

**69W-200.002 General Industry Standards Incorporated by Reference.**

The following general industry standards as expressed in the statutes, rules and regulations of the various federal and self-regulatory agencies and regulatory associations and referenced in Chapter 69W, F.A.C., are hereby incorporated by reference and adopted by this rule. The material incorporated by reference in this rule may also be obtained from the Florida Office of Financial Regulation (Office), Division of Securities' website at <http://www.flufr.com/StaticPages/DivisionOfSecurities.htm>, except where noted for copyright restrictions. Materials subject to copyright restrictions may be inspected and examined by contacting the Florida Office of Financial Regulation, Division of Securities, at 200 E. Gaines Street, Tallahassee, Florida 32399, (850) 410-9500.

- (1) FINRA Rule 2210 (7-11-14), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04516>.
- (2) SEC Rule 501(a) of Regulation D (17 C.F.R. § 230.501(a)) (9-23-13), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04517>.
- (3) SEC Rule 15c3-1 (17 C.F.R. § 240.15c3-1) (7-7-14), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04518>.
- (4) SEC Rule 206(4)-3 (17 C.F.R. § 275.206(4)-3) (4-1-14 edition), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04519>.
- (5) NASD Rule 3010 (2-4-13), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04520>.
- (6) SEC Rule 144A (17 C.F.R. § 230.144A(a)) (9-23-13), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04521>.
- (7) Regulation S-X (17 C.F.R. Part 210) (4-1-13 edition), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04522>.
- (8) SEC Rules 17a-5 (17 C.F.R. § 240.17a-5) (6-1-14) and 17a-10 (17 C.F.R. § 240.17a-10) (12-9-81), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04523>.
- (9) Section 15A of the Securities Exchange Act of 1934 (15 U.S.C. § 78o-3) (10-1-10), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04524>.
- (10) Regulation A of the Securities Act of 1933 (17 C.F.R. §§ 230.251 through 230.263) (4-1-13 edition), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04525>.
- (11) SEC Rule 144 (17 C.F.R. § 230.144) (4-1-13 edition), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04526>.
- (12) Section 642(c)(5) of the Internal Revenue Code of 1954 (26 U.S.C. § 642(c)(5)) (1-23-02), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04527>.
- (13) Regulation S (17 C.F.R. §§ 230.901 through 230.905) (4-1-13 edition), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04528>.
- (14) Section 4(a)(2) of the Securities Act of 1933 (15 U.S.C. § 77d(a)(2)) (4-5-12), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04529>.
- (15) SEC Rule 701 (17 C.F.R. § 230.701) (4-1-13 edition), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04530>.
- (16) Section 3(a) of the Securities Act of 1933 (15 U.S.C. § 77c(a)) (7-9-12), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04531>.
- (17) Securities Act of 1933 Section 5 (15 U.S.C. § 77e) (4-5-12); Section 6 (15 U.S.C. § 77f) (4-5-12); Section 7 (15 U.S.C. § 77g) (4-5-12); and Section 8 (15 U.S.C. § 77h) (8-22-40), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04532>.
- (18) SEC Rule 17f-2 (17 C.F.R. § 240.17f-2) (4-1-13 edition), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04533>.
- (19) SEC Rule 10b-10 (17 C.F.R. § 240.10b-10) (7-7-14), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04534>.

(20) SEC Rule 17a-3 (17 C.F.R. § 240.17a-3) (4-1-14 edition), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04535>.

(21) MSRB Rules G-8 (7-5-14) and G-15 (existing as of 7-18-14), available for inspection at the Office due to copyright restrictions.

(22) Securities Exchange Act of 1934 Section 9 (15 U.S.C. § 78i) (2012); Section 10 (15 U.S.C. § 78j) (7-16-11); Section 11A (15 U.S.C. § 78k-1) (4-5-12); Section 15(c) and 15(g) (15 U.S.C. § 78o(c) and 78o(g)) (2012), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04536>.

(23) SEC Rule 9b-1 (17 C.F.R. § 240.9b-1) (4-1-14 edition), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04537>.

(24) SEC Rules 10b-1, 10b-3, 10b-5, 10b5-1, 10b5-2, 10b-9, 10b-10, 10b-16, 10b-17, 10b-18, and 10b-21 (17 C.F.R. §§ 240.10b-1, 240.10b-3, 240.10b-5, 240.10b5-1, 240.10b5-2, 240.10b-9, 240.10b-10, 240.10b-16, 240.10b-17, 240.10b-18, and 240.10b-21) (4-1-14 edition), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04538>.

(25) SEC Rules 15c1-1 through 15c1-3 and 15c1-5 through 15c1-9 (17 C.F.R. §§ 240.15c1-1 through 240.15c1-3 and 240.15c1-5 through 240.15c1-9) (4-1-14 edition), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04539>.

(26) SEC Rules 15c2-1, 15c2-4, 15c2-5, 15c2-7, 15c2-8, 15c2-11, and 15c2-12 (17 C.F.R. §§ 240.15c2-1, 240.15c2-4, 240.15c2-5, 240.15c2-7, 240.15c2-8, 240.15c2-11, and 240.15c2-12) (4-1-14 edition), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04540>.

(27) SEC Rules 15g-1 through 15g-6, 15g-8, and 15g-9 (17 C.F.R. §§ 240.15g-1 through 240.15g-6, 240.15g-8 and 240.15g-9) (4-1-14 edition), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04541>.

(28) Regulation M (17 C.F.R. § 242.100 through 242.105) (4-1-14 edition), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04542>.

(29) SEC Rule 601 (17 C.F.R. § 242.601) (4-1-14 edition), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04543>.

(30) Regulation T, Credit by Brokers and Dealers, (12 C.F.R. §§ 220.1 through 220.12, 220.101, 220.103, 220.105, 220.108, 220.110, 220.111, 220.113, 220.117, 220.118, 220.119, 220.121, 220.122, 220.123, 220.124, 220.127, 220.128, 220.131, 220.132); and 12 C.F.R. § 221.125 of Regulation U (1-1-13 edition), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04544>.

(31) SEC Rule 8c-1, (17 C.F.R. § 240.8c-1) (4-1-14 edition), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04545>.

(32) FINRA Rule 2000 Series (2010 through 2370) (existing as of 7-18-14), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04546>.

(33) FINRA Rule 3000 Series (only 3130, 3160, and 3220 through 3310) (existing as of 7-18-14), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04547>.

(34) FINRA Rule 4000 Series (4110 through 4570) (existing as of 7-18-14), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04548>.

(35) FINRA Rule 5000 Series (5110 through 5350) (existing as of 7-18-14), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04549>.

(36) FINRA Rule 6000 Series (6110 through 6770) (existing as of 7-18-14), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04550>.

(37) FINRA Rule 7000 Series (7110 through 7740) (existing as of 7-18-14), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04551>.

(38) NASD Conduct Rule 2000 Series (IM-2210-2 through 2830) (existing as of 7-18-14), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04552>.

(39) NASD Conduct Rule 3000 Series (3010 through 3170) (existing as of 7-18-14), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04553>.

(40) FINRA Uniform Practice Code Rule 11000 Series (11100 through 11900) (existing as of 7-18-14), accessible at

<http://www.flrules.org/Gateway/reference.asp?No=Ref-04554>.

(41) NYSE Rules 405 (7-14-11), 412 (9-15-08) and 435 (5-29-09), accessible at

<http://www.flrules.org/Gateway/reference.asp?No=Ref-04555>.

(42) Sections 2, 3, 4, 5 and 6 of the Securities Act of 1933, (15 U.S.C.A. §§ 77b, 77c, 77d, 77e and 77f) (4-5-12), accessible at

<http://www.flrules.org/Gateway/reference.asp?No=Ref-04556>.

(43) SEC Rules 134, 134a, 135a, 144, 156, 419, 481 and 482, (17 C.F.R. §§ 230.134, 230.134a, 230.135a, 230.144, 230.156, 230.419, 230.481 and 230.482) (4-1-13 edition), accessible at

<http://www.flrules.org/Gateway/reference.asp?No=Ref-04557>.

(44) Section 15(b)(4)(E) of the Securities Exchange Act of 1934 (15 U.S.C. § 78o(b)(4)(E)) (2012), accessible at

<http://www.flrules.org/Gateway/reference.asp?No=Ref-04558>.

(45) Regulation SHO, Regulation of Short Sales, (17 C.F.R. §§ 242.200-242.203) (4-1-14 edition), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04559>.

(46) Section 15B of the Securities Exchange Act of 1934 (15 U.S.C. § 78o-4) (10-1-10), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04560>.

(47) MSRB Definitional Rules D-1 to D-14, and General Rules G-1 to G-17 and G-19 to G-43 (existing as of 7-18-14), available for inspection at the Office due to copyright restrictions.

(48) Sections 13 and 15D of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m (8-10-12) and 78o-6 (4-5-12)), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04561>.

(49) Sections 204, 204A, 205, 206, 207, 208 of the Investment Advisers Act of 1940 (15 U.S.C.A. §§ 80b-4, 80b-4a, 80b-5, 80b-6, 80b-7, 80b-8) (2012), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04562>.

(50) SEC Rule 204-1 (17 C.F.R. § 275.204-1); 204-3 (17 C.F.R. § 275.204-3); Rule 205-1 (17 C.F.R. § 275.205-1); Rule 205-2 (17 C.F.R. § 275.205-2); Rule 205-3 (17 C.F.R. § 275.205-3); Rule 206(3)-1 (17 C.F.R. § 275.206(3)-1); Rule 206(3)-2 (17 C.F.R. § 275.206(3)-2); Rule 206(4)-1 (17 C.F.R. § 275.206(4)-1); Rule 206(4)-3 (17 C.F.R. § 275.206(4)-3, 206(4)-7 (17 C.F.R. § 275.206(4)-7) (4-1-14 edition), accessible at \_\_\_\_\_.

(51) The Investment Advisers Act of 1940 (15 U.S.C. § 80b-1 through 80b-21) (2012), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04564>.

(52) National Securities Markets Improvement Act of 1996 (Pub. L. 104-290) (10-11-96), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04565>.

(53) Section 4f(a) of the Commodity Exchange Act (7 U.S.C. § 6f) (2012), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04566>.

(54) Investment Company Act of 1940 (15 U.S.C. § 80a-1 through 80a-64) (2012), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04567>.

(55) SEC Rules 17a-3 and 17a-4 (17 C.F.R. §§ 240.17a-3 and 240.17a-4) (4-1-14 edition), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04568>.

(56) SEC Rule 204-2 (17 C.F.R. § 275.204-2) (4-1-13 edition), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04569>.

(57) SEC Rule 204-3 (17 C.F.R. § 275.204-3) (4-1-13 edition), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04570>.

(58) SEC Rule 15c3-1 and appendices (17 C.F.R. § 240.15c3-1 (7-7-14); 17 C.F.R. § 240.15c3-1a (7-7-14); 17 C.F.R. § 240.15c3-1b (8-9-84); 17 C.F.R. § 240.15c3-1c (12-2-92); 17 C.F.R. § 240.15c3-1d (6-5-08); 17 C.F.R. § 240.15c3-1e (7-7-14); 17 C.F.R. § 240.15c3-1f (7-7-14); 17 C.F.R. § 240.15c3-1g (7-7-14)), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04571>.

(59) 17 C.F.R. § 240.17a-11 (6-1-14), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04572>.

(60) SEC Rule 15c3-3 and Exhibit A (17 C.F.R. § 240.15c3-3 (4-1-14 edition) and 240.15c3-3a (7-7-14)), accessible at

<http://www.flrules.org/Gateway/reference.asp?No=Ref-04573>.

(61) FINRA Rule 1250 (10-17-11), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04574>.

(62) NYSE Rule 345A (7-29-03), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04575>.

(63) NYSE MKT LLC Rule 341A (11-10-04), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04576>.

(64) Article VI, Rule 11 of the Chicago Stock Exchange (5-22-14), available for inspection at the Office due to copyright restrictions.

(65) Section 422 of the Internal Revenue Code (26 U.S.C. § 422) (11-5-90), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04577>.

(66) Employee Retirement Income Security Act of 1974 (Pub.L. 93-406) (4-7-14), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04578>.

(67) Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. § 501(c)(3)) (3-30-10), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04579>.

(68) SEC Rule 15a-6(b)(4)(i) (17 C.F.R. § 240.15a-6) (4-1-14 edition), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04580>.

(69) Sections 856, 857 and 858 of the Internal Revenue Code of 1954 (26 U.S.C. §§ 856 (7-30-08), 857 (7-30-08), 858 (11-10-88)), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04581>.

(70) Securities Exchange Act of 1934 (15 U.S.C. §§ 78a through 78pp) (2012), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04582>.

(71) SEC Rule 415 (17 C.F.R. § 230.415) (4-1-13 edition), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04583>.

(72) Section 10(a) of the Securities Act of 1933 (15 U.S.C. § 77j(a)) (8-10-54), accessible at <http://www.flrules.org/Gateway/reference.asp?No=Ref-04584>.

