a licensee's net worth is being repealed because this issue is adequately addressed in s. 560.209, F.S. Rule 69V-560.302 currently requires a schedule of fees to be disclosed in a conspicuous place. Fees are competitive in the industry and the Office views this as an unnecessary regulatory burden. Further, a deferred presentment contract must disclose rates and fees in accordance with federal regulations prior to being signed by the borrower. Therefore, this rule is being repealed to remove an unnecessary regulatory burden.

Rule Chapter 69W-7, Certified Capital Companies

*69W-7.001: Definitions*

*69W-7.002: Certification as a Certified Capital Company*

*69W-7.003: Capital Requirements for Certified Capital Companies*

*69W-7.004: Annual Review*

*69W-7.005: Requirement to Update Information*

*69W-7.006: Renewal of Certification*

*69W-7.007: Books and Records Requirements*

*69W-7.008: Forms, Instructions and Manuals*

The statute authorizing the above rules (Section 288.99, F.S.) was repealed effective December 31, 2010, by operation of law. See Fla. Stat. s. 288.99(17) (2010), which provides: "This section shall stand repealed December 31, 2010." During the 2011 legislative session, a reviser's bill was passed that removed Section 288.99, F.S., from the Florida Statutes. See s. 5, Ch. 2011-3, Laws of Florida. Accordingly, there is no statutory authority for the rules.

### Rule Chapter 69W-301, Procedural Rules for Processing Securities Registration Applications

*69W-301.001: Scope*

*69W-301.003: Right to Hearing*

Rule 69W-301.001 describes the scope of the rule chapter, which is unnecessary. Rule 69W-301.003 described the process for requesting a hearing, which is unnecessary because the procedures for requesting a hearing are already addressed under the Uniform Rules of Procedure. See Rule 28-106.111, F.A.C.

### Rule Chapter 69W-700, Registration of Securities

*69W-700.018: Signing Required - Consents and Consents of Experts*

*69W-700.024: Submission of Final Documents*

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

Section 517.081, F.S., sets forth the procedures that must be followed when a person seeks to register a security with the Office. It also sets forth the information that the Office may request as part of the registration process. Rule 69W-700.018 requires information that is not specified in the implementing statute. Accordingly, the rule has been identified for repeal because it enlarges the scope of the statute. Rule 69W-700.024 has been designated for repeal because it may allow an issuer to sell securities in Florida prior to registration, which conflicts Section 517.081(1), F.S. Rule 69W-700.028 has been identified for repeal because it is redundant of statutory requirements. The documents specified in the rule are required by the following statutes: s. 517.081(2), F.S. (application); s. 517.081(3), F.S.; (offering circular/prospectus, allowance for use of a form of simplified offering circular and, filing of exhibits and financial statements and annual financial reports); s. 517.081(6), F.S.; (payment of statutory filing fee); s. 517.101, F.S., (consent to service and corporate resolution), and s. 517.12, F.S.; (registration of issuer as dealer).

## **2. Fingerprint Processing Fees**

Rules in the area of securities regulation (69W-600.002 and .006) and money services businesses (69W-560.1012) are being amended to reflect a decrease in fingerprint processing fees. The fees will be reduced from \$43.25 to \$40.50. The current fee of \$43.25 represents \$24 charged by the Florida Department of Law Enforcement for a state criminal history check and \$19.25 charged by the U.S. Department of Justice for a national criminal history check. The U.S. Department of Justice is reducing its fee from \$19.25 to \$16.50. Accordingly, Florida's rules need to be amended to reflect the reduced federal fees.

### **3. Organizational Structure**

The Office is requesting approval to file a Notice of Proposed Rule to amend Rule 69T-1.002, which sets forth its organizational structure. The rule amendments reflect changes that will promote efficiency and accountability. The changes are as follows.

#### Division of Securities

Within the Division of Securities, the Bureau of Securities Regulation, is renamed the Bureau of Enforcement, and the Bureau of Regulatory Review is renamed the Bureau of Registration.

#### Division of Finance

Within the Division of Finance, the Bureau of Finance Regulation is renamed the Bureau of Enforcement and the Bureau of Regulatory Review is renamed the Bureau of Registration. In addition, the Division of Finance is renamed to the Division of Consumer Finance. The Bureau of Money Transmitter Regulation within the current Division of Finance is eliminated and its functions are being merged into the Division of Consumer Finance, Bureau of Enforcement. It is noted that the number of entities licensed through the Division of Finance has significantly dropped over the past few years. Accordingly, it is not efficient to maintain two bureaus to conduct examinations in the area of consumer finance regulation.

#### Office of Legal Services

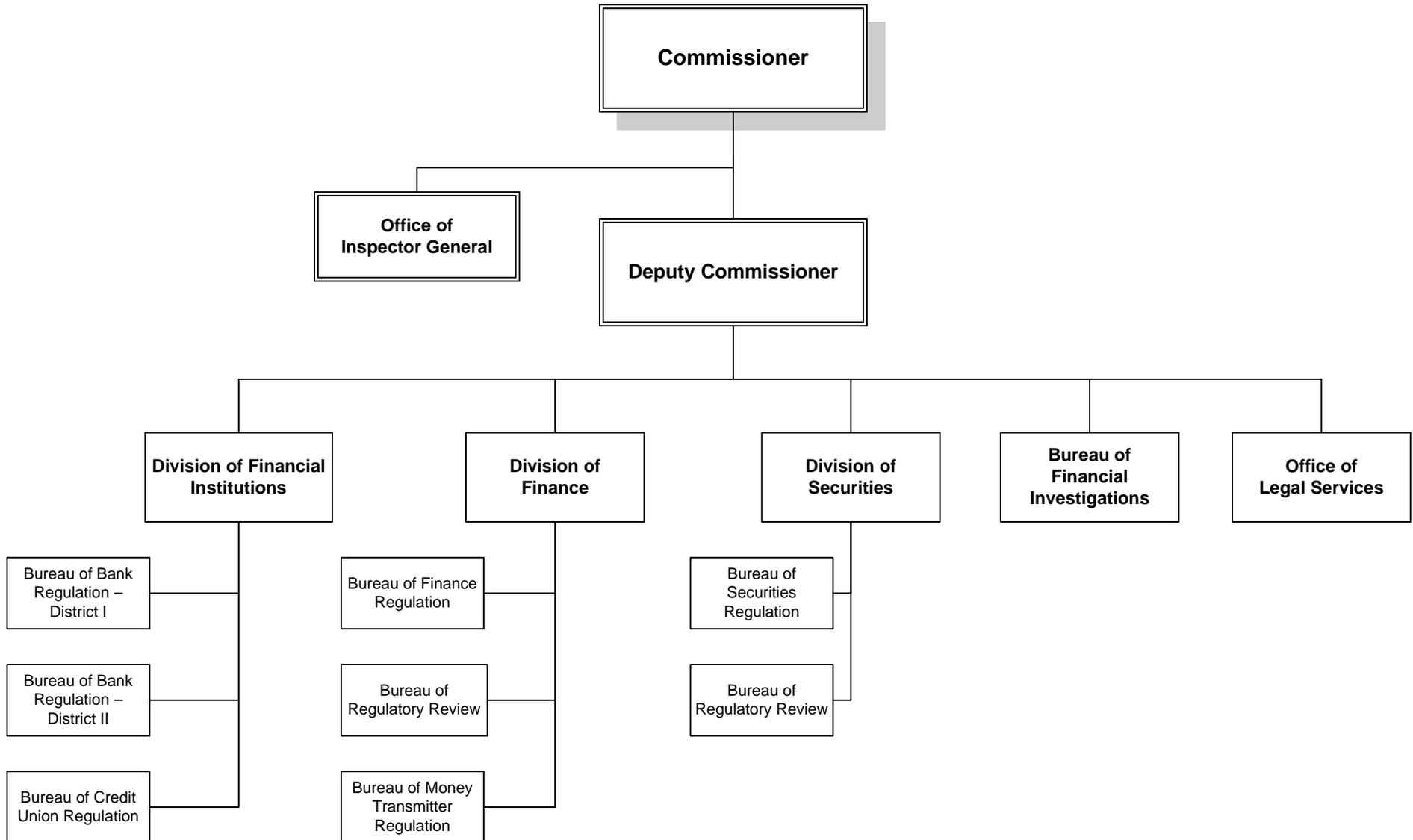
The Office of Legal Services is renamed to the Office of General Counsel.

#### Office of Communications

The rule amendments also reflect an Office of Communications, which is headed by a director. The Office handles all of the office's internal and external communications.

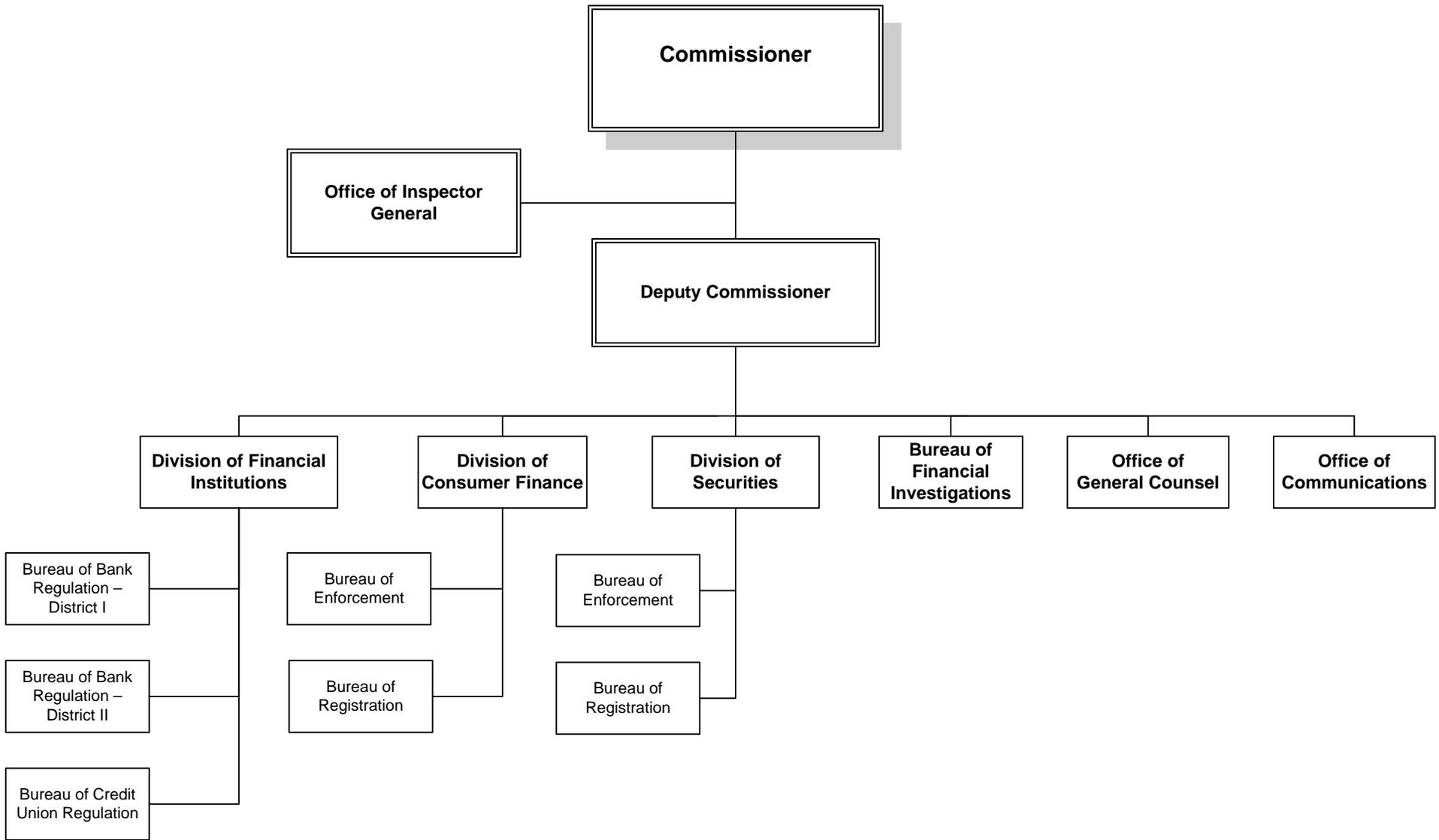
**Financial Services Commission  
Office of Financial Regulation  
Organizational Chart**

Current



**Financial Services Commission  
Office of Financial Regulation  
Organizational Chart**

Proposed



## **Notices of Proposed Rule for Rule Repeals**

Notice of Proposed Rule

**DEPARTMENT OF FINANCIAL SERVICES**

**Indexing Agency Orders**

RULE NO.: RULE TITLE:

[69T-8.002](#): Purpose

PURPOSE AND EFFECT: The proposed rule amendment will repeal the rule. The Office identified the rule as unnecessary as the result of the comprehensive rule review that it undertook pursuant to Sections 120.74 and 120.745, F.S. Rule 69T-8.002 describes the purpose of the rules adopted under chapter, which is unnecessary.

SUMMARY: The proposed rule amendment will repeal the rule. The Office identified the rule as unnecessary as the result of the comprehensive rule review that it undertook pursuant to Sections 120.74 and 120.745, F.S. Rule 69T-8.002 describes the purpose of the rules adopted under chapter, which is unnecessary.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: 1) No requirement for a SERC was triggered under Section 120.541(1); and 2) The rule repeal will not exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

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.

RULEMAKING AUTHORITY: [288.99\(14\)\(b\)](#), [494.0011\(2\)](#), [516.23\(3\)](#), [517.03\(1\)](#), [520.994\(5\)](#), [537.016\(3\)](#), [560.105\(2\)](#), [655.012\(2\)](#) FS

LAW IMPLEMENTED: [120.53](#) FS

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

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Rob Vandiver, Chief Counsel, Division of Securities, (850) 410-9707, robert.vandiver@flofr.com

THE FULL TEXT OF THE PROPOSED RULE IS:

**69T-8.001 Authority.**

~~Rules 69T 8.001 through 69T 8.009, F.A.C., regarding the indexing, management, preservation, and availability of final orders, are issued pursuant to Section 120.53, F.S., and Chapter 1S 6, F.A.C., and have been approved by the Department of State pursuant to Section 120.53(1)(e), F.S.~~

*Specific Authority 288.99(14)(b), 494.0011(2), 516.23(3), 517.03(1), 520.994(5), 537.016(3), 560.105(2), 655.012(2) FS. Law Implemented 120.53 FS. History—New 10-26-92, Formerly 3-8.001, Amended 5-15-07, Repealed.*

NAME OF PERSON ORIGINATING PROPOSED RULE: Rob Vandiver, Chief Counsel, Division of Securities, (850) 410-9707, robert.vandiver@flofr.com

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

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: March 20, 2012

Notice of Proposed Rule

**DEPARTMENT OF FINANCIAL SERVICES**

**FSC - Financial Institution Regulation**

RULE NO.: RULE TITLE:

[69U-150.730](#): Association Assessments

PURPOSE AND EFFECT: The proposed rule amendments will repeal the rule. The Office has identified the rule as unnecessary as the result of the comprehensive rule review that it undertook pursuant to Sections 120.74 and 120.745, F.S. The rule applies to assessments for capital stock associations chartered under chapter 665, F.S. There are no Florida-chartered capital stock associations operating in the state and there has not been any in recent times. In effect, this type of charter has been replaced by the provisions of chapter 667, F.S., which governs the chartering of state-chartered savings banks.

