

Merger or Change of Control Registration Requirements

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

Florida Administrative Code (F.A.C.) describes the method in which a merger situation and/or change of control for currently registered dealers or investment advisers should be reported to the Office of Financial Regulation.

The following is only a guideline. A complete review of Rule 69W-600.007, F.A.C., is recommended.

(3) Merger Situations:

When there is a merger of dealers or investment advisers, currently registered with the Office of Financial Regulation, involving the following:

- a) the assumption by the successor of substantially all assets **and** liabilities of the merged entities, **and**
- b) the continuation of the activities of the merged entities' successor entity

The merging entities shall file notification of such merger, along with a detailed letter of explanation, copy of the merger agreement and/or organizational documents with the Office of Financial Regulation within thirty (30) calendar days **prior** to the date of such change. In addition, under Chapter 517.12 (7), Florida Statutes (F. S.), any direct owners, principals, or indirect owners that are required to be reported on Form BD or ADV, shall submit fingerprints for live-scan processing in accordance with Rule 69W-600.006, F.A.C., if not currently on file with FINRA and accessible through the CRD. Refer to Registration Requirements for firms regarding electronic fingerprint submission procedures.

(4) Change of Control:

- (a) Where a person or a group of persons directly or indirectly or acting by or through one or more persons, proposes to acquire a controlling interest in a dealer or investment adviser registrant, and
 - the acquirer is currently registered with the Office of Financial Regulation, or
 - the acquirer has not within the preceding 10 years committed any reportable act as defined in Rule 69W-200.001, F.A.C.

The resulting entity shall file a detailed letter of explanation, amended organizational documents and an amendment to Form BD or Form ADV denoting such changes thirty (30) calendar days **prior** to the date of such acquisition. In addition, under Chapter 517.12 (7), F. S., any direct owners, principals, or indirect owners that are required to be reported on Form BD or ADV, shall submit fingerprints for live-scan processing in accordance with Rule 69W-600.006, F.A.C., if not currently on file with FINRA and accessible through the CRD. Refer to Registration Requirements for firms regarding electronic fingerprint submission procedures.

Where a person or a group of persons directly or indirectly or acting by or through one or more persons, proposes to acquire a controlling interest in a dealer or investment adviser registrant, **and**

- the acquirer has **within the preceding 10 years** committed any **reportable act** as defined in Rule 69W-200.001, F.A.C., **and**
- the acquirer **is not currently registered** with the Office of Financial Regulation.

The resulting entity shall prior to such acquisition file with the Office of Financial Regulation a new application for registration on the forms prescribed by the Office of Financial Regulation, together with all required exhibits and fees.

Should the Office waive the requirements of this subsection, then the change of control shall be filed in compliance with the provisions of subsection (a).

(c) Defines "controlling interest" as possession of the power to direct or cause the direction of the management or policies of a company, whether through ownership of securities, by contract or otherwise. Any individual or firm that directly or indirectly has the right to vote 25 percent or more of the voting securities of a company or is entitled to 25 percent or more of its profits is presumed to control that company.

Rule 69W-200.001(25), F.A.C., defines a "reportable act."