*Rulemaking Authority 517.03(1), 517.1215(2), 517.1217 FS. Law Implemented 517.081, 517.12(4), 517.1215, 517.1217, 517.161(1) FS. History—New 9-22-14, Amended \_\_\_\_\_.*

~~69W 300.002 Financial Statements and Reports.~~

~~(1) All financial statements required for registration of securities, or registration of dealers and investment advisers, shall be prepared in accordance with United States generally accepted accounting principles. Financial statements required to be prepared in accordance with Regulation S-X (17 C.F.R. Part 210), which is incorporated by reference in Rule 69W 200.002, F.A.C., will be acceptable to the Office of Financial Regulation unless otherwise required by these rules.~~

~~(2) Definitions:~~

~~(a) "Audited Financial Statements" shall be defined as those financial statements prepared by an independent certified public accountant, and shall include at least the following information:~~

~~1. Date of report, manual signature, city and state where issued, and identification without detailed enumeration the financial statements and schedules covered by the report;~~

~~2. Representations as to whether the audit was made in accordance with generally accepted auditing standards and designation of any auditing procedures deemed necessary by the accountant under the circumstances of the particular case which may have been omitted, and the reason for their omission; nothing in this rule however shall be construed to imply authority for the omission of any procedure which independent accountants would ordinarily employ in the course of an audit for the purpose of expressing the opinions required under this rule;~~

~~3. Statement of the opinion of the accountant in respect to the financial statements and schedules covered by the report and the accounting principles and practices reflected therein, and as to the consistency of the application of the accounting principles and practices reflected therein, and as to the consistency of the application of the accounting principles, or as to any changes in such principles which would have a material effect on the financial statements;~~

~~4. Any matters to which the accountant takes exception shall be clearly identified, the exception thereto specifically and clearly stated, and, to the extent practicable, the effect of each such exception on the related financial statements given.~~

~~(b) "Financial Statements and Reports" shall be defined as those reports, schedules and statements, prepared in accordance with United States generally accepted accounting principles, which contain at least the following information unless the context otherwise dictates:~~

~~1. Statement of Financial Condition or Balance Sheet;~~

~~2. Statement of Income;~~

~~3. Statement of Changes in Financial Position;~~

~~4. Statement of Changes in Stockholder's/Partner's/Proprietor's Equity;~~

~~5. Statement of Changes in Liabilities Subordinated to Claims of General Creditors.~~

~~(c) "Independent Accountant" shall be defined as any certified public accountant in good standing and entitled to practice as such under the laws of his principal place of business or residence, and who is in fact not controlled by, or under common control with, the entity or person being audited; for purposes of this definition, an accountant will be considered not independent with respect to any person or any of its parents, its subsidiaries, or other affiliates (1) in which, during the period of his professional engagement to examine the financial statements being reported on~~

~~or at the date of his report, he or his firm or a member thereof had, or was committed to acquire, any direct financial interest or any material indirect financial interest; (2) with which, during the period of his professional engagement to examine the financial statements being reported on, at the date of his report or during the period covered by the financial statements, he or his firm or a member thereof was connected as a promoter, underwriter, voting trustee, director, officer, or employee, except that a firm will not be deemed not independent in regard to a particular person if a former officer or employee of such person is employed by the firm and such individual has completely disassociated himself from the person and its affiliates covering any period of his employment by the person; for the purposes of this rule the term "member" means all partners in the firm and all professional employees participating in the audit or located in an office of the firm participating in a significant portion of the audit; and in determining whether an accountant may in fact be not independent with respect to a particular person, the Office of Financial Regulation will give appropriate consideration to all relevant circumstances, including evidence bearing on all relationships between the accountant and that person or any affiliate thereof, and will not confine itself to the relationships existing in connection with the filing of reports with the Office of Financial Regulation.~~

~~(d) "Unaudited Financial Statements" shall be defined as those financial statements prepared in accordance with United States generally accepted accounting principles, not accompanied by the statements and representations as set forth in subparagraphs (2)(a)2., 3. and 4. of this rule, and shall include an oath or affirmation that such statement or report is true and correct to the best knowledge, information, and belief of the person making such oath or affirmation; such oath or affirmation shall be made before a person authorized to administer such oath or affirmation, and shall be made by a duly authorized representative of the entity for whom the financial statements were prepared.~~

~~(3) Requirements for Dealers.~~

~~(a) Every dealer applicant, unless exempted under paragraph (3)(b) or (3)(c) of this rule, shall file financial statements as of a date within ninety (90) days prior to the date of filing for registration. These financial statements need not be audited provided that there shall also be filed audited financial statements as of said applicant's most recent fiscal year end.~~

~~(b) Those dealer applicants which have been in operation for a period of time less than twelve (12) months, and for whom an audited financial statement has not been prepared or is not available, shall be permitted to file unaudited financial statements provided the following conditions are met:~~

~~1. Such financial statements are as of a date within thirty (30) days prior to the date of filing for registration, and are prepared in accordance with the provisions of paragraphs (2)(b), (2)(d) and (3)(c) of this rule; and~~

~~2. Such applicant is effectively registered with the Securities Exchange Commission or Financial Industry Regulatory Authority (formerly known as the National Association of Securities Dealers, Inc.)~~

~~(c) Every dealer applicant and registrant shall file, in addition to the information specified in paragraph (2)(b) of this rule, the following:~~

~~1. Computations of net capital and customer reserve requirements prepared in accordance with the provisions of Rules 69W-600.016 and 69W-600.017, F.A.C.;~~

~~2. Written notice of designation of an independent certified public accountant, which notice shall include name,~~

~~address, and telephone number of the accountant so designated;~~

~~3. Written notice of fiscal year end or audit date of such dealer;~~

~~4. Disclosure of any contingent, civil or criminal liabilities of such dealer.~~

~~(d) The Office of Financial Regulation shall deem those financial statements and reports, prepared and filed in accordance with the provisions of SEC Rule 17a-5 (17 C.F.R. § 240.17a-5) and SEC Rule 17a-10 (17 C.F.R. § 240.17a-10), which are incorporated by reference in Rule 69W-200.002, F.A.C., to be in compliance with, and fulfill the requirements of, this rule as applicable to a dealer.~~

~~(e) The financial statements and reports required by paragraphs (a) through (d) are not required to be filed with the Office of Financial Regulation, unless specifically requested by the Office of Financial Regulation, by a dealer applicant or registrant if the dealer registrant is a current member of a securities association registered pursuant to section 15A of the Securities Exchange Act of 1934 (15 U.S.C. § 78o-3), which is incorporated by reference in Rule 69W-200.002, F.A.C., and such association requires financial reports to be filed with it.~~

~~(4) Requirements for Investment Advisers.~~

~~(a) Investment adviser applicants shall file financial statements as of a date within ninety (90) days prior to the date of filing for registration, which statements may be unaudited financial statements defined in paragraph (2)(d) of this rule. However, each investment adviser who has custody or possession of client's funds or securities; requires prepayment of advisory fees six months or more in advance and in excess of \$500 per client; or computes net capital pursuant to SEC Rule 15c3-1 (17 C.F.R. § 240.15c3-1), which is incorporated by reference in Rule 69W-200.002, F.A.C., for purposes of compliance with subsection 69W-600.016(3), F.A.C., shall file financial statements as required by paragraphs (3)(a) and (3)(b) of this rule.~~

~~(b) Investment adviser registrants shall provide the Office of Financial Regulation with written notification of such investment adviser's fiscal year end or annual audit date, and thereafter file annually financial statements as of said date in accordance with the provisions of subsection 69W-600.015(3), F.A.C. Such financial statements may be unaudited as defined in paragraph (2)(d) of this rule. However, each investment adviser who has custody or possession of client's funds or securities; requires prepayment of advisory fees six months or more in advance and in excess of \$500 per client; or computes net capital pursuant to SEC Rule 15c3-1 (17 C.F.R. § 240.15c3-1) for purposes of compliance with subsection 69W-600.016(3), F.A.C., shall file audited financial statements as defined by paragraph (2)(a) of this rule. Accompanying all audited financial statements shall be a written statement from the independent certified public accountant verifying compliance with subsection 69W-600.016(3), F.A.C.~~

~~(c) Every investment adviser applicant and registrant, in addition to the information specified in paragraphs (2)(b) and (2)(d) of this rule, shall provide to the Office of Financial Regulation:~~

~~1. Computations of net capital requirements prepared in accordance with the provision of Rule 69W-600.016, F.A.C.;~~

~~2. Written disclosure of any contingent, civil or criminal liabilities of such investment adviser.~~

~~(5) Requirements for Issuer/Dealers.~~

~~(a) Issuer/dealer applicants shall submit financial statements with their applications for registration as issuer/dealer as required in paragraph (3)(a) of this rule, unless such financial statements have been submitted~~

~~pursuant to the provisions of subsection (6) of this rule in connection with said issuer's registration of securities or subsection 69W 400.002(1), F.A.C.~~

~~(b) Issuer/dealer applicants for registration shall submit the following:~~

- ~~1. Written notice of designation of an independent certified public accountant, which notice shall include name, address and telephone number of the accountant so designated;~~
- ~~2. Written notice of fiscal year end or audit date of such issuer/dealer;~~
- ~~3. Disclosure of any contingent, civil or criminal liabilities of such issuer/dealer.~~

~~(c) An issuer/dealer shall file annually, within ninety (90) days after the conclusion of the registrant's fiscal year, financial statements prepared in accordance with the provisions of paragraph (2)(a) of this rule, unless excluded by subsection (6) of this rule or subsection 69W 400.002(1), F.A.C.~~

~~(6) Requirements for Securities Registration.~~

~~(a) All applicants for Registration of Securities pursuant to Section 517.081, F.S., shall file audited financial statements. An applicant offering securities pursuant to Regulation A of the Securities Act of 1933 (17 C.F.R. §§ 230.251 through 230.263), which is incorporated by reference in Rule 69W 200.002, F.A.C., is not required to file audited financial statements unless audited statements have been prepared and submitted to the Securities and Exchange Commission in perfecting the Regulation A exemption.~~

~~(b) The applicant shall file such financial statements as of a date within 90 days prior to the date of filing the registration statement or application, these financial statements need not be audited, however, if these statements are not audited, there shall be filed, in addition, audited statements as of the applicant's last fiscal year.~~

~~1. All such financial statements should be normally on a consolidated basis with respect to a parent corporation in which it owns directly or indirectly more than 50% of the outstanding voting securities.~~

~~2. Separate financial statements are required for unconsolidated subsidiaries, or 50% or less owned companies, accounted for by the equity method.~~

~~(c) If any of the proceeds of the securities offered for registration are to be used directly or indirectly for the purchase of any business or portion thereof, financial statements of such business or portion thereof are required to be filed as required by paragraph (6)(a) of this rule.~~

~~(d) For purposes of Rule 69W 700.005, F.A.C., Individual General Partners shall submit an unaudited sheet which conforms to United States generally accepted accounting principles. Such balance sheet should be prepared on a cost basis. A two column presentation showing both cost in the first column paralleled by a second column presenting estimated values will also be acceptable. However, the Office of Financial Regulation will not base the net worth computation on estimated values unless satisfactory evidence of the estimated values is presented to the Office of Financial Regulation.~~

~~(7) Other Financial Information.~~

~~(a) The Office of Financial Regulation may, upon the written request of the applicant, and where not contrary to the interests of the investing public, permit the omission of one or more of the financial statements or related requirements of this rule, provided that said applicant, or registrant, can demonstrate good cause for such consideration;~~

~~(b) The Office of Financial Regulation may also by informal written notice require the filing of other financial statements, reports or schedules, in addition to, or in substitution for, the statements herein required, for those cases where such statements are necessary or appropriate for an adequate presentation or analysis of the financial conditions of any person or entity whose financial statements are required, or which statements are otherwise necessary for the protection of investors;~~

~~(c) An audit opinion qualified as to the scope of the audit, the entity's ability to continue on a going concern basis, or other material qualifications may result in denial of application for registration, or either revocation or suspension of effective registration; an adverse audit opinion or a disclaimer of opinion may also result in the same administrative actions.~~

*Rulemaking Authority 517.03 FS. Law Implemented 517.081, 517.12 FS. History—New 12-5-79, Amended 9-20-82, Formerly 3E-300.02, Amended 6-28-93, 11-22-93, 12-24-95, 9-19-00, 10-30-03, Formerly 3E-300.002, Amended 5-15-07, 9-30-10, 9-22-14, Repealed.*

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69W-400.002 Registration of Issuer Under Section 517.051(9), F.S., as Dealer.

(↔) An issuer of securities who elects to offer or sell its own securities pursuant to Section 517.051(9), F.S., is required to be registered as a dealer pursuant to Section 517.12(2), F.S. The issuer shall comply with the rules of the Financial Services Commission for registration as dealer as set forth under Rule 69W-600.001 and subsection 69W-600.004(1), F.A.C., in addition to the following requirements:

(a) The financial statements required for registration as an issuer-dealer ~~a dealer~~ should be prepared in accordance with the provisions of subsection 69W-600.0151(4)(b)2. ~~paragraphs 69W-300.002(2)(d) and (5)(e),~~ F.A.C.

(b) The applicant for registration as a dealer or principal shall comply with the examination requirements of Rule 69W-600.005, F.A.C.

(c) The issuer shall comply with the net capital requirements of subsection 69W-600.0151(3)(b), F.A.C. ~~The applicant for registration as a dealer shall be deemed to have satisfied the financial responsibility and net capital requirements of Section 517.12, F.S., if the issuer has and will maintain a net capital of:~~

- ~~1. \$5,000 when the securities of the issuer which are to be offered and sold are not in excess of \$250,000.~~
- ~~2. \$25,000 when the securities of the issuer which are to be offered and sold are in excess of \$250,000.~~

~~(2) For purposes of this rule, the term "net capital" shall mean total assets minus total liabilities. Assets shall be valued at cost.~~

*Specific Authority 517.03 FS. Law Implemented 517.051(9), 517.12(2) FS. History—New 12-5-79, Amended 9-20-82, \_\_\_\_\_, Formerly 3E-400.02, 3E-400.002.*

69W-500.011 Registration of Issuer Under Section 517.061(11), F.S., as Dealer.

An issuer of securities who elects to offer or sell its own securities pursuant to Section 517.061(11), F.S., may register as a dealer pursuant to Section 517.12(1), F.S. The issuer shall comply with the rules of the Financial Services Commission for registration as a dealer as set forth under Rule 69W-600.001 and subsection 69W-600.004(1), F.A.C., in addition to the following requirements:

(1) The financial statements required for registration as a dealer should be prepared in accordance with the provisions of subsection 69W-600.0151(4) ~~69W-300.002(5)~~, F.A.C.

(2) Since the securities will not be registered, a copy of the offering circular for each offering must be submitted although no determination will be made as to the merits of the securities.

(3) The outside front page of the offering circular shall bear the following in bold face type: “THE SECURITIES BEING OFFERED HAVE NOT BEEN REGISTERED WITH THE OFFICE OF FINANCIAL REGULATION. THE FIRM IS REGISTERED AS AN ISSUER/DEALER TO SELL ITS OWN SECURITIES.”

*Specific Authority 517.03 FS. Law Implemented 517.061(11), 517.12(1) FS. History—New 9-20-82, Formerly 3E-500.11, Amended 7-31-91,\_\_\_\_\_, Formerly 3E-500.011.*

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

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

(1) All dealers are required to prepare and maintain appropriate books and records relating to their business as described in either SEC Rules 17a-3 or 17a-4, (17 C.F.R. §§ 240.17a-3, 240.17a-4), or MSRB Rules G-7, G-8 and G-9; and records evidencing compliance with NASD Rule Series 3000. The foregoing rules are incorporated by reference in Rule 69W-200.002, F.A.C.