SUMMARY: The proposed rule amendments will repeal the rule. The Office has identified the rule as unnecessary as the result of the comprehensive rule review that it undertook pursuant to Sections 120.74 and 120.745, F.S. The rule applies to assessments for capital stock associations chartered under chapter 665, F.S. There are no Florida-chartered capital stock associations operating in the state and there has not been any in recent times. In effect, this type of charter has been replaced by the provisions of chapter 667, F.S., which governs the chartering of state-chartered savings banks.

**SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:**

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: 1) No requirement for a SERC was triggered under Section 120.541(1); and 2) The rule repeal will not exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

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.

RULEMAKING AUTHORITY: [120.53, 655.012, FS](#)

LAW IMPLEMENTED: [655.013\(34\), 655.047, 658.73 FS](#)

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

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Jeffrey Jones,

Assistant General Counsel, 410-9640, jeffrey.jones@flofr.com

THE FULL TEXT OF THE PROPOSED RULE IS:

**69U-150.730 Association Assessments.**

~~(1) Each state association shall pay to OFR a semiannual fee of \$250, plus a semiannual assessment computed on total assets as shown on the Consolidated Thrift Financial Report of the association as of the last business day in June and the last business day in December of each year. In the event that a Consolidated Thrift Financial Report is amended, and such amendment results in a change in consolidated total assets, the semiannual assessment shall be computed on the adjusted total assets reported in the amended Consolidated Thrift Financial Report only if such report is postmarked no later than July 31 or January 31 of the current assessment period. No adjustment will be made for amended reports postmarked after this date.~~

~~(2) In addition to the semiannual fee in subsection (1), associations shall pay to OFR a semiannual assessment which shall be computed on the following schedule:~~

<del>Assets Over</del>			<del>Of Assets Over</del>
<del>(in thousands)</del>	<del>Base</del>	<del>Plus</del>	<del>(in thousands)</del>
<del>\$0</del>	<del>\$0</del>	<del>0.05</del>	<del>\$0</del>
<del>50,000</del>	<del>2,500</del>	<del>0.03</del>	<del>50,000</del>

~~(3) OFR shall levy a late payment penalty of \$100.00 per day for each day that a semiannual assessment is past due, unless the late payment penalty is excused for good cause. For intentional late filing of a semiannual assessment, OFR shall levy a late payment penalty of \$1,000.00 per day for each day that a semiannual assessment is past due.~~

*Specific Authority 120.53(1)(a), 655.012(3) FS. Law Implemented 655.013(34), 655.047, 658.73 FS. History—New 8-9-93, Formerly 3C-150.730, Repealed.*

NAME OF PERSON ORIGINATING PROPOSED RULE: Linda Charity, Director, Division of Financial Institutions

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

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: March 20, 2012

Notice of Proposed Rule

**DEPARTMENT OF FINANCIAL SERVICES**

**Finance**

RULE NO.: RULE TITLE:

[69V-40.177](#): Mortgage Brokerage and Lending Transaction Journal

[69V-40.265](#): Mortgage Brokerage and Lending Transaction Journal

PURPOSE AND EFFECT: The proposed rule amendments streamline regulations relating to recordkeeping requirements for mortgage loan transactions. Rule 69V-40.177 requires mortgage brokers, and mortgage lenders acting as mortgage brokers, to maintain certain information about each mortgage loan transaction. Rule 69V-40.265 requires the same information for mortgage lenders. To streamline regulations, Rule 69V-40.177 is being repealed and Rule 69V-40.265 is being amended to include mortgage brokers. These rules were identified for amendment as the result of the comprehensive rule review that the Office of Financial Regulation undertook pursuant to Sections 120.74 and 120.745, F.S.

SUMMARY: The proposed rule amendments streamline regulations relating to recordkeeping requirements for mortgage loan transactions. Rule 69V-40.177 requires mortgage brokers, and mortgage lenders acting as mortgage brokers, to maintain certain information about each mortgage loan transaction. Rule 69V-40.265 requires the same information for mortgage lenders. To streamline regulations, Rule 69V-40.177 is being repealed and Rule 69V-40.265 is being amended to include mortgage brokers. These rules were identified for amendment as the result of the comprehensive rule review that the Office of Financial Regulation undertook pursuant to Sections 120.74 and 120.745, F.S.

**SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:**

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: 1) No requirement for a SERC was triggered under Section 120.541(1); and (2) the proposed changes will not exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

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.

RULEMAKING AUTHORITY: [120.695, 494.0016\(4\) FS](#)

LAW IMPLEMENTED: [120.695, 494.0016, 494.00255 FS](#)

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

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Andy Grosmaire,  
Chief, Bureau of Finance Regulation, (850) 410-9848, andy.grosmaire@flofr.com

THE FULL TEXT OF THE PROPOSED RULE IS:

**69V-40.177 Mortgage Brokerage and Lending Transaction Journal.**

~~(1) Each mortgage brokerage business and lender acting in the capacity of a mortgage brokerage business shall maintain a journal of mortgage brokerage transactions, which shall include, at least, the following information:~~

~~(a) Name of applicant;~~

~~(b) Date applicant applied for the mortgage loan;~~

~~(c) Disposition of the mortgage loan application. The Mortgage Brokerage and Lending Transaction Journal shall indicate the result of the brokerage transaction. The disposition of the case shall be categorized as one of the following: loan funded, loan denied, application withdrawn, or other (with explanation);~~

~~(d) Name of lender, if applicable.~~

~~(2) The journal shall be maintained in a format which is substantially similar to Form OFR 494-10, Mortgage Brokerage and Lending Transaction Journal.~~

~~(3) The Mortgage Brokerage and Lending Transaction Journal shall be maintained in the principal office or in each branch office where mortgage brokerage transactions are originated. The Mortgage Brokerage and Lending Transaction Journal shall be kept current. The failure to initiate an entry to the Mortgage Brokerage and Lending Transaction Journal within seven (7) business days from the date the brokerage transaction is entered into, shall be deemed to be a failure to keep the Mortgage Brokerage and Lending Transaction Journal current.~~

~~(4) The penalty for failure to maintain the Mortgage Brokerage and Lending Transaction Journal or to keep the same current (incidental and isolated clerical errors or omissions shall not be considered a violation) shall be the issuance of a "notice of noncompliance" for a first offense. Any subsequent finding of a violation of this rule during an examination or investigation shall be a fine of \$500. The penalty for any intentional violation of this rule shall be a fine of \$500 and suspension of the license.~~

~~(5) Form OFR 494-10 is incorporated by reference in subsection 69V-40.002(1), F.A.C.~~

*Specific Authority 494.0011(2), 494.0016(4) FS. Law Implemented 120.695, 494.0016, 494.0041 FS. History—New 2-16-92, Amended 7-25-96, 12-12-99, Formerly 3D-40.177, Amended 3-23-08, Repeal.*

**69V-40.265 Mortgage Brokerage and Lending Transaction Journal.**

(1) Each mortgage broker and mortgage lender shall maintain a Mortgage Brokerage and Lending Transaction Journal, which shall include, at least, the following information:

(a) Name of applicant;

(b) Date applicant applied for the mortgage loan;

(c) Disposition of the mortgage loan application. The journal shall indicate the result of the lending transaction. The disposition of the transaction shall be categorized as one of the following: loan funded, loan denied, or application withdrawn.

(d) Name of lender, if applicable.

(2) The journal shall be maintained on Form OFR-494-10, Mortgage Brokerage and Lending Transaction Journal, or a form substantially similar.

(3) In lieu of maintaining Form OFR-494-10, a each mortgage lender or mortgage broker may maintain the Home Mortgage Disclosure Act loan/application register, Form FR HMDA-LAR, found at 12 C.F.R., part 203, Appendix A (2010) if all lending transactions are recorded on this form. The form is hereby incorporated by reference and may be accessed through the Government Printing Office website <http://www.gpoaccess.gov/cfr/>.

(4) The Mortgage Brokerage and Lending Transaction Journal shall be maintained in the principal office or in each branch office where ~~mortgage lender~~ the transactions are originated. The Mortgage Brokerage and Lending Journal shall be kept current. The failure to initiate an entry to the Mortgage Brokerage and Lending Transaction Journal within 7 business days from the date the transaction was entered into, shall be deemed to be a failure to keep the Mortgage Brokerage and Lending Transaction Journal current.

(5) and (6) No change.

*Rulemaking Authority 494.0016(4) FS. Law Implemented 120.695, 494.0016, 494.00255 FS. History—New 1-10-93, Amended 7-25-96, 12-12-99, Formerly 3D-40.265, Amended 3-23-08, 10-1-10\_\_\_.*

NAME OF PERSON ORIGINATING PROPOSED RULE: Greg Oaks, Director, Division of Finance

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

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: March 20, 2012

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: February 10, 2012

Notice of Proposed Rule

**FINANCIAL SERVICES COMMISSION**

**Finance**

RULE NO.: RULE TITLE:

[69V-50.002](#): Excessive Charges, Correction

PURPOSE AND EFFECT: The proposed rule amendment will repeal the rule. The rule is being repealed because it exceeds the rulemaking authority permitted by s. 120.536, F.S. The Office lacks the statutory authority to require a sales finance company to notify a buyer of subsequently discovered mistakes in the calculation of finance charges. The Office made this determination as the result of the comprehensive rule review that it undertook pursuant to Sections 120.74 and 120.745, F.S.

SUMMARY: The proposed rule amendment will repeal the rule. The rule is being repealed because it exceeds the rulemaking authority permitted by s. 120.536, F.S. The Office lacks the statutory authority to require a sales finance company to notify a buyer of subsequently discovered mistakes in the calculation of finance charges. The Office made this determination as the result of the comprehensive rule review that it undertook pursuant to Sections 120.74 and 120.745, F.S.

**SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:**

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: 1) No requirement for a SERC was triggered under Section 120.541(1); and (2) the proposed changes will not exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

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.

RULEMAKING AUTHORITY: [520.994\(5\)](#)

LAW IMPLEMENTED: [520.08](#)

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Andy Grosmaire, Chief, Bureau of Finance Regulation, (850) 410-9848, [andy.grosmaire@flofr.com](mailto:andy.grosmaire@flofr.com)

THE FULL TEXT OF THE PROPOSED RULE IS:

**69V-50.002 Excessive Charges, Correction.**

~~If the sales finance company discovers that, as a result of an inadvertent clerical error or some other~~

~~unintentional mistake, the finance charge to a buyer is in excess of the amount permitted, or that any other charges in the contract are excessive, it shall immediately notify the buyer in writing of such overcharge. The overcharge, plus any finance charge that may have been assessed thereon, shall be credited to the account balance, and the buyer shall be notified in writing of any reduction of contractual payments. Contracts paid in full containing excessive charges which were not previously given credit should be corrected by making a refund to the buyer.~~

*Specific Authority 520.994(5) FS. Law Implemented 520.08 FS. History—Renumbered from 3-6.02 to 3D-50.02 on 8-26-75, Amended 1-10-79, Formerly 3D-50.02, Amended 7-10-96, Formerly 3D-50.002, Repealed.*

NAME OF PERSON ORIGINATING PROPOSED RULE: Greg Oaks, Director, Division of Finance

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

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: March 20, 2012

Notice of Proposed Rule

**FINANCIAL SERVICES COMMISSION**

**Finance**

RULE NO.: RULE TITLE:

[69V-60.003](#): Excessive Charges, Correction

PURPOSE AND EFFECT: The proposed rule amendment will repeal the rule. The rule is being repealed because it exceeds the rulemaking authority permitted by s. 120.536, F.S. The Office lacks the statutory authority to require a sales finance company to notify a buyer of subsequently discovered mistakes in the calculation of finance charges. The Office made this determination as the result of the comprehensive rule review that it undertook pursuant to Sections 120.74 and 120.745, F.S.

SUMMARY: The proposed rule amendment will repeal the rule. The rule is being repealed because it exceeds the rulemaking authority permitted by s. 120.536, F.S. The Office lacks the statutory authority to require a sales finance company to notify a buyer of subsequently discovered mistakes in the calculation of finance charges. The Office made this determination as the result of the comprehensive rule review that it undertook pursuant to Sections 120.74 and 120.745, F.S.

**SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:**

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: 1) No requirement for a SERC was triggered under Section 120.541(1); and (2) the proposed changes will not exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

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.

RULEMAKING AUTHORITY: [520.994\(5\)](#)

LAW IMPLEMENTED: [520.34](#)

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

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Andy Grosmaire, Chief, Bureau of Finance Regulation, (850) 410-9848, [andy.grosmaire@flofr.com](mailto:andy.grosmaire@flofr.com)

THE FULL TEXT OF THE PROPOSED RULE IS:

**69V-60.003 Excessive Charges, Correction.**

~~If the sales finance company discovers that, as a result of an inadvertent clerical error or some other unintentional mistake the finance charge to a buyer is in excess of the amount permitted, or that any other charges in the contract are excessive, it shall immediately notify the buyer in writing of such overcharge. The overcharge, plus any finance charge that may have been assessed thereon, shall be credited to the account balance, and the buyer shall be notified in writing of any reduction of contractual payments. Contracts paid in full containing excessive charges which were not previously given credit should be corrected by making a refund to the buyer.~~

*Specific Authority 520.994(5) FS. Law Implemented 520.34 FS. History—New 6-20-64, Renumbered from 3-7.03 to 3D-60.03 on 8-26-75, Amended 1-10-79, Formerly 3D-60.03, Amended 7-10-96, Formerly 3D-60.003, Repealed .*

NAME OF PERSON ORIGINATING PROPOSED RULE: Greg Oaks, Director, Division of Finance

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

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: March 20, 2012

## Notice of Proposed Rule

### **FINANCIAL SERVICES COMMISSION**

#### **Finance**

RULE NO.: RULE TITLE:

[69V-70.002](#): Excessive Charges, Corrections

PURPOSE AND EFFECT: The proposed rule amendment will repeal the rule. The rule is being repealed because it exceeds the rulemaking authority permitted by s. 120.536, F.S. The Office lacks the statutory authority to require a sales finance company to notify a buyer of subsequently discovered mistakes in the calculation of finance charges. The Office made this determination as the result of the comprehensive rule review that it undertook pursuant to Sections 120.74 and 120.745, F.S.