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

(a) Ledgers, journals (or other records) reflecting all assets, liabilities, income and expenses, and capital accounts properly maintained in accordance with United States generally accepted accounting principles;

(b) Copies of all promotional sales materials and correspondence used in connection with the sales of all securities as distributed;

(c) A record of all sales of securities made by, or on behalf of, the issuer as described in and in compliance with SEC Rule 17a-3(a)(1), (17 C.F.R. § 17a-3(a)(1)), which is incorporated by reference in Rule 69W-200.002, F.A.C.;

(d) Securities certificate and securities holder records reflecting names and addresses of all holders of record, certificates issued to such holders, number of shares or bonds issued, and full details as to transfers or cancellations;

(e) In lieu of the issuer/dealer preparing and maintaining such records as detailed in paragraph (d) above, a qualified transfer agent/registrar may be appointed, provided such information is accessible to the issuer/dealer.

(3) All investment advisers, notwithstanding the fact that the investment adviser is not registered or required to be registered under the Investment Advisers Act of 1940, shall prepare and maintain true, accurate and current records relating to their business as described in SEC Rule 204-2, (17 C.F.R. § 275.204-2), which is incorporated by reference in Rule 69W-200.002, F.A.C.; and have available for the Office of Financial Regulation at least the following records:

(a) All trial balances, financial statements prepared in accordance with United States generally accepted accounting principles, and internal audit working papers relating to the investment adviser's business as an investment adviser. For purposes of this paragraph, "financial statements" means balance sheets, income statements, cash flow statements and net worth computations as required by Rule ~~69W-300.002~~ 69W-600.0161, F.A.C.

(b) A list or other record of all accounts with respect to the funds, securities, or transactions of any client.

(c) A copy in writing of each agreement entered into by the investment adviser with any client.

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

(e) A copy of each written statement and each amendment or revision given or sent to any client or prospective

client of the investment adviser in accordance with the provisions of SEC Rule 204-3, (17 C.F.R. § 275.204-3), which is incorporated by reference in Rule 69W-200.002, F.A.C., and a record of the dates that each written statement, and each amendment or revision was given or offered to be given to any client or prospective client who subsequently becomes a client.

(f) For each client that was obtained by the adviser by means of a solicitor to whom a cash fee was paid by the adviser, records required by SEC Rule 206(4)-3, (17 C.F.R. § 275.206(4)-3), which is incorporated by reference in Rule 69W-200.002, F.A.C.

(g) All records required by SEC Rule 204-2(16), (17 C.F.R. § 275.204-2(16)).

(h) A file containing a copy of all communications received or sent regarding any litigation involving the investment adviser or any investment adviser representative or employee, and regarding any customer or client complaint.

(i) Written information about each investment advisory client that is the basis for making any recommendation or providing any investment advice to such client.

(j) Written procedures to supervise the activities of employees and investment adviser representatives that are reasonably designed to achieve compliance with applicable securities laws and regulations.

(k) A file containing a copy of each document, other than any notices of general dissemination, that was filed with or received from any state or federal agency or self regulatory organization and that pertains to the registrant or its investment adviser representatives. Such file should contain, but is not limited to, all applications, amendments, renewal filings, and correspondence.

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

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

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

(5) No provisions of this rule, unless specifically designated as a required form, shall be deemed to require the preparation, maintenance, or preservation of a dealer's or investment adviser's books and records in a particular form or system, provided that whatever form or system utilized by such dealer's or investment adviser's course of business is sufficient to provide an audit trail of all business transactions.

(6) Every investment adviser that has its principal place of business in a state other than this state shall be exempt from the requirements of this rule, provided the investment adviser is licensed in such state and is in compliance with that state's record keeping requirements.

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

(a) Those records required under subsection (1) of this rule shall be preserved for such periods of time as

specified in either SEC Rule 17a-4, (17 C.F.R. § 240.17a), or MSRB Rule G-9.

(b) Those records required under subsection (2) of this rule shall be preserved for a period of not less than five (5) years while effectively registered with the Office of Financial Regulation, nor for less than five (5) years after withdrawal or expiration of registration in this State.

(c) Books and records required to be prepared under the provisions of subsection (3) shall be maintained and preserved in an easily accessible place for a period of not less than five years from the end of the fiscal year during which the last entry was made on such record, the first two years in the principal office of the investment adviser.

(d) Books and records required to be made under the provisions of subsection (3), shall be maintained and preserved for a period of not less than five years from the end of the fiscal year during which the last entry was made on such record or for the time period during which the investment adviser was registered or required to be registered in the state, if registered less than five years.

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

1. The records or copies required under the provisions of paragraphs (a)(3), (a)(7)-(10), (a)(14)-(15), (b), and (c) of SEC Rule 204-2, (17 C.F.R. § 275.204-2); and

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

3. The records or copies required under the provisions of paragraphs (a)(11) and (a)(16) of SEC Rule 204-2, (17 C.F.R. § 275.204-2), which records or related records identify the name of the investment adviser representative or which identify the business location's physical address, mailing address, electronic mailing address, or telephone number. The records will be maintained for the period described in subsections (d) and (e) of SEC Rule 204-2, (17 C.F.R. § 275.204-2). The investment adviser shall be responsible for ensuring compliance with the provision of this subsection. SEC Rule 204-2, (17 C.F.R. § 275-204-2).

(8) Where the investment adviser inadvertently held or obtained a client's securities or funds and returned them to the client within three business days or has forwarded third party checks within 24 hours, the investment adviser will be considered as not having custody but shall keep a ledger or other listing of all securities or funds held or obtained, including the following information:

(a) Issuer;

(b) Type of security and series;

(c) Date of issue;

(d) For debt instruments, the denomination, interest rate and maturity date;

(e) Certificate number, including alphabetical prefix or suffix;

(f) Name in which registered;

(g) Date given to the adviser;

(h) Date sent to client or sender;

(i) Form of delivery to client or sender, or copy of the form of delivery to client or sender; and

(j) Mail confirmation number, if applicable, or confirmation by client or sender of the fund's or security's

return.

*Rulemaking Authority 517.03(1), 517.121(1), 517.1215 FS. Law Implemented 517.121(1), 517.1215 FS. History—New 12-5-79, Amended 9-20-82, Formerly 3E-600.14, Amended 10-14-90, 8-1-91, 6-16-92, 1-11-93, 9-9-96, 6-22-98, 1-25-00, 10-30-03, Formerly 3E-600.014, Amended 10-23-06, 5-15-07, 11-22-10, 11-11-13, 9-22-14,\_\_\_\_\_.*

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~~69W 600.015 Financial Reporting Requirements—Statement of Financial Condition—Dealers and Investment Advisers.~~

~~(1) Except as otherwise specifically noted in this rule, an applicant filing an application for registration as a dealer or investment adviser shall file a balance sheet in accordance with Rule 69W 300.002, F.A.C.~~

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

~~(a) The Office of Financial Regulation will allow up to a thirty (30) day extension of the filing requirement as set forth in this paragraph provided written request is made prior to the date such audited report is due to be filed, and provided further that good cause for such delay is shown. Good cause shall include excusable neglect or circumstances beyond the control of the registrant.~~

~~(b) Every dealer defined as a broker/dealer under Rule 69W 300.002, F.A.C., shall be required to include in such audited financial statements filed verification of said broker/dealer's compliance with the provisions of Rules 69W 600.016 and 69W 600.017, F.A.C.~~

~~(c) In lieu of the provisions of paragraph (b) above, the Office of Financial Regulation will accept those statements prepared and filed by a dealer in accordance with the provisions of SEC Rule 17a 5 (17 C.F.R. § 240.17a 5) and SEC Rule 17a 10 (17 C.F.R. § 240.17a 10), which are incorporated by reference in Rule 69W 200.002, F.A.C.~~

~~(3) Every investment adviser registered pursuant to Section 517.12, F.S., and rules thereunder shall file annually with the Office of Financial Regulation, within ninety (90) days after the conclusion of said registrant's fiscal year, financial statements as of fiscal year end, such statements prepared in accordance with the provisions of Rule 69W 300.002, F.A.C.~~

~~(4) The provisions of paragraph (2)(a) of this rule apply to the filing requirements set forth in subsection (3).~~  
*Rulemaking Authority 517.03(1), 517.12(9), 517.121(2) FS. Law Implemented 517.12(9), 517.121(2) FS. History—New 12-5-79, Amended 9-20-82, Formerly 3E-600.15, Amended 6-16-92, 10-30-03, 4-8-04, Formerly 3E-600.015, Amended 11-22-10, 9-22-14, Repealed \_\_\_\_\_.*

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

~~(1) The net capital of an applicant or registrant under Section 517.12, F.S., shall be maintained at a level required by this rule.~~

~~(2) All dealer applicants and registrants shall meet and at all times maintain the net capital and ratio requirements as prescribed by SEC Rule 15c3-1 including any appendices thereto (17 C.F.R. § 240.15c3-1, 240.15c3-1a, 240.15c3-1b, 240.15c3-1c, 240.15c3-1d, 240.15c3-1e, 240.15c3-1f and 204.15c3-1g), computed in accordance with said rule. The foregoing are incorporated by reference in Rule 69W 200.002, F.A.C.~~

~~(a) All reporting requirements as specified in (17 C.F.R. § 240.17a-11), which is incorporated by reference in Rule 69W 200.002, F.A.C., when such regulation is referred in SEC Rule 15c3-1 shall be applicable with the exception that such reports and notifications required by said rule shall be forwarded to the Office of Financial Regulation as well as the other regulatory agencies specified, if applicable.~~

~~(b) All references to (17 C.F.R. § 240.17a-3) and (17 C.F.R. § 240.17a-4), which are incorporated by reference in Rule 69W 200.002, F.A.C., in the foregoing and subsequent provisions of Office of Financial Regulation or SEC Rules as adopted by the Office of Financial Regulation, shall be read as to mean Office of Financial Regulation, Rule 69W 600.014, F.A.C. The foregoing SEC Rules are incorporated by reference in Rule 69W 200.002, F.A.C.~~

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

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

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

~~(c) Investment advisers who compute net capital in accordance with SEC Rule 15c3-1, may exclude liabilities which are subordinated to the claims of creditors pursuant to a subordination agreement, provided such agreement complies with all terms and conditions specified in Appendix D to SEC Rule 15c3-1 (17 C.F.R. § 240.15c3-1 and 240.15c-1d), except for the requirement that such agreement be filed with and approved by the Securities and Exchange Commission. Those investment advisers who have subordination agreements in effect prior to the effective date of this subsection shall not be required to comply with the conditions specified in Appendix D to SEC Rule 15c3-1. Should the investment adviser renegotiate or enter into a new subordination agreement, the agreement must comply with the provisions of Appendix D of SEC Rule 15c3-1.~~

~~(d) An issuer/dealer shall maintain net capital, defined as assets minus liabilities and computed in accordance with United States Generally Accepted Accounting Principles, of at least \$5,000, unless required elsewhere by these~~

~~rules to maintain a greater minimum net capital.~~

~~(4) The Office of Financial Regulation may examine the financial statements, general ledgers, journals, source documents, general correspondence, contracts and other pertinent data and receive testimony from employees of entities associated or affiliated with, or controlling or controlled by, a dealer or investment adviser applicant or registrant.~~

~~(5) Any dealer, issuer/dealer or investment adviser who fails to maintain the minimum net capital as required under this rule shall, in addition to the financial reporting requirements set forth in paragraph (2)(a) above, give the Office of Financial Regulation telegraphic or facsimile notice within 24 hours that such entity's net capital is less than required under the rule and immediately suspend business operations. Such entity shall not resume operations unless and until financial statements which verify compliance with this rule have been submitted and approved by the Office of Financial Regulation in writing.~~

*Rulemaking Authority 517.03(1) FS. Law Implemented 517.12(9), (16) FS. History—New 12-5-79, Amended 9-20-82, Formerly 3E-600.16, Amended 10-15-86, 8-1-91, 6-29-93, 11-22-93, Formerly 3E-600.016, Amended 11-22-10, 9-22-14, Repealed.*

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

(1) The following are prohibited business practices for investment advisers and associated persons pursuant to Section 517.1215(2), F.S., and are deemed demonstrations of unworthiness by an investment adviser or an associated person of an investment adviser under Section 517.161(1)(h), F.S., without limiting that term to the practices specified herein:

(a) With respect to any customer, transaction or business in, to or from this state, engaging in any conduct prohibited by, or failing to comply with the requirements of, the following, notwithstanding the fact that the investment adviser or associated person is not registered or required to be registered under the Investment Advisers Act of 1940:

Sections 204, 204A, 205, 206, 207, 208 of the Investment Advisers Act of 1940, (15 U.S.C.A. §§ 80b-4, 80b-4a, 80b-5, 80b-6, 80b-7, 80b-8), or SEC Rules 204-1, 204-3, 205-1, 205-2, 205-3, 206(3)-1, 206(3)-2, 206(4)-1, 206(4)-3 and 206(4)-7 ~~206(4)-4~~, (17 C.F.R. §§ 275.204-1, 275.204-3, 275.205-1, 275.205-2, 275.205-3, 275.206(3)-1, 275.206(3)-2, 275.206(4)-1, 275.206(4)-3 and 275.206(4)-7 ~~275.206(4)-4~~), which are incorporated by reference in Rule 69W-200.002, F.A.C.