SUMMARY: The proposed rule amendment will repeal the rule. The rule is being repealed because it exceeds the rulemaking authority permitted by s. 120.536, F.S. The Office lacks the statutory authority to require a sales finance company to notify a buyer of subsequently discovered mistakes in the calculation of finance charges. The Office made this determination as the result of the comprehensive rule review that it undertook pursuant to Sections 120.74 and 120.745, F.S.

#### SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: 1) No requirement for a SERC was triggered under Section 120.541(1); and (2) the proposed changes will not exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

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.

RULEMAKING AUTHORITY: [520.994\(5\) FS](#)

LAW IMPLEMENTED: [520.02\(1\)](#), [520.51 FS](#)

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

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Andy Grosmaire, Chief, Bureau of Finance Regulation, (850) 410-9848, [andy.grosmaire@flofr.com](mailto:andy.grosmaire@flofr.com)

THE FULL TEXT OF THE PROPOSED RULE IS:

#### **69V-70.002 Excessive Charges, Corrections.**

~~If the sales finance company discovers that, as a result of an inadvertent clerical error or some other unintentional mistake the finance charge to a buyer is in excess of the amount permitted, or that any other~~

~~charges in the contract are excessive, it shall immediately notify the buyer in writing of such overcharge. The overcharge, plus any finance charge that may have been assessed thereon, shall be credited to the account balance, and the buyer shall be notified in writing of any reduction of contractual payments. Contracts paid in full containing excessive charges which were not previously given credit should be corrected by making a refund to the buyer.~~

*Specific Authority 520.994(5) FS. Law Implemented 520.02(1), 520.51 FS. History—New 3-8-81, Formerly 3D-70.02, Amended 7-10-96, Formerly 3D-70.002, Repealed.*

NAME OF PERSON ORIGINATING PROPOSED RULE: Greg Oaks, Director, Division of Finance

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

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: March 20, 2012

## Notice of Proposed Rule

### FINANCIAL SERVICES COMMISSION

#### Finance

RULE NO.: RULE TITLE:

[69V-80.002](#): Excessive Charges, Corrections

PURPOSE AND EFFECT: The proposed rule amendment will repeal the rule. The rule is being repealed because it exceeds the rulemaking authority permitted by s. 120.536, F.S. The Office lacks the statutory authority to require a home improvement contractor or home improvement finance agency to notify a buyer of subsequently discovered mistakes in the calculation of finance charges. The Office made this determination as the result of the comprehensive rule review that it undertook pursuant to Sections 120.74 and 120.745, F.S.

SUMMARY: The proposed rule amendment will repeal the rule. The rule is being repealed because it exceeds the rulemaking authority permitted by s. 120.536, F.S. The Office lacks the statutory authority to require a home improvement contractor or home improvement finance agency to notify a buyer of subsequently discovered mistakes in the calculation of finance charges. The Office made this determination as the result of the comprehensive rule review that it undertook pursuant to Sections 120.74 and 120.745, F.S.

#### SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: 1) No requirement for a SERC was triggered under Section 120.541(1); and (2) the proposed changes will not exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

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.

RULEMAKING AUTHORITY: [520.994\(5\) FS](#)

LAW IMPLEMENTED: [520.02](#), [520.79](#), [520.90\(2\) FS](#)

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Andy Grosmaire, Chief, Bureau of Finance Regulation, (850) 410-9848, [andy.grosmaire@flofr.com](mailto:andy.grosmaire@flofr.com)

THE FULL TEXT OF THE PROPOSED RULE IS:

#### **69V-80.002 Excessive Charges, Corrections.**

~~If the home improvement contractor or home improvement finance agency discovers that, as a result of an inadvertent clerical error or some other unintentional mistake the finance charge to the buyer is in excess~~

~~of the amount permitted, or that any other charges in the contract are excessive, it shall immediately notify the buyer in writing of such overcharge. The overcharge, plus any finance charge that may have been assessed thereon, shall be credited to the account balance or refunded to the buyer, and the buyer shall be notified in writing of any reduction of contractual payments. Contracts paid in full containing excessive charges where were not previously given credit should be corrected by making a refund to the buyer.~~

*Specific Authority 520.994(5) FS. Law Implemented 520.02, 520.79, 520.90(2) FS. History—New 3-8-81, Formerly 3D-80.02, Amended 7-10-96, Formerly 3D-80.002, Repealed .*

NAME OF PERSON ORIGINATING PROPOSED RULE: Greg Oaks, Director, Division of Finance

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

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: March 20, 2012

## Notice of Proposed Rule

### **FINANCIAL SERVICES COMMISSION**

#### **Finance**

RULE NO.: RULE TITLE:

[69V-160.034](#): Failure to Demonstrate Financial Responsibility Defined

[69V-160.035](#): Failure to Demonstrate Character or General Fitness Defined

PURPOSE AND EFFECT: The proposed rule amendments will repeal the rules. The Office has identified the rules for repeal as the result of the comprehensive rule review that it undertook pursuant to Sections 120.74 and 120.745, F.S. Rule 69V-160.034 attempts to define the term "financial responsibility". Issues involving a person's financial responsibility are more appropriately addressed on a case-by-case basis; and therefore, the rule is recommended for repeal. Rule 69V-160.035 defines character and general fitness in terms of criminal history, which is already addressed in chapter 516, F.S. Character and general fitness issues also are more appropriately addressed on a case-by-case basis.

SUMMARY: The proposed rule amendments will repeal the rules. The Office has identified the rules for repeal as the result of the comprehensive rule review that it undertook pursuant to Sections 120.74 and 120.745, F.S. Rule 69V-160.034 attempts to define the term "financial responsibility". Issues involving a person's financial responsibility are more appropriately addressed on a case-by-case basis; and therefore, the rule is recommended for repeal. Rule 69V-160.035 defines character and general fitness in terms of criminal history, which is already addressed in chapter 516, F.S. Character and general fitness issues also are more appropriately addressed on a case-by-case basis.

#### SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: 1) No requirement for a SERC was triggered under Section 120.541(1); and (2) the proposed changes will not exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

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.

RULEMAKING AUTHORITY: [516.22\(1\)](#), [516.23\(3\)](#), [FS](#)

LAW IMPLEMENTED: [516.07\(1\)](#), [FS](#)

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

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Andy Grosmaire,

Chief, Bureau of Finance Regulation, (850) 410-9848, andy.grosmaire@flofr.com

THE FULL TEXT OF THE PROPOSED RULE IS:

**69V-160.034 Failure to Demonstrate Financial Responsibility Defined.**

~~As used in Section 516.07(1)(c), F.S., failure to demonstrate “financial responsibility” means having a credit history that reflects any of the following: unpaid liens, judgments, repossessions, foreclosures or an otherwise general history of non-payment of legal debts, or having filed a petition for bankruptcy under the federal Bankruptcy Code.~~

*Rulemaking Authority 516.22(1), 516.23(3) FS. Law Implemented 516.07(1) FS. History—New 10-1-95, Formerly 3D-160.034, Repealed .*

**69V-160.035 Failure to Demonstrate Character or General Fitness Defined.**

~~As used in Section 516.07(1)(c), F.S., failure to demonstrate “character” or “general fitness” means being convicted or found guilty, regardless of adjudication, of any crime involving fraud, dishonest dealing or any other act of moral turpitude. Moral turpitude involves duties owed by persons to society as well as acts contrary to justice, honesty, principle or good morals. This includes, but is not limited to, theft, extortion, use of the mail to obtain property under false pretenses, tax evasion, and the sale of (or intent to sell) controlled substances.~~

NAME OF PERSON ORIGINATING PROPOSED RULE: Greg Oaks, Director, Division of Finance

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

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: March 20, 2012

## Notice of Proposed Rule

### **FINANCIAL SERVICES COMMISSION**

#### **Finance**

RULE NO.: RULE TITLE:

[69V-180.050](#): Consumer Collection Agency Registration Renewal Form and Procedures

[69V-180.060](#): Commercial Collection Agency Registration Renewal Form and Procedures

PURPOSE AND EFFECT: The proposed rule amendments will repeal the rules. The Office has identified the rules as unnecessary as the result of the comprehensive rule review that it undertook pursuant to Sections 120.74 and 120.745, F.S. The Office does not need a form in order to renew a registrant's registration. The Office does not collect any additional information at the time of renewal. Further, the renewal fee is set forth in statute. In addition, there is no need to extend deadlines for renewals because of weekends or holidays because registrants can renew their registration electronically through the Office's REAL system 24 hours a day, 7 days a week.

SUMMARY: The proposed rule amendments will repeal the rules. The Office has identified the rules as unnecessary as the result of the comprehensive rule review that it undertook pursuant to Sections 120.74 and 120.745, F.S. The Office does not need a form in order to renew a registrant's registration. The Office does not collect any additional information at the time of renewal. Further, the renewal fee is set forth in statute. In addition, there is no need to extend deadlines for renewals because of weekends or holidays because registrants can renew their registration electronically through the Office's REAL system 24 hours a day, 7 days a week.

#### SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: 1) No requirement for a SERC was triggered under Section 120.541(1); and (2) the proposed changes will not exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

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.

RULEMAKING AUTHORITY: [17.29 FS](#)

LAW IMPLEMENTED: [559.553\(2\)](#), [559.555\(3\)](#), [559.544\(2\)](#), [559.545 FS](#)

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

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Andy Grosmaire, Chief, Bureau of Finance Regulation, (850) 410-9848, [andy.grosmaire@flofr.com](mailto:andy.grosmaire@flofr.com)

THE FULL TEXT OF THE PROPOSED RULE IS:

**69V-180.050 Consumer Collection Agency Registration Renewal Form and Procedures.**

~~(1) Each active consumer collection agency registration shall be renewed for the annual period beginning January 1 of each year, upon submission of the renewal fee of \$200 and the renewal form. Form OFR CCA 104, Consumer Collection Agency Registration Renewal Form, effective 1-1-95, which is hereby incorporated by reference and available by mail from the Office of Financial Regulation, 200 East Gaines Street, Tallahassee, Florida 32399-0375. If December 31 of the year is on a Saturday, Sunday, or legal holiday pursuant to Section 110.117, F.S., then the renewals received on the next business day will be considered timely received.~~

~~(2) Failure to submit the renewal fee and renewal form required in subsection (1) prior to January 1 of the renewal year shall automatically result in the registration becoming expired.~~

*Specific Authority 17.29 FS. Law Implemented 559.553(2), 559.555(3) FS. History—New 1-1-95, Amended 2-5-01, Formerly 3D-180.050, Repealed.*

**69V-180.060 Commercial Collection Agency Registration Renewal Form and Procedures.**

~~(1) Each active commercial collection agency registration shall be renewed for the annual period beginning January 1 of each year, upon submission of the renewal fee of \$500 and the renewal form. Form OFR COM 105, Commercial Collection Agency Registration Renewal Form, effective 1-1-95, which is hereby incorporated by reference and available by mail from the Office of Financial Regulation, 200 East Gaines Street, Tallahassee, Florida 32399-0375. If December 31 of the year is on a Saturday, Sunday, or legal holiday pursuant to Section 110.117, F.S., then the renewals received on the next business day will be considered timely received.~~

~~(2) Failure to submit the renewal fee and renewal form required in subsection (1) prior to January 1 of the renewal year shall automatically result in the registration becoming expired.~~

*Specific Authority 17.29 FS. Law Implemented 559.544(2), 559.545 FS. History—New 1-1-95, Amended 2-5-01, Formerly 3D-180.060, Repealed.*

NAME OF PERSON ORIGINATING PROPOSED RULE: Greg Oaks, Director, Division of Finance

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

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: March 20, 2012

## Notice of Proposed Rule

### **FINANCIAL SERVICES COMMISSION**

#### **Finance**

RULE NO.: RULE TITLE:

[69V-560.403](#): Net Worth

[69V-560.802](#): Minimum Disclosure

[69V-560.901](#): Scope

**PURPOSE AND EFFECT:** The proposed rule amendments will repeal the rules. The Office has identified the rules as unnecessary as the result of the comprehensive rule review that it undertook pursuant to Sections 120.74 and 120.745, F.S. Rule 69V-560.901, relating to scope, is merely descriptive and does not impose any regulatory requirements. The provisions of Rule 69V-560.403 are adequately addressed in s. 560.209, F.S. Rule 69V-560.302 currently requires a schedule of fees to be disclosed in a conspicuous place. Fees are competitive in the industry and the Office views this as an unnecessary regulatory burden. Further, a deferred presentment contract must disclose rates and fees in accordance with federal regulations prior to being signed by the borrower.

**SUMMARY:** The proposed rule amendments will repeal the rules. The Office has identified the rules as unnecessary as the result of the comprehensive rule review that it undertook pursuant to Sections 120.74 and 120.745, F.S. Rule 69V-560.901, relating to scope, is merely descriptive and does not impose any regulatory requirements. The provisions of Rule 69V-560.403 are adequately addressed in s. 560.209, F.S. Rule 69V-560.302 currently requires a schedule of fees to be disclosed in a conspicuous place. Fees are competitive in the industry and the Office views this as an unnecessary regulatory burden. Further, a deferred presentment contract must disclose rates and fees in accordance with federal regulations prior to being signed by the borrower.

#### **SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:**

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: 1) No requirement for a SERC was triggered under Section 120.541(1); and (2) the proposed changes will not exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

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.

**RULEMAKING AUTHORITY:** [560.105, 560.404\(23\) FS](#)

**LAW IMPLEMENTED:** [560.209, 560.309, 560.404 FS](#)

**IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE**

SCHEDULED AND ANNOUNCED IN THE FAW.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Andy Grosmaire, Chief, Bureau of Finance Regulation, (850) 410-9848, andy.grosmaire@flofr.com

THE FULL TEXT OF THE PROPOSED RULE IS:

**69V-560.403 Net Worth.**

~~Any person engaging in a licensed activity under Part II of Chapter 560, F.S., shall meet the net worth stated in Section 560.209(1), F.S. Upon the Office's request, a person must fully support, through items including, but not limited to, appraisals, receipts, titles, or bank account statements, the value or ownership they have assigned to an asset(s).~~

~~Specific Authority 560.105 FS. Law Implemented 560.209 FS. History–New 9-24-97, Formerly 3C-560.403, Amended 1-13-09, Repealed.~~

**69V-560.802 Minimum Disclosure.**

~~(1) Every check cashier and deferred presentment provider must continuously post in a conspicuous place a clearly legible schedule of fees charged in every location and mobile unit.~~

~~(2) The term “conspicuous place” is defined herein as a place which is reasonably calculated to impart the information to the public.~~

~~Specific Authority 560.105, 560.404(23) FS. Law Implemented 560.309 FS. History–New 9-24-97, Amended 12-30-98, 12-17-01, Formerly 3C-560.802, Repealed.~~

**69V-560.901 Scope.**

~~This section contains the specific requirements for deferred presentment providers with respect to the procedures employed to accomplish a deferred presentment transaction.~~

~~Specific Authority 560.105, 560.404(23) FS. Law Implemented 560.404 FS. History–New 12-17-01, Formerly 3C-560.901, Repealed.~~

NAME OF PERSON ORIGINATING PROPOSED RULE: Greg Oaks, Director, Division of Finance

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

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: March 20, 2012

## Notice of Proposed Rule

### FINANCIAL SERVICES COMMISSION

#### Securities

RULE NO.: RULE TITLE:

[69W-7.001](#): Definitions

[69W-7.002](#): Certification as a Certified Capital Company

[69W-7.003](#): Capital Requirements for Certified Capital Companies

[69W-7.004](#): Annual Review

[69W-7.005](#): Requirement to Update Information

[69W-7.006](#): Renewal of Certification

[69W-7.007](#): Books and Records Requirements

[69W-7.008](#): Forms, Instructions and Manuals

**PURPOSE AND EFFECT:** The proposed amendments will repeal Rule Chapter 69W-7, relating to certified capital companies. The statute authorizing these rules, Section 288.99, F.S., was repealed effective December 31, 2010, by operation of law. See Fla. Stat. s. 288.99(17) (2010), which provides: "This section shall stand repealed December 31, 2010." During the 2011 legislative session, a reviser's bill was passed that removed Section 288.99, F.S., from the Florida Statutes. See s. 5, Ch. 2011-3, Laws of Florida.