(b) Borrowing money or securities from a customer unless the customer is a dealer, an affiliate of the investment adviser, or a financial institution engaged in the business of loaning funds;

(c) Loaning money to a customer unless the investment adviser is a financial institution engaged in the business of loaning funds or the customer is an affiliate of the investment adviser;

(d) Recommending to a customer the purchase, sale or exchange of any security without reasonable grounds to believe that the recommendation is suitable for the customer on the basis of information furnished by the customer after reasonable inquiry concerning the customer's investment objectives, financial situation and needs, and any other information known by the investment adviser;

(e) Exercising any discretionary power in placing an order for the purchase or sale of securities for a customer's account without first obtaining written discretionary authority from the customer, unless the discretionary power relates solely to the time or price for the execution of orders;

(f) Inducing trading in a customer's account which is excessive in size or frequency in view of the financial resources, investment objectives, and character of the account;

(g) Placing an order to purchase or sell a security on behalf of a customer without authority to do so;

(h) Placing an order to purchase or sell a security for a customer's account upon instruction of a third party without first having obtained a written third-party trading authorization from the customer;

(i) Misrepresenting the qualifications of the investment adviser or any employee of the investment adviser to a client or prospective client when the representation does not fairly describe the nature of the services offered, the qualifications of the person offering the services, and the method of compensation for the services or omitting to state a material fact;

(j) Charging a customer an unreasonable advisory fee;

(k) Failing to disclose to customers in writing before any advice is rendered any material conflict of interest relating to the adviser or any of its employees which could reasonably be expected to impair the rendering of

unbiased and objective advice including:

1. Compensation arrangements connected with advisory services to customers which are in addition to compensation from such customers for such services; and

2. Charging a customer an advisory fee for rendering advice when a commission for executing securities transactions pursuant to such advice will be received by the adviser or its employees;

(l) Guaranteeing a customer that a specific result will be achieved with the advice to be rendered;

(m) Recommending to a customer that the customer engage the services of a dealer that is not registered or exempt from registration under Chapter 517, F.S., unless the customer is a person described in Section 517.061(7), F.S.;

(n) Recommending to a customer that the customer engage the services of a dealer in connection with which the investment adviser receives a fee or remuneration from the dealer, except as permitted in Rule 69W-600.003, F.A.C.;

(o) Disclosing the identity, affairs, or investments of any customer unless required to do so by law or consented to by the customer;

(p) Giving false or otherwise misleading customer information to any financial institution or regulatory agency;

(q) Entering into, extending or renewing any investment advisory contract unless such contract is in writing and discloses, in substance, the services to be provided, the term of the contract, the advisory fee, the formula for computing the fee, the amount of prepaid fee to be returned in the event of contract termination or non-performance, whether the contract grants discretionary power to the adviser and that no assignment of such contract shall be made by the investment adviser without the consent of the other party to the contract;

(r) Entering into, extending or renewing any investment advisory contract contrary to the provisions of Section 205 of the Investment Advisers Act of 1940, 15 U.S.C. § 80b-5. This provision shall apply to all advisers and investment adviser representatives registered or required to be registered under this Act, notwithstanding whether such adviser or representative would be exempt from federal registration pursuant to Section 203(b) of the Investment Advisers Act of 1940, (15 U.S.C. § 80b-3(b)), which is incorporated by reference in Rule 69W-200.002, F.A.C.;

(s) Including, in an advisory contract, any condition, stipulation, or provisions binding any person to waive compliance with any provision of Chapter 517, F.S., or with any provision of, or with any rule, regulation, or order issued under, the Investment Advisers Act of 1940 (15 U.S.C. § 80b-1 through 80b-21), which is incorporated by reference in Rule 69W-200.002, F.A.C.;

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

(u) Any unethical practice pursuant to Rule 69W-600.0133, F.A.C.

(2) The federal statutory and regulatory provisions referenced herein shall apply to investment advisers, investment adviser representatives and federal covered advisers, to the extent permitted by the National Securities Markets Improvement Act of 1996 (Pub. L. 104-290), which is incorporated by reference in Rule 69W-200.002,

F.A.C.

*Rulemaking Authority 517.03(1), 517.1215 FS. Law Implemented 517.12(4), 517.1215, 517.161(1) FS. History—New 1-25-00, Amended 10-30-03, Formerly 3E-600.0131, Amended 10-23-06, 1-18-09, 11-22-10, 9-22-14,\_\_\_\_\_.*

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69W-600.0132 Custody Requirements for Investment Advisers.

(1) Definitions. For purposes of this ~~rule section~~:

(a) “Custody” means holding directly or indirectly, client funds or securities, or having any authority to obtain possession of them or has the ability to appropriate them. The investment adviser has custody if a related person holds, directly or indirectly, client funds or securities, or has any authority to obtain possession of them, in connection with advisory services the investment adviser provides to clients.

1. Custody includes:

a. Possession of client funds or securities unless the investment adviser receives them ~~received~~ inadvertently and returns them ~~returned~~ to the sender promptly, but in any case within three business days of receiving them;

b. Any arrangement (including a general power of attorney) under which the investment adviser is authorized or permitted to withdraw client funds or securities maintained with a custodian upon the investment adviser’s instruction to the custodian; and

c. Any capacity (such as general partner of a limited partnership, managing member of a limited liability company or a comparable position for another type of pooled investment vehicle, or trustee of a trust) that gives the investment adviser or the investment adviser’s supervised person legal ownership of or access to client funds or securities.

2. Receipt of checks drawn by clients and made payable to ~~unrelated~~ third parties will not meet the definition of custody if forwarded to the third party within 24 hours of receipt and the adviser maintains the records required under subsection 69W-600.014(8) ~~subsections 69W-600.014(3) (7), F.A.C.;~~

(b) “Independent certified public accountant” means a certified public accountant authorized to provide public accounting services in the State of Florida that meets the standards of independence described in Rule 2-01(b) and (c) of Regulation S-X (17 CFR 210.2-01(b) and (c)), which is incorporated by reference in Rule 69W-200.002, F.A.C.

(c) ~~(b)~~ “Independent representative” means a person who:

1. Acts as agent for an advisory client, including in the case of a pooled investment vehicle, for limited partners of a limited partnership, members of a limited liability company, or other beneficial owners of another type of pooled investment vehicle and by law or contract is obliged to act in the best interest of the advisory client or the limited partners (or members, or other beneficial owners);

2. Does not control, is not controlled by, and is not under common control with the investment adviser; and

3. Does not have, and has not had within the past two years, a material business relationship with the investment adviser.

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

1. A bank or savings association that has deposits insured by the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act;

2. A ~~registered~~ broker-dealer registered in Florida and with the United States Securities and Exchange Commission holding the client assets in customer accounts;

3. A registered futures commission merchant registered under Section 4f(a) of the Commodity Exchange Act (7 U.S.C. § 6f), which is incorporated by reference in Rule 69W-200.002, F.A.C., holding the client assets in customer accounts, but only with respect to clients' funds and security futures, or other securities incidental to transactions in contracts for the purchase or sale of a commodity for future delivery and options thereon; and

4. A foreign financial institution that customarily holds financial assets for its customers, provided that the foreign financial institution keeps the advisory clients' assets in customer accounts segregated from its proprietary assets.

(e) "Related person" means any person, directly or indirectly, controlling or controlled by the investment adviser, and any person that is under common control with the investment adviser.

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

(a) Notice to Office. The investment adviser notifies the Office of Financial Regulation (Office) within thirty (30) days promptly in writing that the investment adviser has or may have custody. Such notification is required to be given on Form ADV, which is incorporated by reference in subsection 69W-301.002(7), F.A.C.;

(b) Qualified Custodian. A qualified custodian maintains those funds and securities; ~~in a separate account for each client under that client's name or in accounts that contain only the investment adviser's clients' funds and securities, under the investment adviser's name as agent or trustee for the clients;~~

1. In a separate account for each client under that client's name; or

2. In accounts that contain only the investment adviser's clients' funds and securities, under the investment adviser's name as agent or trustee for the clients, or, in the case of a pooled investment vehicle that the investment adviser manages, in the name of the pooled investment vehicle.

(c) Notice to Clients. If the investment adviser opens an account with a qualified custodian on ~~its~~ their client's behalf, under the client's name, under the name of the investment adviser as agent, or under the name of a pooled investment vehicle, either under the client's name or under the investment adviser's name as agent, the investment adviser must notify the client in writing of the qualified custodian's name, address, and the manner in which the funds or securities are maintained, promptly when the account is opened and following any changes to this information.

(d) Account Statements. The investment adviser has a reasonable basis, after due inquiry, for believing that the qualified custodian sends an account statement, at least quarterly, to each client for which it maintains funds or securities, identifying the amount of funds and of each security in the account at the end of the period and setting forth all transactions in the account during that period. Account statements must be sent to clients, either:

1. ~~By a qualified custodian for which the investment adviser has a reasonable basis for believing that the qualified custodian sends an account statement, at least quarterly, to each of the adviser's clients for which it~~

~~maintains funds or securities, identifying the amount of funds and of each security in the account at the end of the period and setting forth all transactions in the account during that period; or~~

~~2. By the adviser who sends an account statement, at least quarterly, to each client for whom the adviser has custody of funds or securities, identifying the amount of funds and of each security of which the adviser has custody at the end of the period and setting forth all transactions during that period; and an independent certified public accountant verifies all client funds and securities by actual examination at least once during each calendar year at a time chosen by the accountant without prior notice or announcement to the adviser and that is irregular from year to year, and files a copy of the auditor's report and financial statements with the Office of Financial Regulation within 30 days after the completion of the examination, along with a letter stating that it has examined the funds and securities and describing the nature and extent of the examination; and the independent certified public accountant, upon finding any material discrepancies during the course of the examination, notifies the Office of Financial Regulation within one business day of the finding, by means of a facsimile transmission or electronic mail, followed by first class mail, directed to the attention of the Office of Financial Regulation;~~

~~3. If the investment adviser is a general partner of a limited partnership (or managing member of a limited liability company, or holds a comparable position for another type of pooled investment vehicle), the account statements required under paragraph (d) of this subsection must be sent to each limited partner (or member or other beneficial owner or their independent representative).~~

(e) Special rule for limited partnerships and limited liability companies. If the investment adviser or a related person is a general partner of a limited partnership (or managing member of a limited liability company, or holds a comparable position for another type of pooled investment vehicle), the account statements required under subsection (2)(d) of this rule must be sent to each limited partner (or member or other beneficial owner).

(f) Independent Verification. The client funds and securities of which the investment adviser has custody are verified by actual examination at least once during each calendar year, by an independent certified public accountant, pursuant to a written agreement between the investment adviser and the independent certified public accountant, at a time that is chosen by the independent certified public accountant without prior notice or announcement to the investment adviser and that is irregular from year to year. The written agreement must provide for the first examination to occur within six months of becoming subject to this paragraph, except that, if the investment adviser maintains client funds or securities pursuant to this rule as a qualified custodian, the agreement must provide for the first examination to occur no later than six months after obtaining the internal control report. The written agreement must require the independent certified public accountant to:

1. File a certificate on Form ADV-E electronically through the Investment Adviser Registration Depository (IARD) of the Financial Industry Regulatory Authority (FINRA) with the Office within 120 days of the time chosen by the independent certified public accountant in subsection (2)(f) of this rule, stating that it has examined the funds and securities and describing the nature and extent of the examination. Form ADV-E is hereby incorporated by reference and a sample form is accessible at <http://www.flrules.org> or <http://www.flofr.com/>.

2. Notify the Office in writing within one business day of the finding of any material discrepancies during the course of the examination; and

3. File within four business days of the resignation or dismissal from, or other termination of, the engagement, or removing itself or being removed from consideration for being reappointed, Form ADV-E accompanied by a statement that includes:

a. The date of such resignation, dismissal, removal, or other termination, and the name, address, and contact information of the independent certified public accountant; and

b. An explanation of any problems relating to examination scope or procedure that contributed to such resignation, dismissal, removal, or other termination.

(g) Investment advisers acting as qualified custodians. If the investment adviser maintains, or if the investment adviser has custody because a related person maintains client funds or securities pursuant to this rule as a qualified custodian in connection with advisory services the investment adviser provides to clients:

1. The independent certified public accountant the investment adviser retains to perform the independent verification required by subsection (2)(f) of this rule must be registered with, and subject to regular inspection as of the commencement of the professional engagement period, and as of each calendar year-end, by, the Public Company Accounting Oversight Board in accordance with its rules; and

2. The investment adviser must obtain, or receive from its related person, within six months of becoming subject to this paragraph and thereafter no less frequently than once each calendar year, a written internal control report prepared by an independent certified public accountant:

a. The internal control report must include an opinion of an independent certified public accountant as to whether controls have been placed in operation as of a specific date, and are suitably designed and are operating effectively to meet control objectives relating to custodial services, including the safeguarding of funds and securities held by either the investment adviser or a related person on behalf of the investment adviser's clients, during the year;

b. The independent certified public accountant must verify that the funds and securities are reconciled to a custodian other than the investment adviser or the investment adviser's related person; and

c. The independent certified public accountant must be registered with, and subject to regular inspection as of the commencement of the professional engagement period, and as of each calendar year-end, by the Public Company Accounting Oversight Board in accordance with its rules.

(h) (e) Independent Representative. A client may designate an independent representative to receive, on his behalf, notices and account statements as required under paragraphs (c) and (d) of this subsection.

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

~~1. Written Authorization.~~ The adviser must have written authorization from the client to deduct advisory fees from the account held with the qualified custodian;

~~2. Notice of Fee Deduction.~~ Each time a fee is directly deducted from a client account, the adviser must concurrently:

~~a. Send the qualified custodian an invoice of the amount of the fee to be deducted from the client's account; and~~

~~b. Send the client an invoice itemizing the fee. Itemization includes the formula used to calculate the fee, the amount of assets under managements the fee is based on, and the time period covered by the fee.~~

~~3. Notice of Safeguards. The investment adviser notifies the Office of Financial Regulation in writing that the investment adviser intends to use the safeguards provided above. Such notification is required to be given on Form ADV, which is incorporated by reference in subsection 69W 301.002(7), F.A.C.~~

~~4. Waiver of Net Capital Requirement. An investment adviser having custody solely because it meets the definition of custody as defined in sub-subparagraph (1)(a)1.b. of this rule and who complies with the safekeeping requirements in paragraphs (2)(a) (f) of this rule will not be required to meet the financial requirements for custodial advisers as set forth in paragraph 69W 600.016(3)(a), F.A.C.~~

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

~~(g) Pooled Investments. An investment adviser who has custody as defined in sub-subparagraph (1)(a)1.c. of this rule and who does not meet the exception provided under paragraph (3)(c) of this rule must, in addition to the safeguards set forth in paragraphs (a) through (e) of this subsection, also comply with the following:~~

~~1. Engage an Independent Party. Hire an independent party to review all fees, expenses and capital withdrawals from the pooled accounts;~~

~~2. Review of Fees. Send all invoices or receipts to the independent party, detailing the amount of the fee, expenses or capital withdrawal and the method of calculation such that the independent party can determine that the payment is in accordance with the pooled investment vehicle standards (generally the partnership agreement or membership agreement) and forward, to the qualified custodian, approval for payment of the invoice with a copy to the investment adviser.~~

~~3. For purposes of this rule section, an Independent Party means a person that: is engaged by an investment adviser to act as a gatekeeper for the payment of fees, expenses and capital withdrawals from the pooled investment; does not control and is not controlled by and is not under common control with the investment adviser; and does not have, and has not had within the past two years, a material business relationship with the investment adviser. This shall not prohibit renewal of contracts with an existing independent third party.~~

~~4. Notice of Safeguards. The investment adviser notifies the Office of Financial Regulation in writing that the investment adviser intends to use the safeguards provided above. Such notification is required to be given on Form ADV, which is incorporated by reference in subsection 69W 301.002(7), F.A.C.~~

~~5. Waiver of Net Worth or Bonding Requirements and Audited Financial Statement. An investment adviser having custody solely because it meets the definition of custody as defined in sub-subparagraph (1)(a)1.c. of this rule and who complies with the safekeeping requirements under paragraphs (2)(a) (e) and (g) of this rule, will not be required to meet the financial requirements as set forth in paragraph 69W 600.016(3)(a), F.A.C.~~

~~(h) Investment Adviser or Investment Adviser as Trustee. When a trust retains an investment adviser, investment adviser representative or employee, director or owner of an investment adviser as trustee and the~~

~~investment adviser acts as the investment adviser to that trust, the investment adviser will instruct the qualified custodian of the trust as follows:~~

~~1. Payment of fees. The qualified custodian will not deliver trust securities to the investment adviser, any investment adviser representative or employee, director or owner of the investment adviser, nor will the investment adviser instruct the qualified custodian to transmit any funds to the investment adviser, any investment adviser representative or employee, director or owner of the investment adviser, except that the qualified custodian may pay trustees' fees to the trustee and investment management or advisory fees to investment adviser, provided that:~~

~~a. The grantor of the trust or attorneys for the trust, if it is a testamentary trust, the co trustee (other than the investment adviser, investment adviser representative or employee, director or owner of the investment adviser), or a defined beneficiary of the trust has authorized the qualified custodian in writing to pay those fees;~~

~~b. The statements for those fees show the amount of the fees for the trustee and, in the case of statements for investment management or advisory fees, show the value of the trust assets on which the fee is based and the manner in which the fee was calculated; and~~

~~c. The qualified custodian agrees to send to the grantor of the trust, the attorneys for a testamentary trust, the co trustee (other than the investment adviser, investment adviser representative or employee, director or owner of the investment adviser), or a defined beneficiary of the trust, at least quarterly, a statement of all disbursements from the account of the trust, including the amount of investment management fees paid to the investment adviser and the amount of trustees' fees paid to the trustee.~~

~~2. Distribution of Assets. Except as otherwise set forth in sub subparagraph a. below, the qualified custodian may transfer funds or securities, or both, of the trust only upon the direction of the trustee (who may be the investment adviser, investment adviser representative or employee, director or owner of the investment adviser), who the investment adviser has duly accepted as an authorized signatory. The grantor of the trust or attorneys for the trust, if it is a testamentary trust, the co trustee (other than the investment adviser, investment adviser representative or employee, director or owner of the investment adviser), or a defined beneficiary of the trust, must designate the authorized signatory for management of the trust. The direction to transfer funds or securities, or both, can only be made to the following:~~

~~a. To a trust company, bank trust department or brokerage firm independent of the investment adviser for the account of the trust to which the assets relate;~~

~~b. To the named grantors or to the named beneficiaries of the trust;~~

~~c. To a third person independent of the investment adviser in payment of the fees or charges of the third person including, but not limited to:~~

~~(I) Attorney's accountant's or custodian's fees for the trust; and~~

~~(II) Taxes, interest, maintenance or other expenses, if there is property other than securities or cash owned by the trust;~~

~~d. To third persons independent of the investment adviser for any other purpose legitimately associated with the management of the trust; or~~

~~e. To a dealer in the normal course of portfolio purchases and sales, provided that the transfer is made on payment against delivery basis or payment against trust receipt.~~

~~3. Statements. If the qualified custodian agrees to these instructions and is authorized to pay the fees, the investment adviser will send to the grantor of the trust, the attorney of the trust if it is a testamentary trust, the co-trustee (other than the investment adviser, investment adviser representative or employee, director or owner of the investment adviser), or a defined beneficiary of the trust, at the same time that it sends any statement to the qualified custodian, a statement showing the amount of the trustees' fees or investment management or advisory fee, the value of the assets on which the fees were based, and the specific manner in which the fees were calculated.~~

~~4. Notice of Safeguards. The investment adviser notifies the Office of Financial Regulation in writing that the investment adviser intends to use the safeguards provided above. Such notification is required to be given on Form ADV, which is incorporated by reference in subsection 69W-301.002(7), F.A.C.~~

~~5. Waiver of Net Capital Requirements. An investment adviser having custody solely because it meets the definition of custody as defined in sub-subparagraph (1)(a)1.c. of this rule and who complies with the safekeeping requirements under paragraphs (2)(a) (e) and (h) of this rule, will not be required to meet the financial requirements for custodial advisers as set forth in paragraph 69W-600.016(3)(a), F.A.C.~~

(3) Exceptions to certain safekeeping requirements.

(a) Shares of mutual funds. With respect to shares of an "open-end company" as defined in Section 5(a)(1) of the Investment Company Act of 1940, (15 U.S.C. § 80a-5(a)(1)), ("mutual fund"), which is incorporated by reference in Rule 69W-200.002, F.A.C., the investment adviser may use the mutual fund's transfer agent in lieu of a qualified custodian for purposes of complying with subsection (2) of this rule;

(b) Certain privately offered securities.

1. The investment adviser is not required to comply with subsection (2)(b) ~~(2)~~ of this rule with respect to securities that are:

a. Acquired from the issuer in a transaction or chain of transactions not involving any public offering;

b. Uncertificated, and ownership thereof is recorded only on books of the issuer or its transfer agent in the name of the client; and

c. Transferable only with prior consent of the issuer or holders of the outstanding securities of the issuer.

2. Notwithstanding subsection (3)(b)1. of this rule ~~subparagraph (b)1. of this subsection~~, the provisions of paragraph (b) of this subsection are available with respect to securities held for the account of a limited partnership (or limited liability company, or other type of pooled investment vehicle) only if the limited partnership is audited, the audited financial statements are distributed, as described in paragraph (3)(d) of this rule ~~(e) of this subsection~~ and the investment adviser notifies the Office of Financial Regulation in writing that the investment adviser intends to provide audited financial statements, as described above. Such notification is required to be given on Form ADV, which is incorporated by reference in subsection 69W-301.002(7), F.A.C.

(c) Fee Deduction. An investment adviser is not required to obtain an independent verification of client funds and securities maintained by a qualified custodian under paragraph (2)(f) of this rule if all of the following conditions in subparagraphs 1. through 4. are met:

1. The investment adviser has custody of the funds and securities solely as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee;

2. The investment adviser has written authorization from the client to deduct advisory fees from the account held with the qualified custodian;

3. Each time a fee is directly deducted from a client account, the investment adviser concurrently:

a. Sends the qualified custodian an invoice or statement of the amount of the fee to be deducted from the client's account; and

b. Sends the client an invoice or statement itemizing the fee. Itemization includes the formula used to calculate the fee, the amount of assets under management on which the fee is based, and the time period covered by the fee; and

4. The investment adviser notifies the Office in writing that the investment adviser intends to use the safeguards provided above. Such notification is required to be given on Form ADV, which is incorporated by reference in subsection 69W-301.002(7), F.A.C.

5. An investment adviser that meets the conditions of subparagraphs 1. through 4. above shall only be required to meet the net capital requirements of subsection 69W-600.0161(1)(b), Florida Administrative Code, and the financial reporting requirements of subsection 69W-600.0161(2)(b), Florida Administrative Code.

(d) (e) Limited partnerships subject to annual audit. An investment adviser is not required to comply with paragraphs (2)(c) and (2)(d) and shall be deemed to have complied with paragraph (2)(f) of this rule with respect to the account of a limited partnership (or limited liability company, or any other type of pooled investment vehicle) if each of the following conditions in subparagraphs 1. through 6. are met: The investment adviser is not required to comply with paragraph (2)(d) of this rule with respect to the account of a limited partnership (or limited liability company, or another type of pooled investment vehicle) that is subject to audit at least annually and distributes its audited financial statements prepared in accordance with generally accepted accounting principles to all limited partners (or members or other beneficial owners) within 120 days of the end of its fiscal year. The investment adviser must also notify the Office of Financial Regulation in writing that the investment adviser intends to employ the use of the audit safeguards described above. Such notification is required to be given on Form ADV, which is incorporated by reference in subsection 69W-301.002(7), F.A.C.

1. The adviser sends to all limited partners (or members or other beneficial owners) at least quarterly, a statement showing:

a. The total amount of all additions to and withdrawals from the fund as a whole as well as the opening and closing value of the fund at the end of the quarter based on the custodian's records;

b. A listing of all long and short positions on the closing date of the statement in accordance with FASB Rule ASC 946-210-50, which is incorporated by reference in Rule 69W-200.002, F.A.C.;

c. The total amount of additions to and withdrawals from the fund by the investor as well as the total value of the investor's interest in the fund at the end of the quarter;

2. At least annually the fund is subject to an audit and distributes its audited financial statements prepared in accordance with generally accepted accounting principles to all limited partners (or members or other beneficial owners) within 120 days of the end of its fiscal year;

3. The audit is performed by an independent certified public accountant that is registered with, and subject to regular inspection as of the commencement of the professional engagement period, and as of each calendar year-end, by the Public Company Accounting Oversight Board in accordance with its rules;

4. Upon liquidation, the adviser distributes the fund's final audited financial statements prepared in accordance with generally accepted accounting principles to all limited partners (or members or other beneficial owners) and the Office promptly after the completion of such audit;

5. The written agreement with the independent certified public accountant must require the independent certified public accountant to, upon resignation or dismissal from, or other termination of, the engagement, or upon removing itself or being removed from consideration for being reappointed, notify the Office within four business days accompanied by a statement that includes:

a. The date of such resignation, dismissal, removal, or other termination, and the name, address, and contact information of the independent certified public accountant; and

b. An explanation of any problems relating to audit scope or procedure that contributed to such resignation, dismissal, removal, or other termination; and

6. The investment adviser must also notify the Office in writing that the investment adviser intends to employ the use of the statement delivery and audit safeguards described above. Such notification is required to be given on Form ADV, which is incorporated by reference in subsection 69W-301.002(7), F.A.C.

7. An investment adviser that meets the conditions of subparagraphs 1. through 6. above shall only be required to meet the net capital requirements of subsection 69W-600.0161(1)(b), Florida Administrative Code, and the financial reporting requirements of subsection 69W-600.0161(2)(b), Florida Administrative Code.

(e) Investment Adviser as Trustee. When a trust retains an investment adviser, investment adviser representative or employee, director or owner of an investment adviser as trustee and the investment adviser acts as the investment adviser to that trust, an investment adviser is not required to obtain an independent verification of client funds and securities maintained by a qualified custodian under subsection (2)(f) of this rule, if all of the following conditions in subparagraphs 1. through 3. are met: The investment adviser will instruct the qualified custodian of the trust as follows:

1. Payment of fees. The qualified custodian will not deliver trust securities to the investment adviser, any investment adviser representative or employee, director or owner of the investment adviser, nor will the investment adviser instruct the qualified custodian to transmit any funds to the investment adviser, any investment adviser representative or employee, director or owner of the investment adviser, except that the qualified custodian may pay trustees' fees to the trustee and investment management or advisory fees to investment adviser, provided that:

a. The grantor of the trust or attorneys for the trust, if it is a testamentary trust, the co-trustee (other than the investment adviser, investment adviser representative or employee, director or owner of the investment adviser), or a defined beneficiary of the trust has authorized the qualified custodian in writing to pay those fees;

b. The statements for those fees show the amount of the fees for the trustee and, in the case of statements for investment management or advisory fees, show the value of the trust assets on which the fee is based and the manner in which the fee was calculated; and

c. The qualified custodian agrees to send to the grantor of the trust, the attorneys for a testamentary trust, the co-trustee (other than the investment adviser, investment adviser representative or employee, director or owner of the investment adviser), or a defined beneficiary of the trust, at least quarterly, a statement of all disbursements from the account of the trust, including the amount of investment management fees paid to the investment adviser and the amount of trustees' fees paid to the trustee.

2. Distribution of Assets. Except as otherwise set forth in sub-subparagraph a. below, the qualified custodian may transfer funds or securities, or both, of the trust only upon the direction of the trustee (who may be the investment adviser, investment adviser representative or employee, director or owner of the investment adviser), who the investment adviser has duly accepted as an authorized signatory. The grantor of the trust or attorneys for the trust, if it is a testamentary trust, the co-trustee (other than the investment adviser, investment adviser representative or employee, director or owner of the investment adviser), or a defined beneficiary of the trust, must designate the authorized signatory for management of the trust. The direction to transfer funds or securities, or both, can only be made to the following:

a. To a trust company, bank trust department or brokerage firm independent of the investment adviser for the account of the trust to which the assets relate;

b. To the named grantors or to the named beneficiaries of the trust;

c. To a third person independent of the investment adviser in payment of the fees or charges of the third person including, but not limited to: Attorney's, accountant's, or custodian's fees for the trust; and taxes, interest, maintenance or other expenses, if there is property other than securities or cash owned by the trust;

d. To third persons independent of the investment adviser for any other purpose legitimately associated with the management of the trust; or

e. To a dealer in the normal course of portfolio purchases and sales, provided that the transfer is made on payment against delivery basis or payment against trust receipt; and

3. Statements. If the qualified custodian agrees to these instructions and is authorized to pay the fees, the investment adviser will send to the grantor of the trust, the attorney of the trust if it is a testamentary trust, the co-trustee (other than the investment adviser, investment adviser representative or employee, director or owner of the investment adviser), or a defined beneficiary of the trust, at the same time that it sends any statement to the qualified custodian, a statement showing the amount of the trustees' fees or investment management or advisory fee, the value of the assets on which the fees were based, and the specific manner in which the fees were calculated.

4. An investment adviser that meets the conditions of subparagraphs 1. through 3. above shall only be required to meet the net capital requirements of subsection 69W-600.0161(1)(b), Florida Administrative Code, and the financial reporting requirements of subsection 69W-600.0161(2)(b), Florida Administrative Code.

(f) Beneficial Trusts. The investment adviser is not required to comply with safekeeping requirements of subsection (2) of this rule if the investment adviser has custody solely because the investment adviser, investment

adviser representative or employee, director or owner of the investment adviser is the trustee for a beneficial trust, and if all of the following conditions in subparagraphs 1. and 2. are met for each trust:

1. The beneficial owner of the trust is a parent, a grandparent, a spouse, a sibling, a child or a grandchild of the trustee. These relationships shall include “step” relationships; and

2. For each account under subparagraph 1. the investment adviser complies with the following:

a. Provide a written statement to each beneficial owner of the account setting forth a description of the requirements of subsection (2) of this rule and the reasons why the investment adviser will not be complying with those requirements;

b. Obtain from each beneficial owner a signed and dated statement acknowledging the receipt of the written statement required under sub-subparagraph a. above;

c. Maintain a copy of both documents described in sub-subparagraphs a. and b. above until the account is closed or the investment adviser is no longer trustee.

3. An investment adviser that meets the conditions of subparagraphs 1. and 2. above shall only be required to meet the net capital requirements of subsection 69W-600.0161(1)(b), Florida Administrative Code, and the financial reporting requirements of subsection 69W-600.0161(2)(b), Florida Administrative Code.