**SUMMARY:** Rule Chapter 69W-7, relating to certified capital companies, is proposed for repeal. The statute authorizing these rules, Section 288.99, F.S., was repealed effective December 31, 2010, by operation of law. See Fla. Stat. s. 288.99(17) (2010), which provides: "This section shall stand repealed December 31, 2010." During the 2011 legislative session, a reviser's bill was passed that removed Section 288.99, F.S., from the Florida Statutes. See s. 5, Ch. 2011-3, Laws of Florida.

#### **SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:**

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: The statute authorizing these rules, Section 288.99, F.S., was repealed effective December 31, 2010, by operation of law. See Fla. Stat. s. 288.99(17) (2010), which provides: "This section shall stand repealed December 31, 2010." During the 2011 legislative session, a reviser's bill was passed that removed Section 288.99, F.S., from the Florida Statutes. See s. 5, Ch. 2011-3, Laws of Florida. The rules lack statutory authority.

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.

**RULEMAKING AUTHORITY:** [None](#)

LAW IMPLEMENTED: [None](#)

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

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Rob Vandiver, Chief Counsel, Division of Securities, (850) 410-9707, robert.vandiver@flofr.com

THE FULL TEXT OF THE PROPOSED RULE IS:

#### **69W-7.001 Definitions.**

Definitions as used in Rule Chapter 69W-7, F.A.C.

~~(1) "Application" means all information required by the forms prescribed by the Financial Services Commission and any additional information required by the Financial Services Commission or Office of Financial Regulation together with all required statutory fees.~~

~~(2) "Management Company" means a company hired to perform management services for a business.~~

~~(3) "Predominantly engaged," as used in Section 288.99(3)(k), F.S., means any business engaged in retail sales, real estate development, insurance, banking, lending, oil and gas exploration or engaged in professional services provided by accountants, lawyers, or physicians for which: (i) over fifty percent of the revenues of such business, for the preceding fiscal year, are derived from a combination of one or more such activities, or (ii) if a new enterprise, over fifty percent of the projected revenues of such business, for its first fiscal year, are derived from a combination of one or more such activities.~~

~~(4) "Principal Office" means the place where the chief or principal affairs and business of the applicant are transacted.~~

*Specific Authority 288.99(4)(h) FS. Law Implemented 288.99(4) FS. History—New 9-15-98, Amended 12-12-02, Formerly 3E-7.001, Repealed.*

#### **69W-7.002 Certification as a Certified Capital Company.**

~~(1) Each applicant seeking certification as a certified capital company shall complete, execute, and file with the Office of Financial Regulation not later than ninety (90) days prior to the scheduled deadline for submission of tax credit allocation requests to the Office of Trade, Tourism, and Economic Development contained in Section 288.99(17), F.S., for the respective Program, Form OFR-C-1-98, Application for Certification as a Certified Capital Company, which is incorporated herein by reference.~~

~~(a) An application may be obtained directly from the Office of Financial Regulation in paper copy format, on 3.5" diskette, by e-mail, or by accessing the Office of Financial Regulation's website at [www.dbf.state.fl.us](http://www.dbf.state.fl.us).~~

~~(b) Diskette and e-mail versions of the application are available only in the following format: Microsoft Word for Windows Version 7.0a.~~

~~(2) An application shall be deemed filed with the Office of Financial Regulation when the Office of Financial Regulation receives the application, including an originally executed certification page, and the application fee.~~

~~(3) Any application filed after the date referenced in subsection (1) of this section shall be denied by the Office of Financial Regulation.~~

~~(4) Applications may be filed on paper copy, on diskette or by e-mail.~~

~~(5) Applications filed by mail shall be mailed to the Office of Financial Regulation at Office of Financial Regulation, 200 East Gaines Street, Tallahassee, Florida 32399-0375. Applications filed by e-mail shall be sent to the Office of Financial Regulation's e-mail address at [electroniclicensing@dfs.state.fl.us](mailto:electroniclicensing@dfs.state.fl.us).~~

~~(6) Applicants who file applications on diskette or by e-mail must also file an originally executed certification page which becomes part of the diskette or e-mail by reference.~~

~~(7) Applications filed on diskette or by e-mail shall be submitted in the following format: Microsoft Word for Windows Version 7.0a. No other software will be accepted unless authorized in writing by the Office of Financial Regulation.~~

~~(8) Application fees shall be paid by cashier's check, money order, certified check or wire transfer. Wire transfer instructions are provided on the application.~~

~~(9) Whenever an applicant has knowledge that information supplied on or with its application has become inaccurate or obsolete, the applicant shall file an amended application form within 30 days, including an originally executed certification page to the Office of Financial Regulation updating this information. Amended applications may be filed in the same manner as provided for original applications.~~

~~(10) The Office of Financial Regulation will make requests for additional information within 30 days, if necessary, after the Office of Financial Regulation receives the application and the full amount of the application fee.~~

~~(11) Upon approving an application, the Office of Financial Regulation shall issue a certificate evidencing certification effective through December 31 of that calendar year. No renewal fees shall be required within 6 months after the date of initial certification.~~

~~(12) Copies of all offering materials and advertising materials used by the CAPCO must be filed with the Office of Financial Regulation no later than the date on which the Certified Capital Company submits tax credit allocation request to the Office of Trade, Tourism, and Economic Development with respect to the Program for which the requests are being submitted.~~

*Specific Authority 288.99(4)(h) FS. Law Implemented 288.99(4) FS. History—New 9-15-98, Amended 12-12-02, Formerly 3E-7.002, Repealed.*

### **69W-7.003 Capital Requirements for Certified Capital Companies.**

~~At the time of application and at all times prior to the receipt of an allocation of tax credits, the applicant shall maintain an equity capitalization in the form of cash and cash equivalents in accordance with Section 288.99(4)(b), (5), F.S. A certified capital company shall notify the Office of Financial Regulation within twenty four hours of a failure to maintain such equity capitalization. Any certified capital company that receives an allocation of tax credits shall immediately be subject to the constraints of Section 288.99(3)(m), F.S., with respect to any distributions or payments.~~

*Specific Authority 288.99(4)(h) FS. Law Implemented 288.99(4) FS. History—New 9-15-98, Amended 12-12-02, Formerly 3E-7.003, Repealed.*

### **69W-7.004 Annual Review.**

~~(1) After completing an annual review, the Office of Financial Regulation shall notify the certified capital company of the Office of Financial Regulation's findings regarding the certified capital company's compliance with the provisions of Section 288.99, F.S.~~

~~(2) The Office of Financial Regulation shall charge each certified capital company a fee of \$5000 to cover the cost of the Office of Financial Regulation's annual review. After completing an annual review, the Office of Financial Regulation shall issue the certified capital company an invoice for the cost of the annual review. A certified capital company shall pay the amount of the invoice in full within 30 days from the date of the invoice. Payment shall be made by certified check, money order, cashier's check or wire transfer.~~

*Specific Authority 288.99(4)(h) FS. Law Implemented 288.99(10) FS. History—New 9-15-98, Formerly 3E-7.004, Repealed.*

#### **69W-7.005 Requirement to Update Information.**

~~Within 30 days after actual knowledge that information supplied on or with its application has become inaccurate or obsolete, a certified capital company shall file an amended application with the Office of Financial Regulation on Form OFR-C-1-98, including an originally executed certification page.~~

~~Specific Authority 288.99(4)(h) FS. Law Implemented 288.99(4) FS. History—New 9-15-98, Formerly 3E-7.005, Repealed.~~

#### **69W-7.006 Renewal of Certification.**

~~(1) Each certified capital company seeking to renew its certification shall pay all renewal fees as required by Section 288.99(4), F.S.~~

~~(2) Renewal fees shall be paid by cashier's check, money order, certified check or wire transfer.~~

~~(3) Renewal fees paid by cashier's check, money order or certified check shall be mailed to the Office of Financial Regulation, 200 East Gaines Street, Tallahassee, Florida 32399-0375.~~

~~(4) Upon receipt of the required renewal fees, the Office of Financial Regulation shall issue a certificate evidencing renewal of the certification through December 31 of that calendar year.~~

~~Specific Authority 288.99(4)(h) FS. Law Implemented 288.99(4) FS. History—New 9-15-98, Amended 12-12-02, Formerly 3E-7.006, Repealed.~~

#### **69W-7.007 Books and Records Requirements.**

~~(1) Each certified capital company shall prepare and maintain on a current basis the following records:~~

~~(a) A complete executed copy of the application, any amendments thereto and the attached schedules.~~

~~(b) Files for each Director and Principal containing the following:~~

~~1. Evidence that at least two of the Principals meet the requirements of Section 288.99(4)(c)3., F.S.;~~

~~2. Full documentation and details pertaining to each affirmative response to the disciplinary questions on Schedule D to Form OFR-C-1-98; and~~

~~3. Documentation pertaining to any outstanding or resolved customer complaints, actions, internal reviews or investigations into each Director's and Principal's activities while associated with said certified capital company.~~

~~(c) Records concerning all securities issued by the certified capital company which include each of the following:~~

~~1. The type of security issued;~~

~~2. The name, address, and telephone number of the Investor(s);~~

~~3. The date of the transaction;~~

~~4. The total dollar amount invested;~~

~~5. Copies of any prospectus or offering material used in connection with the sale of securities by the certified capital company; and~~

~~6. Evidence that the offering security contains the statement required by Section 288.99(4)(g), F.S.~~

~~(d) Records relating to each certified investor in the certified capital company which include each of the following:~~

~~1. Evidence demonstrating that the certified investor is subject to premium tax liability pursuant to Section 624.509, F.S.;~~

~~2. The names of all affiliates and a description of the affiliation; and~~

~~3. The investor's state and federal tax identification numbers and premium tax identification number.~~

~~(e) Records relating to each qualified business or early stage technology Business (collectively~~

~~“business”) invested in by the certified capital company which include each of the following:~~

- ~~1. The name of the business;~~
- ~~2. The location of the headquarters and principal business operations of the business;~~
- ~~3. A description of the type of business engaged in;~~
- ~~4. Evidence that the business meets the definition of a qualified business as defined by Section 288.99(3)(k), F.S.;~~
- ~~5. The affidavit required by Section 288.99(3)(k)3., F.S. Such affidavit shall be duly sworn and notarized, and shall be completed by an authorized representative of such business;~~
- ~~6. A copy of any contractual agreement entered into between the certified capital company and the business;~~
- ~~7. The amount of investment made in the business;~~
- ~~8. The type of investment made along with all supporting documentation;~~
- ~~9. The date of the investment;~~
- ~~10. A description of the procedures used to select the business for investment including the names of all individuals associated with the certified capital company who participated in the decision;~~
- ~~11. A due diligence file on the business;~~
- ~~12. Copies of any prospectus or offering material used in connection with the sale of securities by the business to the certified capital company;~~
- ~~13. All correspondence between the certified capital company and the qualified business; and~~
- ~~14. A summary listing of all investments made in qualified businesses as of the end of each calendar year beginning with December 31, 2000.~~
- ~~15. Copies of annual financial statements and the quarterly and annual unemployment tax filings for each qualified business. For a qualified business that is not required to file quarterly and annual unemployment tax filings, the qualified business shall maintain end of quarter and end of year payroll records which shall include contracts for the leasing of staff.~~

~~(f) Organizational documents, and any amendments to these documents, as are applicable, based upon the type of organizational structure. These documents should include the following, as applicable:~~

- ~~1. Articles of Incorporation;~~
- ~~2. Partnership Agreement;~~
- ~~3. Articles of Organization;~~
- ~~4. Bylaws; and~~
- ~~5. Evidence of Registration with the Department of State.~~

~~(g) Records relating to capital of the certified capital company which is not invested in qualified businesses which include each of the following:~~

- ~~1. A ledger or customer statement from the financial institution or broker-dealer holding the assets which includes the details of all purchases, sales, receipts, and deliveries of securities; and~~
- ~~2. Evidence that each investment complies with the requirements of Section 288.99(5)(b)3., F.S.~~

~~(h) Records relating to all qualified distributions by the certified capital company which include each of the following:~~

- ~~1. The date of the distribution;~~
- ~~2. The amount of the distribution;~~
- ~~3. To whom the distribution was paid;~~
- ~~4. The purpose of the distribution; and~~
- ~~5. A statement describing how each distribution complies with the definition found in Section 288.99(3)(m), F.S.~~

~~(i) Records relating to all distributions by the certified capital company, other than qualified distributions, which include each of the following:~~

- ~~1. The date of the distribution;~~
- ~~2. The amount of the distribution;~~

3. Who the distribution was paid to;
4. The purpose of the distribution; and
5. A statement describing how each distribution complies with Section 288.99(9), F.S.

~~(j) Documentation to support the information provided to the Office of Financial Regulation pursuant to Section 288.99(8)(a), F.S.~~

~~(k) Financial records, prepared in accordance with generally accepted accounting principles, which include each of the following:~~

1. A journal or journals, including cash receipts and disbursements records, and any other records of original entry forming the basis of entries in any ledger;
2. General and auxiliary ledgers (or other comparable records) reflecting asset, liability, reserve, capital, income and expense accounts;
3. All check books, bank statements, canceled checks and cash reconciliations; and
4. All bills or statements (or copies thereof), paid or unpaid, relating to the business of the certified capital company.