(g) ~~(d)~~ Registered investment companies. The investment adviser is not required to comply with this rule with respect to the account of an investment company registered under the Investment Company Act of 1940 (15 U.S.C. § 80a-1 through 80a-64), which is incorporated by reference in Rule 69W-200.002, F.A.C.

~~(e) Beneficial Trusts. The investment adviser is not required to comply with safekeeping requirements of subsection (2) of this rule or the net capital requirements of paragraph 69W-600.016(3)(a), F.A.C., if the investment adviser has custody solely because the investment adviser, investment adviser representative or employee, director or owner of the investment adviser is the trustee for a beneficial trust, if all of the following conditions are met for each trust:~~

~~1. The beneficial owner of the trust is a parent, a grandparent, a spouse, a sibling, a child or a grandchild of the trustee. These relationships shall include “step” relationships.~~

~~2. For each account under subparagraph 1. the investment adviser complies with the following:~~

~~a. Provide a written statement to each beneficial owner of the account setting forth a description of the requirements of subsection (2) of this rule and the reasons why the investment adviser will not be complying with those requirements;~~

~~b. Obtain from each beneficial owner a signed and dated statement acknowledging the receipt of the written statement required under sub-subparagraph a. above;~~

~~c. Maintain a copy of both documents described in sub-subparagraphs a. and b. above until the account is closed or the investment adviser is no longer trustee.~~

~~(f) Any investment adviser who intends to have custody of client funds or securities, but does not utilize a qualified custodian as defined in subsection (1) of this rule must obtain approval from the Office of Financial Regulation before conducting business in this manner. Any investment adviser who seeks to conduct business in this manner must submit such request to the Office using OFR Form IA-CF-01, Application to Maintain Custody of~~

~~Client Funds or Securities Without Utilizing a Qualified Custodian, effective October, 2006, which is incorporated by reference. The Office will approve the request if the investment adviser agrees to comply with all of the applicable safekeeping provisions under subsection (2) of this rule, including taking responsibility for those provisions that are designated to be performed by a qualified custodian.~~

(4) Delivery to Related Persons. Sending an account statement under subsection (2)(e) of this rule or distributing audited financial statements under subsection (3)(d) of this rule shall not satisfy the requirements of this rule if such account statements or financial statements are sent solely to limited partners (or members or other beneficial owners) that themselves are limited partnerships (or limited liability companies, or another type of pooled investment vehicle) and are related persons of the investment adviser.

*Rulemaking Authority 517.03(1), 517.1215 FS. Law Implemented 517.1215 FS. History—New 10-23-06, Amended 11-22-10, 9-22-14, \_\_\_\_\_.*

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69W-600.0151 Net Capital and Financial Reporting Requirements for Dealers and Issuer/Dealers.

(1) Definitions. For purposes of this rule:

(a) "Audited financial statements" means financial statements that must be:

1. Examined in accordance with United States generally accepted auditing standards and prepared in conformity with generally accepted accounting principles;

2. Audited by a certified public accountant that meets the standards of independence described in Rule 2-01(b) and (c) of Regulation S-X (17 C.F.R. §210.2-01(b) and (c)), which is incorporated by reference in Rule 69W-200.002, F.A.C.; and

3. Accompanied by an opinion of the accountant with respect to the financial statements, and by a note stating the principles used to prepare it, the basis of included securities, and any other explanations required for clarity.

(b) "Net capital," for purposes of subsection (3) of this rule, means assets minus liabilities, as determined by United States generally accepted accounting principles, but shall not include as assets:

1. Prepaid expenses (except as to items properly classified assets under generally accepted accounting principles), deferred charges, goodwill, franchise rights, organizational expenses, patents, copyrights, marketing rights, unamortized debt discount and expense, all other assets of intangible nature;

2. Home, home furnishings, automobile(s), and any other personal items not readily marketable in the case of an individual; and

3. Assets not readily convertible into cash (e.g., real estate, furniture and fixtures) and advances or loans to stockholders, officers, or partners in the case of a business organization.

(c) "Unaudited financial statements," means financial statements prepared in accordance with United States generally accepted accounting principles and which must include:

1. A Statement of Financial Condition or Balance Sheet;

2. A Statement of Income;

3. An oath or affirmation that such statement or report is true and correct to the best knowledge, information, and belief of the person making such oath or affirmation. Such oath or affirmation shall be made before a person authorized to administer such oath or affirmation, and shall be made by a duly authorized representative of the entity for whom the financial statements were prepared; and

4. When specifically requested by the Office, a Statement of Changes in Financial Position, Statement of Changes in Stockholder's/Partner's/Proprietor's Equity, and a Statement of Changes in Liabilities Subordinated to Claims of General Creditors.

(2) Net capital requirements for dealers. All dealer applicants and registrants shall meet and at all times maintain the net capital and ratio requirements as prescribed by United States Securities and Exchange Commission (SEC) Rule 15c3-1 including any appendices thereto (17 C.F.R. § 240.15c3-1, 240.15c3-1a, 240.15c3-1b, 240.15c3-1c, and 240.15c3-1d, 240.15c3-1e, 240.15c3-1f, and 204.15c3-1g), computed in accordance with said rule. The foregoing are incorporated by reference in Rule 69W-200.002, F.A.C.

(a) All reporting requirements as specified in 17 C.F.R. § 240.17a-11, which is incorporated by reference in Rule 69W-200.002, F.A.C., when such regulation is referred in SEC Rule 15c3-1 shall be applicable with the

exception that such reports and notifications required by said rule shall be forwarded to the Office of Financial Regulation (Office) as well as the other regulatory agencies specified, if applicable.

(b) All references to 17 C.F.R. § 240.17a-3 and 17 C.F.R. § 240.17a-4, in the foregoing and subsequent provisions of Office of Financial Regulation or SEC Rules as incorporated by the Office, shall be read as to mean Rule 69W-600.014, F.A.C. The foregoing SEC Rules are incorporated by reference in Rule 69W-200.002, F.A.C.

(3) Net capital requirements for issuer-dealers.

(a) Every issuer/dealer registered or required to be registered pursuant to Section 517.12, F.S., except those described in subsection (3)(b) of this rule, shall maintain net capital of least \$5,000.

(b) An issuer who elects to offer or sell its own securities pursuant to Section 517.051(9), F.S., is required to be registered pursuant to Section 517.12(2), F.S., and shall maintain net capital of:

1. \$5,000 when the securities of the issuer which are to be offered and sold are not in excess of \$250,000.

2. \$25,000 when the securities of the issuer which are to be offered and sold are in excess of \$250,000.

(4) Financial reporting requirements for dealers.

(a) Requirement for dealer applicants. Every dealer applicant, unless exempted under subsection (4)(c) of this rule, shall file with the Office:

1. A completed SEC Form X-17A-5 Part IIA (FOCUS Report) [version date], which is hereby incorporated by reference and accessible at <http://www.flrules.org/> or <http://www.flofr.com/>, or

2. Financial statements as of a date within ninety (90) days prior to the date of filing for registration. Dealer applicants may file unaudited financial statements provided that the dealer applicants shall also file audited financial statements as of said applicant's most recent fiscal year end. Those dealer applicants which have been in operation for a period of time less than twelve (12) months, and for whom audited financial statements have not been prepared or are not available, may file unaudited financial statements provided the applicant is effectively registered with the SEC or Financial Industry Regulatory Authority, and such financial statements are as of a date within thirty (30) days prior to the date of filing for registration.

(b) Requirement for dealers. Every dealer registered or required to be registered pursuant to Section 517.12, F.S., shall annually file with the Office of Financial Regulation audited financial statements as of the end of the dealer's fiscal year within ninety (90) days after the conclusion of said fiscal year, unless exempted under subsection (4)(c) of this rule.

(c) The financial statements and reports required by subsection (4)(a) and (4)(b) of this rule are not required to be filed with the Office by a dealer applicant or registrant, if the dealer registrant is a current member of a securities association registered pursuant to section 15A of the Securities Exchange Act of 1934 (15 U.S.C. § 78o-3) and such association requires financial reports to be filed with it.

(d) Financial statements and reports prepared and filed in accordance with the provisions of SEC Rule 17a-5 (17 C.F.R. § 240.17a-5), which is incorporated by reference in Rule 69W-200.002, F.A.C., shall be deemed to be in compliance with and fulfill the requirements of subsections (4)(a) through (4)(d) of this rule.

(5) Financial reporting requirements for issuer-dealers.

(a) Requirements for issuer-dealer applicants. Every issuer-dealer applicant shall file with the Office:

1. Financial statements as described in subsection (5)(b) of this rule, as of a date within ninety (90) days prior to the date of filing for registration;

2. Written notice of designation of an independent certified public accountant, which notice shall include name, address and telephone number of the accountant so designated;

3. Written notice of fiscal year end or audit date of such issuer-dealer; and

4. Disclosure of any contingent, civil or criminal liabilities of such issuer-dealer.

(b) Issuer-dealer applicants may file unaudited financial statements provided that the issuer-dealer applicants shall also file audited financial statements as of said applicant's most recent fiscal year end, except:

1. This subsection (5)(b) does not apply to issuer-dealer applicants who concurrently submit an application for registration of securities pursuant to Section 517.081, F.S. and who are required to file audited financial statements under that section.

2. Issuer-dealer applicants who will offer or sell their own securities pursuant to Section 517.051(9), F.S. shall only file unaudited financial statements.

(c) Requirements for issuer-dealers. An issuer-dealer shall annually file with the Office audited financial statements as of the end of the issuer-dealer's fiscal year within ninety (90) days after the conclusion of said fiscal year, except issuer-dealer applicants offering or selling its own securities pursuant to Section 517.051(9), F.S. may file unaudited financial statements within ninety (90) days after the conclusion of the end of their fiscal year.

(6) Registration as a dealer or issuer-dealer may be denied, revoked, or suspended if financial statements reflect:

1. Net capital less than required under this rule; or

2. An audit opinion qualified as to the scope of the audit, the entity's ability to continue on a going-concern basis, or other material qualifications; or

3. An adverse audit opinion or a disclaimer of opinion.

Rulemaking Authority 517.03(1), 517.12(9), 517.121(2) FS. Law Implemented 517.12(9), 517.121(2) FS.

History—New \_\_\_\_\_.

69W-600.0161 Net Capital and Financial Reporting Requirements for Investment Advisers.

(1) Net capital requirements for investment advisers. The net capital of an investment adviser applicant or registrant under Section 517.12, F.S., shall be maintained at a level required by this rule.

(a) An investment adviser registered or required to be registered with the Office of Financial Regulation (Office) who has custody of client funds or securities shall maintain at all times a minimum net worth of \$25,000 except:

1. An investment adviser having custody solely due to direct fee deduction and complying with the terms described under Rule 69W-600.0132(3)(c), F.A.C., shall be required to comply with the net worth requirements of subsection (1)(b) of this rule.

2. An investment adviser having custody solely due to advising pooled investment vehicles and complying with the terms described under Rule 69W-600.0132(3)(d), F.A.C., shall be required to comply with the net worth requirements of subsection (1)(b) of this rule.

3. An investment adviser having custody solely because the investment adviser, associated person of the investment adviser, or employee, director, or owner of the investment adviser is the trustee for a trust, and where the investment adviser acts as the investment adviser to that trust and complies with the terms described under Rule 69W-600.0132(3)(e), F.A.C., shall be required to comply with the net worth requirements of subsection (1)(b) of this rule.

4. An investment adviser having custody solely because the investment adviser, associated person of the investment adviser, or employee, director or owner of the investment adviser is the trustee for a beneficial trust and complies with the terms described under Rule 69W-600.0132(3)(f), F.A.C., shall be required to comply with the net worth requirements of subsection (1)(b) of this rule.

(b) An investment adviser registered or required to be registered with the Office who does not have custody of client funds or securities, or who is described in subsections (1)(a)1.-4. above, shall maintain at all times a minimum net worth of \$2,500.

(c) For purposes of this rule, the term "net worth," shall mean assets minus liabilities, as determined by United States generally accepted accounting principles, but shall not include as assets:

1. Prepaid expenses (except as to items properly classified assets under generally accepted accounting principles), deferred charges, goodwill, franchise rights, organizational expenses, patents, copyrights, marketing rights, unamortized debt discount and expense, all other assets of intangible nature;

2. Home, home furnishings, automobile(s), and any other personal items not readily marketable in the case of an individual; and

3. Assets not readily convertible into cash (e.g., real estate, furniture and fixtures) and advances or loans to stockholders, officers, or partners in the case of a business organization.

(2) Financial reporting requirements for investment advisers.

(a) Every registered investment adviser who requires payment of advisory fees six months or more in advance and in excess of \$500 per client, or who has custody of client funds or securities except those who meet the requirements of Rule 69W-600.0132(3)(c), (3)(d), (3)(e) or (3)(f), F.A.C., shall annually file with the Office audited

financial statements as of the end of the investment adviser's fiscal year within 90 days following the end of the fiscal year. Audited financial statements filed pursuant to this rule must be:

1. Examined in accordance with generally accepted auditing standards and prepared in conformity with United States generally accepted accounting principles;

2. Audited by a certified public accountant that meets the standards of independence described in Rule 2-01(b) and (c) of Regulation S-X (17 C.F.R. §210.2-01(b) and (c)), which is incorporated by reference in Rule 69W-200.002, F.A.C.; and

3. Accompanied by an opinion of the accountant with respect to the financial statements, and by a note stating the principles used to prepare it, the basis of included securities, and any other explanations required for clarity.

(b) Every registered investment adviser who does not have custody of client funds or securities or those who meet the requirements of Rule 69W-600.0132(3)(c), (3)(d), (3)(e), or (3)(f), F.A.C., shall annually file with the Office unaudited financial statements as of the end of the investment adviser's fiscal year within 90 days following the end of the fiscal year. Unaudited financial statements filed pursuant to this rule must be prepared in accordance with United States generally accepted accounting principles and must include:

1. A Statement of Financial Condition or Balance Sheet;

2. A Statement of Income; and

3. An oath or affirmation that such statement or report is true and correct to the best knowledge, information, and belief of the person making such oath or affirmation. Such oath or affirmation shall be made before a person authorized to administer such oath or affirmation, and shall be made by a duly authorized representative of the entity for whom the financial statements were prepared.

4. The Office may also specifically request an investment adviser to include a Statement of Changes in Financial Position, Statement of Changes in Stockholder's/Partner's/Proprietor's Equity, and a Statement of Changes in Liabilities Subordinated to Claims of General Creditors.

(c) This rule shall not apply to an investment adviser also registered as a dealer with the Office if the dealer registrant is a current member of a securities association registered pursuant to section 15A of the Securities Exchange Act of 1934 (15 U.S.C. § 78o-3), which is incorporated by reference in Rule 69W-200.002, F.A.C., and such association requires financial reports to be filed with it.

(d) Registration as an investment adviser may be denied, revoked, or suspended if financial statements reflect:

1. Net worth less than required under this rule; or

2. An audit opinion qualified as to the scope of the audit, the entity's ability to continue on a going-concern basis, or other material qualifications; or

3. An adverse audit opinion or a disclaimer of opinion.

(3) For purposes of this rule, "custody" is defined in Rule 69W-600.0132, F.A.C.

Rulemaking Authority 517.03(1), 517.12(9), 517.121(2) FS. Law Implemented 517.12(9), 517.121(2) FS. History—New \_\_\_\_\_.

69W-1000.001 Disciplinary Guidelines.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. The nature and extent of the injury;

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

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

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

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

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

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

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

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

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

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

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

(w) Other relevant, case-specific circumstances.

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

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

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

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

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

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

*Rulemaking Authority 517.1611(1) FS. Law Implemented 517.1611(1), 517.191(4), 517.221(3) FS. History—New 11-22-10, Amended 11-14-13, \_\_\_\_.*

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

Violation #	Violation Category	Statute or Code	Short Description	1st Occurrence	2nd Occurrence	3rd and Subsequent Occurrence(s)
1	Dealer Securities Registration	517.07	Registration of securities	Notice of Non-Compliance, Fine B to Fine C, Restriction, Suspension A to Suspension C	Fine B to Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar
2	Dealer/Agent Registration	517.12	Registration of dealers, associated persons, and branch offices	Notice of Non-Compliance, Fine A to Fine C, Restriction, Suspension A to Suspension C	Fine A to Fine C, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar
3	Branch Office Notification	517.1202	Branch office notice filing	Fine C to Fine D and Summary Suspension of Branch, Revocation	\$10,000 Fine and Summary Suspension of Branch, Revocation	\$10,000 Fine and Summary Suspension of Branch, Revocation
4	Dealer Books and Records	517.121(1),(2)	Books and records requirements; examinations.	Notice of Non-Compliance, Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar
5	Dealer Books and Records	517.121(3)	Books and records requirements; examinations.	Summary Suspension	Summary Suspension	Summary Suspension
6	Dealer/Agent Registration	517.161	Revocation, denial, or suspension of registration of dealer, investment adviser, associated person, or branch office.	Denial without prejudice to reapply, Denial, Restriction, Suspension, Summary Suspension, Revocation, Bar	Denial without prejudice to reapply, Denial, Restriction, Suspension, Summary Suspension, Revocation, Bar	Denial without prejudice to reapply, Denial, Restriction, Suspension, Summary Suspension, Revocation, Bar
7	Dealer/Agent Anti-Fraud	517.275	Commodities; prohibited practices.	Restriction, Fine A to Fine D, Suspension A to Suspension C, Revocation, Bar	Restriction, Fine A to Fine D, Suspension A to Suspension C, Revocation, Bar	Restriction, Fine A to Fine D, Suspension A to Suspension C, Revocation, Bar
8	Dealer/Agent Anti-Fraud	517.301	Fraudulent transactions; falsification or concealment of facts.	Fine D, Revocation, Bar	Fine D, Revocation, Bar	Fine D, Revocation, Bar
9	Dealer/Agent Anti-Fraud	517.311	False representations; deceptive words; enforcement.	Fine D, Revocation, Bar	Fine D, Revocation, Bar	Fine D, Revocation, Bar
10	Dealer/Agent Anti-Fraud	517.312	Securities, investments, boiler rooms; prohibited practices; remedies.	Fine D, Revocation, Bar	Fine D, Revocation, Bar	Fine D, Revocation, Bar
11	Dealer Books and Records	69W-700.021	Independent Transfer Agent and/or Registrar.	Notice of Non-Compliance, Fine A to Fine C	Fine B to Fine C	Fine D
12	Dealer Books and Records	69W-700.024	Submission of Final Documents.	Notice of Non-Compliance, Fine A to Fine C	Fine B to Fine C	Fine D
13	Dealer/Agent Sales Practices	69W-100.006	Projected Financial Statements or Presentations	Notice of Non-Compliance, Fine A to Fine B, Restriction	Fine A to Fine B, Restriction	Fine A to Fine C, Restriction
14	Dealer/Agent Anti-Fraud	69W-900	Disclosure of Business Activities in Cuba.	Notice of Non-Compliance, Fine B to Fine C	Fine B to Fine D	Fine D, Suspension B to Suspension C, Revocation
15	Dealer/Agent Sales Practices	69W-100.007	Advertising and Sales Literature	Notice of Non-Compliance, Fine A	Fine A to Fine B, Restriction, Suspension A	Fine A to Fine C, Restriction, Suspension B
16	Dealer/Agent Sales Practices	69W-600.013(1)(a)	Extension of Credit	Notice of Non-Compliance, Fine B to Fine C	Fine B to Fine D, Suspension A to Suspension B, Revocation	Fine C to Fine D, Suspension B to Suspension C, Revocation, Bar
17	Dealer/Agent Sales Practices	69W-600.013(2)(h) - [(1)(b)]	Margin Agreement	Notice of Non-Compliance, Fine B to Fine C	Fine B to Fine D, Suspension A to Suspension B, Restriction	Fine C to Fine D, Suspension B to Suspension C, Revocation, Bar

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

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

Violation #	Violation Category	Statute or Code	Short Description	1st Occurrence	2nd Occurrence	3rd and Subsequent Occurrence(s)
18	Dealer/Agent Sales Practices	69W-600.013(1)(b)	Margin Agreement	Notice of Non-Compliance, Fine B to Fine C	Fine B to Fine D, Suspension A to Suspension B, Restriction	Fine C to Fine D, Suspension B to Suspension C, Revocation, Bar
19	Dealer/Agent Sales Practices	69W-600.013(1)(c)	Segregation of Securities	Notice of Non-Compliance, Fine B to Fine C	Fine B to Fine D, Suspension A to Suspension B, Restriction	Fine C to Fine D, Suspension B to Suspension C, Revocation
20	Dealer/Agent Sales Practices	69W-600.013(1)(d)	Hypothecating of Securities	Notice of Non-Compliance, Fine B to Fine D	Fine C to Fine D, Suspension B to Suspension C, Restriction	Fine D, Suspension C, Revocation
21	Dealer/Agent Sales Practices	69W-600.013(1)(e)	Failing to Execute an Order	Notice of Non-Compliance, Fine B to Fine D, Restriction	Fine B to Fine D, Suspension A to Suspension C, Restriction	Fine D, Suspension A to Suspension C, Revocation, Bar
22	Dealer/Agent Sales Practices	69W-600.013(1)(f)	Unregistered Securities	Notice of Non-Compliance, Fine B to Fine C, Restriction, Suspension A to Suspension C	Fine B to Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar
23	Dealer/Agent Sales Practices	69W-600.013(1)(g)	Representation of Qualifications	Notice of Non-Compliance, Fine C to Fine D, Suspension A to Suspension B, Restriction	Fine C to Fine D, Suspension B to Suspension C, Restriction, Revocation	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar
24	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2110	High standards of commercial honor and just and equitable principles of trade.	Fine C to Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine D, Restriction, Suspension C, Revocation, Bar	Fine D, Revocation, Bar
25	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 5230	Payments Involving Publications that Influence the Market Price of a Security	Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar	Fine D, Revocation, Bar
26	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 5240	Anti-Intimidation /Coordination	Fine D, Restriction, Suspension B to Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar	Fine D, Revocation, Bar
27	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2010	Standards of Commercial Honor and Principles of Trade	Fine C to Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine D, Restriction, Suspension C, Revocation, Bar	Fine D, Revocation, Bar
28	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2020	Use of Manipulative, Deceptive or Other Fraudulent Devices	Fine D, Suspension C, Revocation, Bar	Fine D, Revocation, Bar	Fine D, Revocation, Bar
29	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2114(a)	Recommendations to Customers in OTC Equity Securities	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine D, Restriction, Suspension C, Revocation	Fine D, Revocation, Bar
30	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2114(c)	Recommendations to Customers in OTC Equity Securities	Notice of Non-Compliance, Fine C to Fine D, Restriction	Fine C to Fine D, Restriction, Suspension A	Fine D, Suspension C,
31	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2114(d)	Recommendations to Customers in OTC Equity Securities	Fine B to Fine C, Restriction, Suspension A	Fine C to Fine D, Restriction, Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar
32	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2124	Net Transactions with Customers	Fine C to Fine D, Restriction	Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar
33	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2140	Interfering With the Transfer of Customer Accounts in the Context of Employment Disputes	Notice of Non-Compliance, Fine B to Fine C	Fine C to Fine D	Fine D, Suspension A to Suspension B
34	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2150(a)	Improper Use of Customers' Securities or Funds; Prohibition Against Guarantees and Sharing in Accounts	Fine D, Restriction, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
35	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2150(b)	Improper Use of Customers' Securities or Funds; Prohibition Against Guarantees and Sharing in Accounts	Fine C to Fine D, Restriction, Suspension B to Suspension C, Revocation	Fine D, Restriction, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar

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

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36	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2150(c )	Improper Use of Customers' Securities or Funds; Prohibition Against Guarantees and Sharing in Accounts	Fine C, Restriction, Suspension B to Suspension C	Fine D, Restriction, Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar
37	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2220(b),(c )	Options Communication	Fine B to Fine C, Restriction	Fine C to Fine D, Restriction, Suspension B to Suspension C	Fine D, Suspension C
38	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2262	Disclosure of Control Relationship with Issuer	Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
39	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2264	Margin Disclosure Statement	Fine B to Fine C, Restriction	Fine D, Restriction, Suspension A to Suspension B	Fine D, Suspension C, Revocation, Bar
40	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2265	Extended Hours Trading Risk Disclosure	Notice of Non-Compliance, Fine B to Fine C	Fine B to Fine D, Restriction	Fine C to Fine D, Suspension B to Suspension C
41	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2266	SIPC Information	Notice of Non-Compliance, Fine A	Fine A	Fine B
42	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2267	Investor Education and Protection	Notice of Non-Compliance, Fine A	Fine A	Fine B
43	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2269	Disclosure of Participation or Interest in Primary or Secondary Distribution	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
44	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2310(b)	Direct Participation Programs	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine D, Restriction, Suspension C, Revocation	Fine D, Revocation, Bar
45	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2310(c)	Direct Participation Programs	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine D, Restriction, Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar
46	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2320	Variable Contracts of an Insurance Company	Notice of Non-Compliance, Fine C to Fine D, Restriction, Suspension A to Suspension C	Fine D, Restriction, Suspension B to Suspension C, Revocation	Fine D, Suspension C, Revocation
47	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2342	"Breakpoint" Sales	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine D, Restriction, Suspension C, Revocation	Fine D, Revocation, Bar
48	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2352	Account Approval - Trading in Index Warrants, Currency Index Warrants and Currency Warrants	Notice of Non-Compliance, Fine B to Fine C	Fine B to Fine D, Restriction, Suspension A	Fine C to Fine D, Suspension A to Suspension C
49	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2353	Suitability - Trading in Index Warrants, Currency Index Warrants and Currency Warrants	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine D, Restriction, Suspension C, Revocation	Fine D, Revocation, Bar
50	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2354	Discretionary Accounts - Trading in Index Warrants, Currency Index Warrants and Currency Warrants	Notice of Non-Compliance, Fine B to Fine C, Restriction	Fine B to D, Restriction, Suspension B	Fine D, Suspension C, Revocation
51	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2355	Supervision of Accounts - Trading in Index Warrants, Currency Index Warrants and Currency Warrants	Notice of Non-Compliance, Fine B to Fine D, Restriction	Fine B to Fine D, Restriction	Fine C to Fine D, Suspension A, Restriction

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52	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2357	Communications with the Public and Customers Concerning Index Warrants, Currency Index Warrants and Currency Warrants	Notice of Non-Compliance, Fine B to Fine C, Restriction	Fine C to Fine D, Restriction, Suspension B to Suspension C	Fine D, Suspension C
53	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2358	Maintenance of Records - Trading in Index Warrants, Currency Index Warrants and Currency Warrants	Notice of Non-Compliance, Fine A to Fine B	Fine A to Fine C, Restriction	Fine C to Fine D, Suspension A to Suspension C
54	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2359	Position and Exercise Limits; Liquidations - Trading in Index Warrants, Currency Index Warrants and Currency Warrants	Fine C to Fine D, Restriction	Fine D, Restriction, Suspension B to Suspension C	Fine D, Suspension C, Revocation, Bar
55	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2360	Options	Notice of Non-Compliance, Fine B to Fine D, Restriction, Suspension A to Suspension B	Fine B to D, Restriction, Suspension B	Fine D, Suspension C, Revocation
56	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 2370(b)	Security Futures	Notice of Non-Compliance, Fine B to Fine C, Restriction	Fine B to D, Restriction, Suspension A to Suspension B	Fine D, Suspension B to Suspension C, Revocation
57	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 3310	Anti-Money Laundering Compliance Program	Notice of Non-Compliance, Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
58	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2210(b)	Communications with the Public	Notice of Non-Compliance, Fine A to Fine C, Restriction	Fine A to Fine C, Restriction	Fine C to Fine D, Suspension A to Suspension B
59	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2210(c)	Communications with the Public	Notice of Non-Compliance, Fine A to Fine C, Restriction	Fine A to Fine C, Restriction	Fine C to Fine D, Suspension A to Suspension B
60	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2210(d), (e)	Communications with the Public	Notice of Non-Compliance, Fine B to Fine C, Suspension A to Suspension B, Restriction	Fine B to Fine D, Restriction, Suspension B to Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar
61	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2212(a),(b)	Telemarketing	Notice of Non-Compliance, Fine A to Fine B, Restriction	Fine B to Fine D, Restriction	Fine D
62	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2212(d)	Telemarketing	Notice of Non-Compliance, Fine C, Restriction	Fine D, Restriction	Fine D, Suspension A
63	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2220(d)	Options Communication	Notice of Non-Compliance, Fine B to Fine C, Suspension A to Suspension B, Restriction	Fine B to Fine D, Restriction, Suspension B to Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar
64	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2240	Disclosure of Control Relationship with Issuer	Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
65	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2250	Disclosure of Participation or Interest in Primary or Secondary Distribution	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
66	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2260	Forwarding of Proxy and Other Materials	Notice of Non-Compliance, Fine A to Fine B	Fine B to Fine C	Fine C to Fine D
67	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2270	Disclosure of Financial Condition to Customers	Fine B to Fine C	Fine B to Fine D	Fine D, Suspension A
68	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2310	Recommendations to Customers (Suitability)	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine D, Restriction, Suspension C, Revocation	Fine D, Revocation, Bar