~~(2) Records required by subsection (1) of this rule shall be preserved for a period of not less than ten (10) years while effectively registered with the Office of Financial Regulation, nor for less than five (5) years after decertification as a certified capital company.~~

~~(3) Records required by subsection (1) of this rule shall be preserved for a period of not less than three (3) years at the office located in this state as designated in Section 288.99(4)(c)3., F.S., and thereafter shall be preserved for the periods of time specified in subsection (2) at the certified capital company's principal place of business. Such records shall be accessible through the main office of the certified capital company.~~

*Specific Authority 288.99(4)(h) FS. Law Implemented 288.99(3), (4), (5), (8), (9) FS. History—New 9-15-98, Amended 12-12-02, Formerly 3E-7.007, Repealed.*

#### **69W-7.008 Forms, Instructions and Manuals.**

~~(1)(a) The forms set forth below, as well as any instructions accompanying them, are hereby adopted by the Office of Financial Regulation and incorporated by reference into Rule Chapter 69W-7, F.A.C.~~

~~(b) Form OFR C-1-98, Application for Certification as a Certified Capital Company.~~

~~(2)(a) In addition to the forms incorporated by subsection (1), the following manuals and forms are hereby adopted by the Office of Financial Regulation and incorporated by reference into Rule Chapter 69W-7, F.A.C.~~

~~(b) GAAP Interpretation and Application of Generally Accepted Accounting Principals, copyright John Wiley & Sons, Inc., (1998).~~

*Specific Authority 288.99(4)(h) FS. Law Implemented 288.99(4) FS. History—New 9-15-98, Formerly 3E-7.008, Repealed.*

NAME OF PERSON ORIGINATING PROPOSED RULE: Pam Epting, Director, Division of Securities

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

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: March 20, 2012

Notice of Proposed Rule

**FINANCIAL SERVICES COMMISSION**

**Securities**

RULE NO.: RULE TITLE:

[69W-301.001](#): Scope

[69W-301.003](#): Right to Hearing

PURPOSE AND EFFECT: The proposed rule amendments will repeal the rules. The Office identified the rules as unnecessary as the result of the comprehensive rule review that it undertook pursuant to Sections 120.74 and 120.745, F.S. Rule 69W-301.001 describes the scope of the rule chapter, which is unnecessary. Rule 69W-301.003 is unnecessary because the procedures for requesting a hearing are already addressed under the Uniform Rules of Procedure. See Rule 28-106.111, F.A.C.

SUMMARY: The proposed rule amendments will repeal the rules. The Office identified the rules as unnecessary as the result of the comprehensive rule review that it undertook pursuant to Sections 120.74 and 120.745, F.S. Rule 69W-301.001 describes the scope of the rule chapter, which is unnecessary. Rule 69W-301.003 is unnecessary because the procedures for requesting a hearing are already addressed under the Uniform Rules of Procedure. See Rule 28-106.111, F.A.C.

**SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:**

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: 1) No requirement for a SERC was triggered under Section 120.541(1); and (2) the proposed changes will not exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

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.

RULEMAKING AUTHORITY: [517.03\(1\)](#)

LAW IMPLEMENTED: [120.57](#), [120.60](#), [517.081](#), [517.082](#), [517.12](#), [517.241\(1\)](#)

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

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Rob Vandiver, Chief Counsel, Division of Securities, (850) 410-9707, robert.vandiver@flofr.com

THE FULL TEXT OF THE PROPOSED RULE IS:

**69W-301.001 Scope.**

~~These rules contain procedures related to actions taken by the Office of Financial Regulation, in connection with its responsibility to process applications pursuant to Chapter 517, F.S.~~

*Rulemaking Authority 517.03(1) FS. Law Implemented 517.081, 517.12 FS. History—New 9-20-82, Formerly 3E-301.01, 3E-301.001, Repealed.*

**69W-301.003 Right to Hearing.**

~~Should the Office of Financial Regulation refuse to grant the license, the Office of Financial Regulation shall notify the applicant of this decision stating the grounds for denial. The applicant aggrieved by such a refusal shall be entitled to an administrative hearing upon filing a written request for such a hearing. Procedures for requesting such hearing appear in Rules 28 106.201 and 28 106.301, F.A.C.~~

*Rulemaking Authority 517.03(1) FS. Law Implemented 120.57, 120.60, 517.081, 517.082, 517.12, 517.241(1) FS. History—New 9-20-82, Formerly 3E-301.03, Amended 7-31-91, 6-22-98, Formerly 3E-301.003, Amended 9-30-10, Repealed.*

NAME OF PERSON ORIGINATING PROPOSED RULE: Pam Epting, Director, Division of Securities

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

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: March 20, 2012

## Notice of Proposed Rule

### DEPARTMENT OF FINANCIAL SERVICES

#### Securities

RULE NO.: RULE TITLE:

[69W-700.018](#): Signing Required - Consents and Consents of Experts

[69W-700.024](#): Submission of Final Documents

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

PURPOSE AND EFFECT: The purpose of the proposed rule amendments is to repeal Rules 69W-700.018, 69W-700.0024, and 69W-700.028. The Office has identified the rules for repeal as the result of the comprehensive review that it undertook pursuant to Sections 120.74 and 120.745, F.S. Section 517.081, F.S., sets forth the procedures that must be followed when a person seeks to register a security with the Office. It also sets forth the information that the Office may request as part of the registration process. Rule 69W-700.018 requires information that is not specified in the implementing statute. Accordingly, the rule has been identified for repeal because it enlarges the scope of the statute. Rule 69W-700.024 has been designated for repeal because it may allow an issuer to sell securities in Florida prior to registration, which conflicts Section 517.081(1), F.S. Rule 69W-700.028 has been identified for repeal because it is redundant of statutory requirements. The documents specified in the rule are required by the following statutes: s. 517.081(2), F.S. (application); s. 517.081(3), F.S.; (offering circular/prospectus, allowance for use of a form of simplified offering circular and, filing of exhibits and financial statements and annual financial reports); s. 517.081(6), F.S.; (payment of statutory filing fee); s. 517.101, F.S., (consent to service and corporate resolution), and s. 517.12, F.S.; (registration of issuer as dealer).

SUMMARY: The purpose of the proposed rule amendments is to repeal Rules 69W-700.018, 69W-700.0024, and 69W-700.028. The Office has identified the rules for repeal as the result of the comprehensive review that it undertook pursuant to Sections 120.74 and 120.745, F.S. Section 517.081, F.S., sets forth the procedures that must be followed when a person seeks to register a security with the Office. It also sets forth the information that the Office may request as part of the registration process. Rule 69W-700.018 requires information that is not specified in the implementing statute. Accordingly, the rule has been identified for repeal because it enlarges the scope of the statute. Rule 69W-700.024 has been designated for repeal because it may allow an issuer to sell securities in Florida prior to registration, which conflicts Section 517.081(1), F.S. Rule 69W-700.028 has been identified for repeal because it is redundant of statutory requirements. The documents specified in the rule are required by the following statutes: s. 517.081(2), F.S. (application); s. 517.081(3), F.S.; (offering circular/prospectus, allowance for use of a form of simplified offering circular and, filing of exhibits and financial statements and annual financial reports); s. 517.081(6), F.S.; (payment of statutory filing fee); s. 517.101, F.S., (consent to service and corporate resolution), and s. 517.12, F.S.; (registration of issuer as dealer).

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE

**RATIFICATION:**

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: No requirement for a SERC was triggered under Section 120.541(1); and (2) The rule repeal will not exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

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.

**RULEMAKING AUTHORITY:** [517.03](#)

**LAW IMPLEMENTED:** [517.03\(1\)](#), [517.081\(3\)](#), [\(7\) FS](#)

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

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Rob Vandiver, Chief Counsel, Division of Securities, (850) 410-9707, robert.vandiver@flofr.com

THE FULL TEXT OF THE PROPOSED RULE IS:

**69W-700.018 Signing Required - Consents and Consents of Experts.**

~~The following rule shall not apply if the registrant has submitted written consents.~~

~~(1) If any portion of the report of an expert is quoted or summarized as such in the offering circular or in a prospectus, the written consent of the expert shall expressly state that the expert consents to such quotation or summarization.~~

~~(2) If it is stated that any information contained in the offering circular or prospectus has been reviewed or passed upon by any person and that such information is set forth in the offering circular or prospectus upon the authority of or in reliance upon such person as an expert, the written consent of such person authorizing or approving such statement shall be filed with the offering circular or prospectus.~~

~~(3) If any person who has not signed the offering circular or prospectus is named therein as a director or named as about to become a director, the written consent of such person authorizing or approving such statement shall be filed with the offering circular or prospectus. Any such consent, however, may be omitted if there is filed with the offering circular or prospectus, a statement by the registrant, supported by an affidavit or affidavits, setting forth the reasons for such omission and establishing that the obtaining of such consent is impracticable or involves undue hardship on the registrant.~~

*Specific Authority 517.03 FS. Law Implemented 517.081(3) FS. History—(Formerly 3E-20.16) New 9-20-82, Formerly 3E-700.18, 3E-700.018, Repealed.*

**69W-700.024 Submission of Final Documents.**

~~The Office of Financial Regulation may allow an Issuer to sell its securities in this state prior to furnishing all statements, exhibits and documents required by the Office of Financial Regulation which are supplemental in nature and are not related to the substantive merit standards required by the Office of Financial Regulation. Such final documents, however, must be submitted within 30 days of the effective registration granted by the Office of Financial Regulation or administrative action may be taken by the Office of Financial Regulation.~~

*Specific Authority 517.03 FS. Law Implemented 517.03(1) FS. History–New 9-20-82, Formerly 3E-700.24, 3E-700.024, Repealed.*

### **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., F.S., 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 subsection 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 subsection 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 subsection 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 subsection 69W 301.002(7), F.A.C.~~

~~(2) Self-underwritten offerings shall be offered and sold by the issuer registered with the Office of Financial Regulation in compliance with Section 517.12, F.S. All offerees shall be furnished with a prospectus approved by the Office of Financial Regulation and a copy of Florida’s Guide to Small Business Investments.~~

~~(3) Annual financial reports shall be filed with the Office of Financial Regulation within 90 days after the close of the issuer’s fiscal year for a period of 5 years following the effective date of the registration. In the event the corporation ceases operations, such financial reports shall continue to be furnished to the Office of Financial Regulation unless the corporation is dissolved and all remaining assets distributed, if any. In such an event, the issuer shall furnish documentation to the Office of Financial Regulation to close the file.~~

*Rulemaking Authority 517.03(1) FS. Law Implemented 517.081(3), (7) FS. History–New 11-30-97, Formerly 3E-700.028, Amended 11-22-10, Repealed.*

NAME OF PERSON ORIGINATING PROPOSED RULE: Pam Epting, Director, Division of Securities  
NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: Financial Services

Commission

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: March 20, 2012

**Notices of Proposed Rule to  
Reduce Fingerprint Processing Fees**

Notice of Proposed Rule

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

RULE NO.: RULE TITLE:

[69W-600.006](#): Fingerprint Requirements

PURPOSE AND EFFECT: Rules 69W-600.002 and 69W-600.006, F.A.C., are being amended to reduce fingerprint processing fees from \$43.25 to \$40.50. The current fee of \$43.25 represents \$24 charged by the Florida Department of Law Enforcement for a state criminal history check and \$19.25 charged by the U.S. Department of Justice for a national criminal history check. The U.S. Department of Justice is reducing its fee from \$19.25 to \$16.50. Therefore, the rules are being amended to reduce fingerprint processing fees from \$43.25 to \$40.50.

SUMMARY: Rules 69W-600.002 and 69W-600.006, F.A.C., are being amended to reduce fingerprint processing fees from \$43.25 to \$40.50. The current fee of \$43.25 represents \$24 charged by the Florida Department of Law Enforcement for a state criminal history check and \$19.25 charged by the U.S. Department of Justice for a national criminal history check. The U.S. Department of Justice is reducing its fee from \$19.25 to \$16.50. Therefore, the rules are being amended to reduce fingerprint processing fees from \$43.25 to \$40.50.

**SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:**

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: 1) No requirement for a SERC was triggered under Section 120.541(1); and 2) The amendments will not exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

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.

RULEMAKING AUTHORITY: [215.405](#), [517.03](#), [517.12\(6\) FS](#).

LAW IMPLEMENTED: [517.12\(6\)](#), (7), (10), [517.1205](#), [943.053 FS](#).

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

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Rob Vandiver, Chief

THE FULL TEXT OF THE PROPOSED RULE IS:

**69W-600.002 Application for Registration as Associated Person.**

(1)(a) No change

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

1. through 4. No change

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 \$40.50 ~~\$43.25~~ processing fee. Form FL921250Z, Florida Fingerprint Card, is incorporated by reference in subsection 69W-301.002(7), F.A.C.

(c) No change

(2) No change

*Rulemaking 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, 11-22-10,\_\_\_.*

**69W-600.006 Fingerprint 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 \$40.50 ~~\$43.25~~ processing fee. Form FL921250Z, Florida Fingerprint Card, is incorporated by reference in subsection 69W-301.002(7), F.A.C.

(2) No change

(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 \$40.50 ~~\$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 subsection 69W-301.002(7), F.A.C.

(4) No change

*Rulemaking 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, 11-22-10,\_\_\_\_\_.*

NAME OF PERSON ORIGINATING PROPOSED RULE: Rob Vandiver, Chief Counsel, 410-9707, robert.vandiver@flofr.com

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

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: March 20, 2012

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: March 9, 2012

## Notice of Proposed Rule

### DEPARTMENT OF FINANCIAL SERVICES

#### Finance

RULE NO.: RULE TITLE:

[69V-560.1012](#): Adoption of Forms

PURPOSE AND EFFECT: Rule 69V-560.1012(1)(a), F.A.C., is being amended to reduce fingerprint processing fees from \$43.25 to \$40.50. The current fee of \$43.25 represents \$24 charged by the Florida Department of Law Enforcement for a state criminal history check and \$19.25 charged by the U.S. Department of Justice for a national criminal history check. The U.S. Department of Justice will be reducing its fee from \$19.25 to \$16.50. Therefore, Form OFR-560-01, which references the applicable fees, is being amended to reduce the fingerprint processing fees from \$43.25 to \$40.50.

SUMMARY: Rule 69V-560.1012(1)(a), F.A.C., is being amended to reduce fingerprint processing fees from \$43.25 to \$40.50. The current fee of \$43.25 represents \$24 charged by the Florida Department of Law Enforcement for a state criminal history check and \$19.25 charged by the U.S. Department of Justice for a national criminal history check. The U.S. Department of Justice will be reducing its fee from \$19.25 to \$16.50. Therefore, Form OFR-560-01, which references the applicable fees, is being amended to reduce the fingerprint processing fees from \$43.25 to \$40.50.

#### SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: 1) No requirement for a SERC was triggered under Section 120.541(1); and 2) The amendments will not exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

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.

RULEMAKING AUTHORITY: [215.405](#), [560.105](#), [560.118](#), [560.141](#), [560.2085](#), [560.209](#), [560.403](#) FS

LAW IMPLEMENTED: [560.118](#), [560.140](#), [560.141](#), [560.205](#), [560.2085](#), [560.209](#), [560.403](#), [943.053](#) FS

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

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Greg Oaks, Director, Division of Finance, [greg.oaks@flofr.com](mailto:greg.oaks@flofr.com); (850) 410-9829

THE FULL TEXT OF THE PROPOSED RULE IS:

**69V-560.1012 Adoption of Forms.**

(1) The following forms are incorporated by reference and readopted by this rule for the purposes of Rules 69V-560.102-.913, F.A.C.:

(a) Application for Licensure as a Money Services Business, Form OFR-560-01, effective 10-18-09, amended, <http://www.flrules.org/Gateway/reference.asp?No=Ref-01013>.

(b) Location Notification Form, Form OFR-560-02, effective 1-13-09.

(c) Declaration of Intent to Engage in Deferred Presentment Transactions, Form OFR-560-03, effective 1-13-09.

(d) Money Services Business Quarterly Report Form, Form OFR-560-04, effective 1-13-09.

(e) Pledge Agreement, Form OFR-560-05, effective 1-13-09.

(f) Money Services Business Surety Bond Form, Form OFR-560-06, effective 1-13-09.

(g) Security Device Calculation Form, Form OFR-560-07, effective 10-18-09.

(h) Request for Exemption from Electronic Filing Requirements, Form OFR-560-08, effective 3/16/2011, <http://www.flrules.org/Gateway/reference.asp?No=Ref-00145>.

(i) Florida Fingerprint Card (FL922720Z), effective 1-13-09.

(j) Currency Transaction Report, FinCEN Form 104, effective 1-13-09.

(k) Suspicious Activity Report by Money Services Business, FinCEN Form 109, effective 1-13-09.

(l) Report of International Transportation of Currency or Monetary Instruments, FinCEN Form 105, effective 1-13-09.

(2) All forms adopted by this rule are available on the Office's website at [www.flofr.com](http://www.flofr.com) and by mail from the Office of Financial Regulation, 200 East Gaines Street, Tallahassee, Florida 32399-0376.

*Rulemaking Authority 215.405, 560.105, 560.118, 560.141, 560.2085, 560.209, 560.403 FS. Law Implemented 560.118, 560.140, 560.141, 560.205, 560.2085, 560.209, 560.403, 943.053 FS. History—New 1-13-09, Amended 10-18-09, 3-16-11, \_\_\_\_.*

NAME OF PERSON ORIGINATING PROPOSED RULE: Greg Oaks, Director, Division of Finance, [greg.oaks@flofr.com](mailto:greg.oaks@flofr.com); (850) 410-9601

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

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: March 20, 2012

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: March 9, 2012

**STATE OF FLORIDA  
OFFICE OF FINANCIAL REGULATION**

**Application for Licensure as a Money Services Business  
Chapter 560, Florida Statutes**

**GENERAL INSTRUCTIONS**

Form OFR-560-01 is the application form used by Money Transmitters or Payment Instrument Issuers (Part II) and Check Cashers or Foreign Currency Exchangers (Part III) to either apply for an initial license or make an amendment to an existing license. This form can also be used to surrender an existing license or withdraw a pending application.

This form is divided into the following sections:

- Type of Filing
- Deferred Presentment Providers
- Applicant Information
- Contact Information
- Applicant Organization and History of Operations
- Disclosure Questions
- Financial Information
- Part II Filers Only

When filing this form to apply for an initial license, include a non-refundable application fee of:

Money Transmitter and/or Payment Instrument Issuer - \$375

Check Cashier and/or Foreign Currency Exchanger - \$188

\*\*A fingerprint card processing fee of \$40.50 per person is also required for initial applications and amendments adding any individuals to question 5G of this form.

\*\*If applying to conduct activities under both Part II and Part III, the required fee is only \$375. If you intend to also engage in Deferred Presentment Transactions, you must file Form OFR-560-03 along with the required \$1,000 non-refundable Deferred Presentment fee.

\*\*\*\*\*

Make one check payable to:  
**Department of Financial Services**

Return the completed form and fee(s) to:  
**Office of Financial Regulation  
Division of Finance  
200 East Gaines St  
Tallahassee, FL 32399-0376**

\*\*\*\*\*

**A. Type of Filing**

Check the appropriate box for the type of filing. If filing for more than one type of service, check all the boxes that apply.

Initial Application – This designation applies to first-time filers and applications for Change of Control (See Rule 69V-560.201, F.A.C., for waiver of Change of Control Application).

Amendment – This designation applies to any changes including, but not limited to, business name, fictitious name, physical address and phone numbers, mailing address, or records address. An amendment also includes changes in bank account information and changes of individuals listed in Question 5G. Additionally, if the information on a Disclosure Reporting Page has changed, it should be reported through this form. When filing amendments, circle the question(s) on the form that contain new information. **See Chapter 560, F.S., and Rule 69V-560, F.A.C., for the requirements to file amendments.**

Surrender License /Withdraw – This designation applies to any request to surrender an active license or withdraw any pending application. Provide the effective date of this request. If surrendering an existing license, update the address where records are stored in Question 3E and the contact information in Question 4.

**2. Deferred Presentment Transactions**

If applicant/licensee wishes to engage in Deferred Presentment Transactions (Payday Loans), Form OFR-560-03 must be submitted with the \$1,000 required fee. Businesses proposing to engage in Deferred Presentment Transactions must be licensed under Part II or Part III of Chapter 560.

**3. Applicant Information**

A. Business Name – Provide the complete legal business name of the applicant. If sole proprietor, state your first name, middle name and last name.

B. Fictitious or D/B/A Name – Name under which the company operates if different from business name. Provide evidence of fictitious name registration. If you do not use a fictitious name, answer “N/A” for this question.

C. IRS Employee Identification Number (FEID) – This is a nine digit number assigned by the IRS. If the registrant is a sole proprietor using a social security number in lieu of the FEID number, then enter the social security number on Page 8 in the box labeled “SSN Section”.

D. Business Main Address – This is the main office physical address or the headquarters address.

E. Address where records stored – This is the physical location where any and all books and records will be maintained. If this address is the same as the business main address, enter “Same as Business” on this line. Do not leave blank.

F. Mailing Address – Provide if different from business main address.

G. Business Telephone and Fax Numbers – Provide the telephone and fax number of the business location.

#### **4. Contact Information** (this is optional)

A. Contact Person Name & Title – Person to be contacted regarding the application.

B. Contact Person Mailing Address – Can be different from Business Mailing Address.

C. Contact Person Telephone – Can be different from Business.

D. Contact Person E-mail Address – Provide contact person’s e-mail address.

#### **5. Applicant Organization and History of Operations**

Respond to Questions 5A through 5H. If any question does not apply, answer “N/A” as the response.

Question 5A – Check type of organization.

Question 5B(1) – If applicant is a legally formed entity, list the date and state in which the entity was formed.

Question 5B(2) – If you operate as a legally formed entity, provide a Certificate of Good Standing from the state or country in which applicant was formed. If an attachment is included, indicate attachment number in space provided.

Question 5B(3) – Provide a chart or description of the applicant’s organization structure, including the identity of any parent company. If an attachment is included, indicate attachment number in space provided.

Question 5C – Check the applicable box.

Question 5C(1) – Provide the name of the exchange or similar regulator and stock symbol(s).

Question 5C(2) – Provide copies of all United States Securities and Exchange Commission filings, or filings with a similar regulator in a country other than the United States, within the year preceding the date of filing this application. If an attachment is included, indicate attachment number in space provided.

Question 5D(1) – Check the applicable box. If an attachment is included, indicate attachment number in space provided.

Question 5D(2) – Check the applicable box. See page 3 of these instructions for information about Money Services Business registration requirements.

Questions 5D(3) – Provide a copy of the applicant’s written anti-money laundering program as required under 31 C.F.R. ss. 103.125 with this application.

Question 5E – Check the applicable box. List any other services provided by the business.

Question 5F – If your response to this question is “Yes”, complete and submit a Location Notification Form, OFR-560-02, for each location within 60 days after the date the applicant/licensee opens a location within this

state or authorizes a vendor location to operate on their behalf. Location/Vendor filings shall be accompanied by a non-refundable \$38 fee for each branch or vendor location. Attach a copy of your sample vendor contract.

Question 5G - List all persons as requested in this section. A “responsible person” means a person who is employed by or affiliated with a money services business and who has principal active management authority over the business decisions, actions, and activities of the money services business in this state. A controlling shareholder is a person who directly or indirectly may vote 25% or more of a class of a voting security or sell or direct the sale of 25% or more of a class of voting securities; or is a director, general partner, or officer exercising executive responsibility or having similar status or functions. A person has control over a money services business if the individual, partnership, corporation, trust, or other organization possesses the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract, or otherwise. If any person within a parent organization ultimately owns a 25% or greater interest in the applicant, identify the person(s) in this section. A Biographical Summary section of Form OFR-560-01, fingerprint card provided by the Office of Financial Regulation (Office) and processing fee of \$40.50 must be submitted by every person listed. If the applicant, or any parent company is publicly traded, they are exempt from the requirement of filing fingerprint cards, however, they are still required to file the Biographical Summary section of this form.

Question 5H – Check the applicable box. Provide business’ website, if any.

Question 5I – Provide the applicant’s registered agent on whom service of process may be served. This person must be located in Florida. This person can be an individual within the entity applying.

#### **6. Disclosure Information**

For every “yes” answer to questions 6A, 6B, 6C, & 6D, complete a separate Disclosure Reporting Page (DRP), page 9 of this form, for each unrelated event. Provide documentation pertaining to each matter disclosed. Such documentation includes but is not limited to, certified copies of criminal convictions or administrative orders entered against the applicant.

#### **7. Financial Information**

List all accounts through which licensed activities will be conducted. An amendment filing is required for any changes to this information.

**QUESTIONS 8 – 16 ARE ONLY REQUIRED OF  
PART II APPLICANTS/LICENSEES**

Question 8 – Submit a sample payment instrument if you are applying to conduct this activity. Indicate attachment number in space provided.

Question 9 – Provide the business fiscal year-end (Month/Day).

Question 10 – Provide financial statements as required in this section.

Question 11 – Complete question 11 to determine if your business is conducting money transmissions via armored cars and the amount of your security device.

Question 12 - In the table, provide projections of the total US dollar **volume** of the transactions to be conducted for the first year of operation.

Question 13 – Provide the total US dollar amount from the projections from Table **12**.

Question 14 – Calculate 2% of the total projections in Question 13 and enter that amount.

Question 15 – Based on your answer to question 13, determine the amount of your security device using the schedule in question 14. Enter that amount on line 14.

Question 16 – A bond or alternative security device between \$50,000 and \$2,000,000 is required. Indicate the type of device you are submitting. If pledging a deposit, attach an originally executed Pledge Agreement, Form OFR-560-05, with a copy of the security pledged. If submitting a surety bond, attach an originally executed Bond Form, OFR-560-06.

If submitting a letter of credit, provide an originally executed Letter of Credit.

17. Signature – This form must be signed by a person legally authorized to bind the applicant and attest to the accuracy of the information contained in this form.

**Federal Requirements of Money Service Businesses (MSB's)**

Registration with the Financial Crimes Enforcement Network, if applicable, is required in order to obtain a registration in Florida as a Money Services Business.

The registration with U. S. Department of Treasury, Financial Crimes Enforcement Network is required within 180 days of the date the business was established. The federal form required to be filed is the "FinCEN Form 107" and it can be found at their website [www.msb.gov](http://www.msb.gov).

The designation of a Compliance Officer is also required within 90 days of the date the business was established. This should be amended with Financial Crimes Enforcement Network with each successive person who fills this role going forward as well.

**Filers may also find all forms, statutes and rules relating to money services business licenses on the Office's website at [www.flofr.com](http://www.flofr.com)**

**STATE OF FLORIDA  
OFFICE OF FINANCIAL REGULATION**

**APPLICATION FOR LICENSURE AS MONEY SERVICES BUSINESS  
Chapter 560, Florida Statutes**

Check the box that indicates what you would like to do:

- File an Initial Application** (Filing fees required – See instructions)  
 **File an Amendment** (circle the question(s) amended)  
 **\*\*Surrender License/Withdraw** (Effective date of surrender/withdrawal: \_\_\_\_\_)  
(MM/DD/YYYY)

**1. If initial application or amendment, check the type(s) of license(s) requested:**

Part II License:

- Money Transmitter  
 Payment Instrument Issuer

Part III License:

- Foreign Currency Exchanger  
 Check Casher

**2. Will the applicant/licensee also engage in Deferred Presentment Transactions? Yes  No**   
(If yes, file Form OFR-560-03 and statutory fee.)

**3. Applicant Information**

A. Business Name of Applicant (if sole proprietor provide first name, middle name, & last name):

\_\_\_\_\_

B. D/B/A or Fictitious Name:

\_\_\_\_\_

C. IRS Employee Identification Number (FEID):

\_\_\_\_\_

D. Business Main Address (Street address only - do not use a P.O. Box):

\_\_\_\_\_  
(Number and Street) (City) (State) (Zip Code)

E. Address where records stored (Street address only - do not use a P.O. Box):

\_\_\_\_\_  
(Number and Street) (City) (State) (Zip Code)

F. Mailing Address, if different from Business (P.O. Box acceptable):

\_\_\_\_\_  
(Number and Street) (City) (State) (Zip Code)

G. Business Telephone Numbers:

(\_\_\_\_\_) \_\_\_\_--\_\_\_\_\_  
(Business Phone) (Business Fax)

**4. Contact Information:**

A. Contact Person Name and Title:

\_\_\_\_\_  
(Last Name) (First Name) (Middle) (Title)

B. Contact Person Mailing Address:

\_\_\_\_\_  
(Number and Street) (City) (State) (Zip Code)

C. Contact Person Telephone Number:

(\_\_\_\_\_) \_\_\_\_--\_\_\_\_\_  
(Contact Person Phone) (Contact Person Fax)

D. Contact Person E-mail address: \_\_\_\_\_

**5. Applicant Organization and History of Operations:**

A. Applicant is a:  Corporation,  Partnership,  Association,  LLC,  Individual,  
 Other (Explain): \_\_\_\_\_

B. If applicant is a corporation, partnership, association, LLC, or other legally formed entity:

(1) List the date and state the business was incorporated / formed:

\_\_\_\_\_

(Date)

(State)

(2) Provide a copy of a certificate of good standing from the state or country in which applicant was incorporated or formed.

(3) Provide a chart or description of the organizational structure of the applicant, including the identity of any parent or subsidiary of the applicant.

C. Is the applicant, parent or subsidiary of the applicant publicly traded on any stock exchange? Yes  No

(1) If yes, provide the name of the exchange or similar regulator and stock symbol(s):

\_\_\_\_\_  
 (2) If the applicant is publicly traded, provide copies of all filings made by the applicant with the United States Securities and Exchange Commission, or with a similar regulator in a country other than the United States, within the year preceding the date of filing this application.

D. (1) Is the applicant engaged in the same or similar business in any other state? Yes  No   
 (If yes, attach a list of the state(s) of licensure, date(s) issued and license number(s).)

(2) Is the applicant registered with the Financial Crimes Enforcement Network (FinCEN) as a Money Service Business ("MSB")?  
 Yes  No  (If not, then read page 3 of the instructions for information regarding registration requirements)

(3) Provide a copy of the applicant's written anti-money laundering program as required under 31 C.F.R. ss. 103.125.

E. Does the applicant perform any other services? Yes  No  (If yes, list other services performed.)

F. Does the applicant propose to engage in licensed activities at any location other than the main office or through an authorized vendor? Yes  No   
 (If yes, read page 2 in the instructions for requirements regarding notification of locations and authorized vendors and attach a copy of your vendor contract.)

G. List every chief executive officer, chief financial officer, chief operations officer, chief legal officer, chief compliance officer, BSA/AML compliance officer, director, member, sole proprietor, controlling shareholder (See page 2 of instructions for definition of "controlling shareholder"), and responsible person for the applicant in the table below. Attach additional sheets if necessary. For every person listed, attach a completed Biographical Summary Form OFR-560-01, fingerprint card (FL922720Z), and fingerprint card fee(s). (See page 2 in the instructions for exemptions to fingerprint card requirement)

Name	Title or Position (Officer, Director, Shareholder, etc.)	% of ownership	Date Title or Position Acquired

H. Does the applicant provide a website for information or services? Yes  No  \_\_\_\_\_  
Website URL

I. If applicant is a corporation, partnership, association, LLC, or other legally formed entity, provide the applicant's registered agent in this State on whom service of process may be made.

Name:

\_\_\_\_\_

Mailing Address:

\_\_\_\_\_

(Address) (City) (State) (Zip Code)

Telephone Number:

(\_\_\_\_) \_\_\_\_--\_\_\_\_\_

## 6. Disclosure Questions

### A. Criminal Disclosure

1) Has the applicant or licensee ever been convicted of, or pleaded guilty or nolo contendere regardless of adjudication, to, any crime under the law of any state or of the United States?

Yes  No. (If yes, attach a completed Disclosure Reporting Page (DRP) for each unrelated event.

2) Has the applicant or licensee been notified by a law enforcement or prosecutorial agency that the applicant or licensee or its authorized vendor is currently under criminal investigation including, but not limited to, subpoenas to produce records or testimony and warrants issued by a court of competent jurisdiction which authorizes the search and seizure of any records relating to a business activity regulated under Chapter 560, F.S.?

Yes  No. (If yes, attach a completed Disclosure Reporting Page (DRP) for each unrelated event.

3) Is the applicant, licensee, authorized vendor of the licensee, or an affiliated party of the applicant or licensee the subject of a felony indictment related to Money Services Business or Deferred Presentment Provider activities?

Yes  No. (If yes, attach a completed Disclosure Reporting Page (DRP) for each unrelated event.

### B. Regulatory Action Disclosure

1) Has the applicant or licensee ever had an application for registration, or a registration or its equivalent, to practice any profession or occupation denied, suspended, revoked, or otherwise acted against by a registering authority in any jurisdiction or been the subject of final agency action or its equivalent, issued by an appropriate regulatory body of engaging in unlicensed unregistered activity as a money services business or deferred presentment provider within any jurisdiction?

Yes  No. (If yes, attach a completed Disclosure Reporting Page (DRP) for each unrelated event.

2) Is the applicant or licensee the subject of a pending criminal prosecution or governmental enforcement action in any jurisdiction?

Yes  No. (If yes, attach a completed Disclosure Reporting Page (DRP) for each unrelated event.

### C. Civil Litigation Disclosure

1) Has the applicant or licensee been named as a DEFENDANT in any civil litigation?

Yes  No. (If yes, attach a completed Disclosure Reporting Page (DRP) for each unrelated event.

**D. Financial Disclosure**

- 1) Has the applicant or licensee ever filed bankruptcy or entered into a compromise with creditors?  
 Yes  No. (If yes, attach a completed Disclosure Reporting Page (DRP) for each unrelated event.
- 2) Has the applicant or licensee ever had a surety bond cancelled by a surety company?  
 Yes  No. (If yes, attach a completed Disclosure Reporting Page (DRP) for each unrelated event.

**7. Financial Information**

A. Provide a list of accounts, to include the following, through which registered activities are or will be conducted:

Name of Institution	Address	Name on Account	Type of Account	Account No.(s)

**Questions 8-16 must be completed by Part II applicants/licensees only**

8. If applying to be a payment instrument issuer, provide a sample payment instrument.
9. Provide applicant's/licensee's Fiscal Year End? \_\_\_\_\_ / \_\_\_\_\_  
 (Month/Day)
10. Provide copies of the applicant's audited financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles for the most recent fiscal year end.
- Net worth Requirement – All licensees under Part II are required to maintain a minimum net worth of \$100,000 for the main office address. For each additional location and/or authorized vendor the net worth requirement increases by \$10,000 to a maximum of \$2,000,000.**
11. (a) Is your money transmission business limited solely to the physical transportation of currency (or other valuables) via armored cars? Yes \_\_\_\_\_ No \_\_\_\_\_ If no, please complete questions 12 – 15 below to calculate your security device requirement.
- (b) If yes to 11(a), do you maintain a cargo insurance policy in an amount equal to or greater than your maximum transported liability on any one shipment, or \$2,000,000, whichever is greater?  
 Yes \_\_\_\_\_ No \_\_\_\_\_ If no, please complete questions 12 – 15 below to calculate your security device requirement.
- (c) If yes to 11(b), your security device requirement is \$50,000. If no, please complete questions 12 – 15 below to calculate your security device requirement.

12. Provide a projection of the total U. S. dollar volume of money transmissions and/or payment instrument transactions for the applicant's first year of operation:

	Fund Transmissions	Payment Instrument Transactions
1st Quarter	\$	\$
2nd Quarter	\$	\$
3rd Quarter	\$	\$
4th Quarter	\$	\$
Total Year Projections	\$	\$

13. Total U.S. dollar projections (from Table 12): \$ \_\_\_\_\_

14. Calculate 2% of total projections (multiply answer in question 13 by .02) \$ \_\_\_\_\_

15. Based on your answer to question 14, use the table below to determine the required amount of your security device and enter the amount on this line \$ \_\_\_\_\_.

**NOTE:** The required amount of the collateral device shall be calculated at \$50,000 increments. If the calculation equates to an amount between each increment then the device amount shall be rounded to the next \$50,000. Please see the chart below as an example of how to calculate the required amount in \$50,000 increments.

<u>Amount in Line 14</u>	<u>Required Amount of Security Device</u>
\$0 - \$50,000	\$50,000
\$50,001 - \$100,000	\$100,000
\$100,001 - \$150,000	\$150,000
\$150,001 - \$200,000	\$200,000
\$200,001 - \$300,000	\$300,000
\$300,001 - \$400,000	\$400,000
\$400,001 - \$500,000	\$500,000
\$500,001 - \$600,000	\$600,000
\$600,001 - \$700,000	\$700,000
\$700,001 - \$800,000	\$800,000
\$800,001 - \$900,000	\$900,000
\$900,001 - \$1,000,000	\$1,000,000
\$1,000,001 - \$1,100,000	\$1,100,000
\$1,100,001 - \$1,200,000	\$1,200,000
\$1,200,001 - \$1,300,000	\$1,300,000
\$1,300,001 - \$1,400,000	\$1,400,000
\$1,400,001 - \$1,500,000	\$1,500,000
\$1,500,001 - \$1,600,000	\$1,600,000
\$1,600,001 - \$1,700,000	\$1,700,000
\$1,700,001 - \$1,800,000	\$1,800,000
\$1,800,001 - \$1,900,000	\$1,900,000
\$1,900,001 - \$2,000,000	\$2,000,000

16. A bond or alternative security device between \$50,000 and \$2,000,000 is required. Complete questions 12 through 15 of this application to determine the required security device amount. Indicate below the type of security device you are submitting with your application. Attach evidence from a federally-insured financial institution to confirm that the security is on deposit or in safekeeping and is pledged to the Office of Financial Regulation.

Type of security device provided with application:

- Certificate of Deposit (Attach originally executed pledge agreement, Form OFR-560-05, along with a copy of the item pledged)
- Bond (Attach originally executed bond form, Form OFR-560-06)
- Letter of Credit (Provide originally executed Letter of Credit)
- Other (Please list) \_\_\_\_\_

**17. Signature**

I the undersigned authorized person hereby swear or affirm, under penalties of perjury, that I have full authority to sign and verify this application, that I have read this application and disclosure reporting page and have knowledge of the facts stated herein, and that this application, and all information submitted in connection herewith, is complete and accurate and contains no misstatements, misrepresentations, or omissions of material facts, to the best of my knowledge and belief. I further acknowledge that any misstatement may cause the office to deny the application or initiate proceedings against the license. I also represent that to the extent any information previously submitted is not amended such information is currently accurate and complete.

The authorized person or authorized person's agent has typed his or her name under this section to attest to the completeness and accuracy of this form. The authorized person recognizes that this typed name constitutes, in every way, use or aspect, his or her legally binding signature.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

<p style="text-align: center;"><b>SSN Section</b> (If Applicant is a Sole Proprietor)</p> <p><b>Applicant's Social Security Number</b>    _ _ _ - _ _ - _ _ _</p>
---

**Disclosure Reporting Pages (OFR-560-01)**

This Disclosure Reporting Form is an  **INITIAL OR**  **AMENDED** response to report details for affirmative responses to **Questions 6A, 6B, 6C & 6D** on Form OFR-560-01;

**Check question(s) you are responding to:**

**6A(1)**  **6A(2)**  **6A(3)**  **6B(1)**  **6B(2)**  **6C(1)**  **6D(1)**  **6D(2)**

Use only one DRP to report details to the same event. Unrelated actions must be reported on separate DRPs.

1. Action initiated against:

- Applicant/Licensee
- Authorized Vendor
- Affiliated Party

Name of Authorized Vendor/Affiliated Party: \_\_\_\_\_

2. Action initiated by: (Name of Regulator, Law Enforcement or Prosecutorial Agency, Creditor/Lien Holder, Private Plaintiff, Applicant/Licensee, etc.)

3. Filing Date of Action (MM/DD/YYYY): \_\_\_\_\_  **Exact**  **Explanation**  
If not exact, provide explanation:

4. Formal Action was brought in (include name of Federal, Military, State or Foreign Court, Location of Court – City or County and State or Country, Docket/Case Number):

5. Employing Business when activity occurred:  
\_\_\_\_\_

8. Describe the allegations related to this action. (Attach a separate sheet if necessary.):

9. Current status of action?  **Pending**  **On Appeal**  **Final**

10. If on appeal, action appealed to (provide name of court): Date Appeal Filed (MM/DD/YYYY):

11. If Pending, date notice/process was served (MM/DD/YYYY): \_\_\_\_\_  
 **Exact**  **Explanation** If not exact, provide explanation:

**If Final or On Appeal, complete items below. For Pending Actions, complete item 14 only.**

12. Provide a detailed explanation of how the matter was resolved (Attach a separate sheet if necessary):

13. Resolution Date (MM/DD/YYYY): \_\_\_\_\_  **Exact**  **Explanation**  
If not exact, provide explanation:

14. Comments. Use this section to provide a summary of the circumstances leading to the action, as well as the status or disposition and/or finding(s).

15. In addition to the information requested in this DRP, provide documentation pertaining to each matter. Such documentation includes but is not limited to, certified copies of criminal convictions or administrative orders entered against the applicant.

**State of Florida  
Office of Financial Regulation**

**Biographical Summary**

Check the box that indicates what you would like to do:

- Submit an initial biographical summary.**  
 **Submit an amendment to a biographical summary.**

**1. Applicant/Licensee Information**

**A. Business Name of Applicant/Licensee** (Same as Question 3A on page 1 of Application):

Business Name of Applicant/Licensee

**2. Individual Biographical Summary**

**A. \*Identifying Information**

Provide your Social Security Number below the signature section at the end of this summary.

**B. \*Name**

First Name	Middle Name	Last Name	Suffix	Date of Birth

**C. Surnames and/or Aliases**

First Name	Middle Name	Last Name	Suffix (Sr, Jr, II, or III)

**D. \*Are you a U. S. Citizen?**  **Yes**  **No**

(If "No", or naturalized citizen less than five years, complete Addendum (1) applicable to non-U.S. Citizens.  
If naturalized, indicate date of naturalization and certificate number.

Date of Naturalization	Certificate Number

**E. \*Residential Address**

Number and Street	City, Town, etc.	State	Country	Postal Code

**F. \*Mailing Address** ( Check box if mailing address the same as residential.)

Number and Street	City, Town, etc.	State	Country	Postal Code

**G. \*Phone Number**

Residence Telephone Number	Daytime Telephone Number
(    )    -	(    )    -

**H. \*Residential History** (Start with the current address, give all addresses for last 5 years. Report changes as they occur.)

Number and Street	City, Town, etc.	State/Providence	Country	From		To	
				Mo.	Yr.	Mo.	Yr.

**I. \*Employment History** (Start with current employer, give all employments for the last 5 years. Report changes as they occur.)

Name of Company	City, Town, etc.	State/Providence	Position Held	From		To	
				Mo.	Yr.	Mo.	Yr.

**J. \*Professional Licenses and Certifications**

Type of License/Certification	Name of Licensing Authority/City/State	Date Issued		Status	Status Date	
		Mo.	Yr.		Mo.	Yr.

**K.** Are you presently an officer, director, representative, member, principal, agent, or shareholder of 10% or more of the outstanding stock of any firm, company, corporation, partnership or other business organization?

Yes  No. If yes, complete the chart below.

Name and Address	State of Incorporation	Type of Business	Position Held

**3. Disclosure Questions** (If you answer “yes” to any question, complete a separate Disclosure Reporting Page (DRP) for each event.)

**A. Criminal Disclosure**

**1)** Have you or any business or enterprise with which you have been associated as an officer, director, representative, member, principal, agent, or shareholder of 10% or more of the outstanding stock ever plead nolo contendere to, been convicted of, or found guilty of, any crime, regardless of adjudication?

Yes  No. (If yes, attach a completed Disclosure Reporting Page (DRP) for each unrelated event.

**2)** Have you been notified by a law enforcement or prosecutorial agency that you are currently under criminal investigation including, but not limited to, subpoenas to produce records or testimony and warrants issued by a court of competent jurisdiction which authorizes the search and seizure of any records relating to a business activity regulated under Chapter 560, F.S.?

Yes  No. (If yes, attach a completed Disclosure Reporting Page (DRP) for each unrelated event.

**3)** Are you the subject of a felony indictment related to Money Services Business or Deferred Presentment Provider activities?

Yes  No. (If yes, attach a completed Disclosure Reporting Page (DRP) for each unrelated event.

**B. Regulatory Action Disclosure**

**1)** Have you or any business or enterprise with which you have been associated as an officer, director, representative, member, principal, agent, or shareholder of 10% or more of the outstanding stock ever had an application for registration, or a registration or its equivalent, to practice any profession or occupation denied, suspended, revoked, or otherwise acted against by a registering authority in any jurisdiction or been the subject of final agency action or its equivalent, issued by an appropriate regulatory body of engaging in unlicensed activity as a money services business or deferred presentment provider within any jurisdiction, or is any such action pending?

Yes  No. (If yes, attach a completed Disclosure Reporting Page (DRP) for each unrelated event.

**2)** Are you or any business or enterprise with which you have been associated as an officer, director, representative, member, principal, agent, or shareholder of 10% or more of the outstanding stock the subject of a pending criminal prosecution or governmental enforcement action, in any jurisdiction?

Yes  No. (If yes, attach a completed Disclosure Reporting Page (DRP) for each unrelated event.

**C. Civil Litigation Disclosure**

**1)** Have you or any business or enterprise with which you are now or were at the time associated as an officer, director, representative, member, principal, agent or holder of 10% or more of the outstanding stock now or during the last five (5) years, been named as a DEFENDANT in any civil litigation?

Yes  No. (If yes, attach a completed Disclosure Reporting Page (DRP) for each unrelated event.

**D. Financial Disclosure**

**1)** Have you or any business or enterprise with which you are currently or have been associated with as an officer, director, representative, member, principal, agent, or shareholder of 10% of more of the outstanding stock ever filed bankruptcy or entered into a compromise with creditors?

Yes  No. (If yes, attach a completed Disclosure Reporting Page (DRP) for each unrelated event.

**2)** Have you or any business or enterprise with which you are currently or have been associated with as an officer, director, representative, member, principal, agent, or shareholder of 10% of more of the outstanding stock ever had tax liens of any kind filed against you individually or against your business affiliates?

Yes  No. (If yes, attach a completed Disclosure Reporting Page (DRP) for each unrelated event.

**3)** Have you or any business or enterprise with which you are currently or have been associated with as an officer, director, representative, member, principal, agent, or shareholder of 10% of more of the outstanding stock ever had a surety bond cancelled by a surety company?

Yes  No. (If yes, attach a completed Disclosure Reporting Page (DRP) for each unrelated event.

**4. \*Signature**

In assuming the position for which this form is being submitted, I am undertaking a commitment to be fully informed as to the affairs of the company with which I will be associated and to exercise my independent judgment with respect to any matters that may come before me.

**Certificate**

I hereby certify that this form, attached addenda, and applicable disclosure reporting pages have been carefully examined by me and that the information is true, correct and complete to the best of my knowledge and belief. I agree and understand that any false or misleading statements or omissions of material fact herein may be cause for the Office to deny my participation in the application for which this summary is submitted.

The individual person or individual person's agent has typed his or her name under this section to attest to the completeness and accuracy of this form. The individual person recognizes that this typed name constitutes, in every way, use or aspect, his or her legally binding signature.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature)

<p><b>*SSN Section</b></p> <p><b>Social Security Number</b>    _ _ _ - _ _ - _ _ _</p>
--

**Addendum (1) to Form OFR-560-01  
Non-U. S. Citizen Supplemental Information**

If you are **NOT** a United States citizen, please provide the following:

1. Visa Type and Number: \_\_\_\_\_
2. Passport Type and Number: \_\_\_\_\_
3. National or Alien Identification Number(s): \_\_\_\_\_
4. Other Identification Number(s) (Please indicate the type of identification numbers listed): \_\_\_\_\_

\_\_\_\_\_

If you are exempt from holding a visa, please explain why \_\_\_\_\_

\_\_\_\_\_

5. Mother's maiden name: \_\_\_\_\_

\*\*\*\*\*

**Instructions:**

Any and all of the documents, which are presented in a language other than, the English language are to be translated into English and duly certified by the translator to be true and accurate. All of the certified copies and statements to be submitted with this application must be certified in accordance with the provisions of Section 90.902(3), Florida Statutes, so as to be admissible in a court of law in the State of Florida.

If you are unable to secure certified statements from the government of your country, a statement from the government attesting that it will not issue certificates or sworn statements must be submitted. However, if not available from the government, a certification from the United States Embassy Secretary or Consular Agent attesting that the government does not or will not issue certifications or sworn statements is required.

A United States Embassy Secretary or Consular Agent in the foreign country must certify each final copy and statement to be submitted with this application.

**Disclosure Reporting Pages (Form OFR-560-01)**

This Disclosure Reporting Form is an  **INITIAL OR**  **AMENDED** response to report details for affirmative responses to **Questions 3A, 3B, 3C, & 3D** of the biographical summary section on Form OFR-560-01;

**Check question(s) you are responding to:**

**3A(1)**  **3A(2)**  **3A(3)**  **3B(1)**  **3B(2)**  **3C(1)**  **3D(1)**  **3D(2)**  **3D(3)**

Use only one DRP to report details to the same event. Unrelated actions must be reported on separate DRPs.

1. Action initiated by: (Name of Regulator, Law Enforcement or Prosecutorial Agency, Creditor/Lien Holder, Private Plaintiff, Applicant/Licensee, etc.)

2. Filing Date of Action (MM/DD/YYYY): \_\_\_\_\_  Exact  Explanation  
If not exact, provide explanation:

3. Formal Action was brought in (include name of Federal, Military, State or Foreign Court, Location of Court – City or County and State or Country, Docket/Case Number):

6. Employing Business when activity occurred:  
\_\_\_\_\_

7. Describe the allegations related to this action. (Attach a separate sheet if necessary.):

8. Current status of action?  **Pending**  **On Appeal**  **Final**

9. If on appeal, action appealed to (provide name of court): Date Appeal Filed (MM/DD/YYYY):

10. If Pending, date notice/process was served (MM/DD/YYYY): \_\_\_\_\_  
 **Exact**  **Explanation** If not exact, provide explanation:

**If Final or On Appeal, complete items below. For Pending Actions, complete item 13 only.**

11. Provide a detailed explanation of how the matter was resolved (Attach a separate sheet if necessary):

12. Resolution Date (MM/DD/YYYY): \_\_\_\_\_  **Exact**  **Explanation**  
If not exact, provide explanation:

13. Comments. Use this section to provide a summary of the circumstances leading to the action, as well as the status or disposition and/or finding(s).

14. In addition to the information requested in this DRP, provide documentation pertaining to each matter. Such documentation includes but is not limited to, certified copies of criminal convictions or administrative orders entered against you.

**Notice of Proposed Rule to  
Reflect Changes to the Office's Organization Structure**

## Notice of Proposed Rule

### DEPARTMENT OF FINANCIAL SERVICES Indexing Agency Orders

RULE NO.: RULE TITLE:

[69T-1.001](#): Organizational Structure

PURPOSE AND EFFECT: Section 20.121(3), F.S., sets forth the powers and general organizational structure of the Office of Financial Regulation. Section 20.121(3)(a)1., F.S., requires the Office of Financial Regulation to have a Bureau of Financial Investigations. Pursuant to Section 20.121(3)(b), F.S., the Financial Services Commission is required to establish any additional structure for the office that it believes is necessary to promote efficiency and accountability. The Office's current organizational structure is set forth in Rule 69T-1001, F.A.C. The proposed amendments update the rule to reflect changes to the organizational structure that will promote efficiency and accountability. Among other things, the rule amendments rename organizational units to more accurately reflect their function and focus, and the amendments consolidate two units in the finance area to streamline operations.

SUMMARY: The rule amendments reflect changes to the organizational structure of the Office of Financial Regulation that will promote efficiency and accountability. Within the Division of Securities, the Bureau of Securities Regulation, is renamed the Bureau of Enforcement, and the Bureau of Regulatory Review is renamed the Bureau of Registration. Within the Division of Finance, the Bureau of Finance Regulation is renamed the Bureau of Enforcement and the Bureau of Regulatory Review is renamed the Bureau of Registration. In addition, the Division of Finance is renamed to the Division of Consumer Finance. The Bureau of Money Transmitter Regulation within the current Division of Finance is eliminated and its functions are being merged into the Division of Consumer Finance, Bureau of Enforcement. The Office of Legal Services is renamed the Office of the General Counsel. The rule amendments also reflect an Office of Communications, which shall be headed by a director.

#### SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: 1) No requirement for a SERC was triggered under Section 120.541(1); and 2)

The amendments will not exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

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.

RULEMAKING AUTHORITY: [20.121\(3\)\(b\) FS](#)

LAW IMPLEMENTED: [20.121\(3\)\(b\) FS](#)

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

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Greg Melchior, Interim General Counsel, (850) 410-9601, greg.melchior@flofr.com

THE FULL TEXT OF THE PROPOSED RULE IS:

**69T-1.001 Organizational Structure.**

(1) The following organizational units are established in the Office of Financial Regulation:

(a) Office of Inspector General;

(b) Office of ~~General Counsel~~ ~~Legal Services~~;

(c) Division of Financial Institutions, which shall include the following bureaus:

1. Bureau of Bank Regulation District I;

2. Bureau of Bank Regulation District II;

3. Bureau of Credit Union Regulation.

(d) Division of Securities, which shall include the following bureaus:

1. Bureau of ~~Enforcement~~ ~~Securities Regulation~~;

2. Bureau of ~~Registration~~ ~~Regulatory Review~~.

(e) Division of Consumer Finance, which shall include the following bureaus:

1. Bureau of ~~Enforcement~~ ~~Finance Regulation~~;

2. Bureau of ~~Registration~~ ~~Regulatory Review~~;

~~3. Bureau of Money Transmitter Regulation.~~

(f) Bureau of Financial Investigations as required by Section 20.121(3)(a)2., F.S.

(g) Office of Communications

(2) There is established under the Director of the Office of Financial Regulation the position of assistant director. The assistant director will aid the director in fulfilling the director's statutory obligations. The director may be known as the Commissioner of the Office of Financial Regulation and the assistant director may be known as the Deputy Commissioner of the Office of Financial Regulation.

(3) The Office of Inspector General shall be headed by an inspector general.

(4) The Office of ~~General Counsel~~ ~~Legal Services~~ shall be headed by a general counsel.

(5) The Office of Communications shall be headed by a director.

~~(6)-(5)~~ Each division shall be headed by a director.

~~(7)-(6)~~ Each bureau shall be headed by a chief.

*Rulemaking Specific Authority 20.121(3)(b) FS. Law Implemented 20.055(2), 20.121(3)(b) FS. History—New 1-3-07, Amended.*

NAME OF PERSON ORIGINATING PROPOSED RULE: Greg Hila, Deputy Commissioner

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

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: March 20, 2012

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: February 10, 2012

# ATTACHMENT 3

**Financial Services Commission**  
**Office of Financial Regulation**  
**Briefing Sheet**  
**Agenda Item #3**

---

**Adoption of Federal Forms**

The Office requests approval to publish a notice of intent to adopt federal standards pursuant to Section 120.54(6), Florida Statutes, to reflect the adoption of federal forms used to regulate the securities industry. The notice reflects amendments to Rule 69W-301.002, F.A.C., to update references to Form ADV, Uniform Application for Investment Adviser Registration, and Form BD, Uniform Application for Broker-Dealer Registration. Form ADV is the uniform form used by investment advisers to register with both the Securities and Exchange Commission (SEC) and state securities regulators through the Investment Adviser Registration Depository (IARD). Form BD is the uniform form used by broker-dealers to register with the SEC and state securities regulators through the Central Registration Depository (CRD).

Notice of Proposed Rule

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

RULE NO.: RULE TITLE:

69W-301.002: Processing of Applications

PURPOSE, EFFECT AND SUMMARY: Rule 69W-301.002, F.A.C., is being amended to adopt the latest versions of the Form ADV, Uniform Application for Investment Adviser Registration (9/2011), and Form BD, Uniform Application for Broker-Dealer Registration (1/2008). Form ADV is the uniform form used by investment advisers to register with both the Securities and Exchange Commission (SEC) and state securities regulators through the Investment Adviser Registration Depository (IARD). Form BD is the uniform form used by broker-dealers to register with the SEC and state securities regulators through the Central Registration Depository (CRD). The SEC's approval and adoption of the Form ADV may be found in 76 Fed. Reg. 138, 42950 (July 19, 2011). The SEC's approval and adoption of Form BD may be found in 73 Fed. Reg. 18, 4690 (January 28, 2008). The proposed changes do not require legislative ratification.

RULEMAKING AUTHORITY: 517.03(1), 517.12, 517.1201, 517.081(2), 517.082(4) FS

LAW IMPLEMENTED: 120.60(1), 517.051, 517.075, 517.081, 517.082, 517.12, 517.161(5) FS

THIS RULEMAKING IS UNDERTAKEN PURSUANT TO SECTION

120.54(6), F.S. WRITTEN COMMENTS MAY BE SUBMITTED WITHIN 14 DAYS OF THE DATE OF THIS NOTICE TO: Rob Vandiver, Chief Counsel, Division of Securities, (850) 410-9707, robert.vandiver@flofr.com

SUBSTANTIALLY AFFECTED PERSONS MAY WITHIN 14 DAYS OF THE DATE OF THIS NOTICE, FILE AN OBJECTION TO THIS RULEMAKING WITH THE AGENCY. THE OBJECTION SHALL SPECIFY THE PORTIONS OF THE PROPOSED RULE TO WHICH THE PERSON OBJECTS AND THE SPECIFIC REASONS FOR THE OBJECTION.

THE FULL TEXT OF THE PROPOSED RULE IS:

**69W-301.002 Processing of Applications.**

(1) 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. through 5. No change

6. Form BD, Uniform Application for Broker-Dealer Registration (1/2008), effective \_\_\_\_\_, <http://www.flrules.org/Gateway/reference.asp?No=Ref-01021>, (5/2002), effective 11-22-10;

7. Form ADV, Uniform Application for Investment Adviser Registration (9/2011), effective \_\_\_\_\_, <http://www.flrules.org/Gateway/reference.asp?No=Ref-01020>, (1/2008), effective 11-22-10;

8. through 15 No change.

(b) No change.

(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 (9/2011) (~~1/2008~~); Form U-4, Uniform Application for Securities Industry Registration or Transfer (5/2009); and Form U-5, Uniform Termination Notice for Securities Industry Registration (5/2009). 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) No change.

PROPOSED EFFECT DATE APRIL 23, 2012

*Rulemaking Authority 517.03(1), 517.12, 517.1201, 517.081(2), 517.082(4) FS. Law Implemented 120.60(1), 517.051, 517.075, 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, 11-22-10, 4-23-12.*