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69	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2320	Best Execution and Interpositioning	Notice of Non-Compliance, Fine A to Fine B, Restriction, Suspension A to B, Revocation	Fine A to Fine C, Restriction, Suspension A to B, Revocation	Fine B to Fine D, Restriction, Suspension B to C, Revocation, Bar
70	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2340	Customer Account Statements	Notice of Non-Compliance, Fine A to Fine B	Fine A to Fine C, Suspension A	Fine C to Fine D, Suspension B to Suspension C
71	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2341	Margin Disclosure Statement	Notice of Non-Compliance, Fine A to Fine B	Fine A to Fine C, Suspension A	Fine C to Fine D, Suspension B
72	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2350(c)	Broker/Dealer Conduct on the Premises of Financial Institutions	Notice of Non-Compliance, Fine B to Fine C, Restriction	Fine B to Fine D, Restriction, Suspension A	Fine D, Suspension C, Revocation, Bar
73	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2360	Approval Procedures for Day-Trading Accounts	Notice of Non-Compliance, Fine B to Fine C, Restriction	Fine C to Fine D, Suspension A to B	Fine C to Fine D, Suspension B to C
74	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 3240	Borrowing From or Lending to Customers	Notice of Non-Compliance, Fine B to Fine C, Restriction, Suspension A to Suspension C	Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
75	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2410	Net Prices to Persons Not in Investment Banking or Securities Business	Fine D, Restriction	Fine D, Restriction, Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar
76	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2420	Dealing with Non-Members	Fine D, Restriction, Suspension A to Suspension B	Fine D, Restriction, Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar
77	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2430	Charges for Services Performed	Notice of Non-Compliance, Fine B to Fine C, Restriction, Suspension A	Fine B to Fine D, Restriction, Suspension B	Fine C to Fine D, Suspension C, Revocation, Bar
78	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2440	Fair Prices and Commissions	Fine B to Fine D, Restriction, Suspension A to C, Revocation, Bar	Fine D, Restriction, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
79	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2441	Net Transactions with Customers	Fine D, Restriction	Fine D, Restriction, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
80	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2450	Installment or Partial Sales	Fine B to Fine D, Restriction, Suspension A	Fine C to Fine D, Restriction, Suspension A to Suspension B	Fine D, Suspension B to Suspension C, Revocation, Bar
81	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2460	Payments for Market Making	Fine C to D, Suspension B to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
82	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 5250	Payments for Market Making	Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar	Fine D, Revocation, Bar
83	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2510(a)	Discretionary Accounts	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine D, Restriction, Suspension C, Revocation	Fine D, Revocation, Bar
84	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2510(b),(c)	Discretionary Accounts	Notice of Non-Compliance, Fine A to Fine C, Restriction	Fine B to Fine C, Restriction, Suspension A to Suspension B	Fine C to Fine D, Suspension B to Suspension C, Revocation, Bar
85	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2711	Research Analysts and Research Reports	Notice of Non-Compliance, Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine D, Restriction, Suspension C, Revocation, Bar
86	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) FINRA Rule 5280	Trading Ahead of Research Reports	Fine D, Restriction, Suspension B to Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar	Fine D, Revocation, Bar
87	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2720	Public Offerings of Securities With Conflicts of Interest	Notice of Non-Compliance, Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine C to Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine D, Restriction, Suspension C, Revocation, Bar

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88	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2730	Securities Taken in Trade	Fine B to Fine D, Restriction	Fine C to Fine D, Restriction, Suspension B	Fine D, Suspension C, Revocation, Bar
89	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2740	Selling Concessions, Discounts and Other Allowances	Fine C to Fine D, Restriction	Fine D, Restriction, Suspension A to Suspension B	Fine D, Suspension C, Revocation, Bar
90	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2750	Transactions with Related Persons	Fine C to Fine D, Restriction, Suspension A	Fine D, Suspension B to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
91	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2760	Offerings 'At the Market'	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
92	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2770	Disclosure of Price in Selling Agreements	Fine C to Fine D, Restriction, Suspension A	Fine D, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
93	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2780	Solicitation of Purchases on an Exchange to Facilitate a Distribution of Securities	Fine D, Restriction, Suspension A to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
94	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2821	Members' Responsibilities Regarding Deferred Variable Annuities	Notice of Non-Compliance, Fine C to Fine D, Restriction, Suspension A to Suspension C	Fine D, Restriction, Suspension B to Suspension C, Revocation	Fine D, Suspension C, Revocation
95	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2830	Investment Company Securities	Fine C to Fine D, Restriction, Suspension A	Fine D, Restriction, Suspension A to Suspension C	Fine D, Suspension C, Revocation, Bar
96	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2910	Disclosure of Financial Condition to Other Members	Fine C to Fine D, Restriction, Suspension A	Fine D, Restriction, Suspension A to Suspension C	Fine D, Suspension C, Revocation, Bar
97	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 3010	Supervision	Notice of Non-Compliance Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine D, Restriction, Suspension A to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
98	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 3011	Anti-Money Laundering Compliance Program	Notice of Non-Compliance, Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation, Bar	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
99	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 3012	Supervisory Control System	Notice of Non-Compliance, Fine D, Restriction	Fine D, Restriction, Suspension A to Suspension B	Fine D, Suspension C, Restriction, Revocation, Bar
100	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h), FINRA Rule 3130	Annual Certification of Compliance and Supervisory Processes	Notice of Non-Compliance, Fine C to Fine D, Restriction	Fine C to Fine D, Restriction, Suspension A to Suspension B	Fine D, Suspension B to Suspension C, Restriction
101	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h), NASD Rule 3020	Fidelity Bonds	Fine C to Fine D, Restriction	Fine D, Restriction, Suspension A to Suspension C	Fine D, Suspension C, Revocation, Bar
102	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 3030	Outside Business Activity	Notice of Non-Compliance, Fine A to Fine C, Restriction, Suspension A to Suspension C	Fine C to Fine D, Restriction, Suspension B to Suspension C, Revocation	Fine C to Fine D, Suspension B to Suspension C, Revocation, Bar
103	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 3040	Private Securities Transactions	Fine B to Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
104	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 3070	Reporting Requirements	Fine C to Fine D, Restriction, Suspension A	Fine D, Suspension A to Suspension C	Fine D, Suspension C, Revocation, Bar
105	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 3210	Short Sale Delivery Requirements	Notice of Non-Compliance, Fine B to Fine C, Restriction, Suspension A	Fine C to Fine D, Restriction, Suspension A to Suspension C	Fine D, Suspension B to Suspension C, Revocation, Bar
106	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 3220	Adjustment of Open Orders	Fine B to Fine C	Fine C to Fine D, Suspension A	Fine D, Suspension C
107	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 3230	Clearing Agreements	Fine C to Fine D	Fine D	Fine D, Suspension A to Suspension B

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Incorporated by Reference in Rule 69W-1000.001, F.A.C., Effective:**

Violation #	Violation Category	Statute or Code	Short Description	1st Occurrence	2nd Occurrence	3rd and Subsequent Occurrence(s)
108	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rules 3110-3170	Books and Records	Notice of Non-Compliance, Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar
109	Dealer/Agent Sales Practices	69W-600.013(1)(h)2, NASD Rules 2111	Trading Ahead of Customer Market Orders	Fine B to Fine D, Restriction, Suspension A to Suspension C, Revocation, Bar	Fine D, Suspension A to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
110	Dealer/Agent Sales Practices	69W-600.013(1)(h)2, New York Stock Exchange Rules 435	Registration and Qualifications	Notice of Non-Compliance, Fine B to Fine D, Restriction	Fine B to Fine D, Restriction, Suspension A	Fine D, Restriction, Suspension B to Suspension C
111	Dealer/Agent Sales Practices	69W-600.013(1)(h)2, New York Stock Exchange Rules 405	Know Your Customer	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine D, Restriction, Suspension C, Revocation	Fine D, Revocation, Bar
112	Dealer/Agent Sales Practices	69W-600.013(1)(h)2, New York Stock Exchange Rules 412	Account Transfers Between Firms	Notice of Non-Compliance, Fine B to Fine D	Fine B to Fine D, Suspension A	Fine D, Suspension B to Suspension C
113	Dealer/Agent Sales Practices	69W-600.013(1)(h)2, New York Stock Exchange Rules 435	Rumors	Fine C to Fine D, Suspension B to Suspension C, Revocation	Fine D, Restriction, Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar
114	Dealer/Agent Sales Practices	69W-600.013(1)(h)3, 17 CFR 230.419	Blank Check Offerings	Fine C to Fine D, Restriction, Suspension A to Suspension C	Fine D, Suspension B to Suspension C, Revocation, Bar	Fine D, Suspension B to Suspension C, Revocation, Bar
115	Dealer/Agent Sales Practices	69W-600.013(1)(h)3, 17 CFR 230.134, 17 CFR 230.134a	Communications Deemed Not to be a Prospectus	Notice of Non-Compliance, Fine A to Fine C, Restriction, Suspension A to Suspension C	Fine A to Fine C, Restriction, Suspension B to Suspension C, Bar	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar
116	Dealer/Agent Sales Practices	69W-600.013(1)(h)3, 17 CFR 230.156	Investment Company Sales Literature	Notice of Non-Compliance, Fine A to Fine C, Restriction	Fine A to Fine C, Restriction	Fine C to Fine D, Suspension A to Suspension B
117	Dealer/Agent Sales Practices	69W-600.013(1)(h)1 and (2)(h) NASD Rule 2520	Margin Requirements	Notice of Non-Compliance, Fine B to Fine C	Fine B to Fine D, Suspension A to Suspension B, Revocation	Fine C to Fine D, Suspension B to Suspension C, Revocation, Bar
118	Dealer/Agent Sales Practices	69W-600.013(1)(h)3, Section 5 of the Securities Act of 1933	Prohibitions/Use of Mails	Notice of Non-Compliance, Fine B to Fine C, Restriction, Suspension A to Suspension C	Fine B to Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar
119	Dealer/Agent Sales Practices	69W-600.013(1)(h)3, Section 6 of the Securities Act of 1933	Registration of securities	Notice of Non-Compliance, Fine B to Fine C, Restriction, Suspension A to Suspension C	Fine B to Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar
120	Dealer/Agent Sales Practices	69W-600.013(1)(h)3, 17 CFR 230.481	Information Required in a Prospectus	Notice of Non-Compliance, Fine B to Fine C, Restriction, Suspension A to Suspension C	Fine B to Fine C, Restriction, Suspension B to Suspension C	Fine B to Fine D, Restriction, Suspension C, Revocation
121	Dealer/Agent Sales Practices	69W-600.013(1)(h)3, 17 CFR 230.482	Advertising by an Investment Company	Notice of Non-Compliance, Fine A to Fine C, Restriction	Fine A to Fine C, Restriction	Fine C to Fine D, Suspension A to Suspension B
122	Dealer/Agent Sales Practices	69W-600.013(1)(h)3, 17 CFR 230.144, 17 CFR 230.144A	Persons Not Engaged in Distributions or an Underwriter	Notice of Non-Compliance, Fine A to Fine C, Restriction, Suspension A to Suspension C	Fine A to Fine C, Restriction, Suspension B to Suspension C, Bar	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar
123	Dealer/Agent Sales Practices	69W-600.013(1)(h)4, 17 CFR 242.200-242.203, NASD Conduct Rule 3210	Short Sale Delivery Requirements	Notice of Non-Compliance, Fine B to Fine C, Restriction, Suspension A	Fine C to Fine D, Restriction, Suspension A to Suspension C	Fine D, Suspension B to Suspension C, Revocation, Bar
124	Dealer/Agent Sales Practices	69W-600.013(1)(h)5, MSRB General Rule G10	Delivery of Investor Brochure	Notice of Non-Compliance, Fine A	Fine A	Fine B, Suspension A
125	Dealer/Agent Sales Practices	69W-600.013(1)(h)5, MSRB General Rule G15	Confirmation, Clearance, Settlement and Other Uniform Practice Requirements with Respect to Transactions with Customers	Notice of Non-Compliance, Fine A	Fine A	Fine B, Suspension A

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

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126	Dealer/Agent Sales Practices	69W-600.013(1)(h)5, MSRB General Rule G29	Availability of Board rules	Notice of Non-Compliance, Fine A	Fine A	Fine B, Suspension A
127	Dealer/Agent Sales Practices	69W-600.013(1)(h)5, MSRB General Rule G34	CUSIP numbers, new issue, and market information requirements	Notice of Non-Compliance, Fine A	Fine A	Fine B, Suspension A
128	Dealer/Agent Sales Practices	69W-600.013(1)(h)5, MSRB General Rule G39	Telemarketing	Notice of Non-Compliance, Fine A to Fine B, Restriction	Fine B to Fine D, Restriction	Fine D
129	Dealer/Agent Sales Practices	69W-600.013(1)(h)5, MSRB General Rule G41	Anti-money laundering compliance program	Notice of Non-Compliance, Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
130	Dealer/Agent Sales Practices	69W-600.013(1)(h)5, MSRB General Rules G7-9	Books and Records	Notice of Non-Compliance	Fine A	Fine B, Suspension A
131	Dealer/Agent Sales Practices	69W-600.013(1)(h)5, Section 15B of the Securities Exchange Act of 1934, MSRB Definitional Rules D1-12, MSRB General Rules G1-6, G11-14, G17-28, G30-33, G37, G38	Prohibited Business Practices for Dealers and Their Associated Persons	Notice of Non-Compliance, Fine B to Fine D, Restriction	Fine B to Fine D, Suspension A	Fine B to Fine D, Suspension B to Suspension C
132	Dealer/Agent Sales Practices	69W-600.013(1)(i)	Prospectuses	Notice of Non-Compliance, Fine B to Fine C	Fine B to Fine D, Suspension A to Suspension B	Fine C to Fine D, Restriction, Suspension C
133	Dealer/Agent Sales Practices	69W-600.013(1)(j)	Using Unregistered Clearing Dealer	Notice of Non-Compliance, Fine C to Fine D, Restriction	Fine C to Fine D, Suspension A to Suspension B	Fine D, Restriction, Suspension C
134	Dealer/Agent Sales Practices	69W-600.013(1)(k)	Recommending Use of an Unregistered Investment Adviser	Notice of Non-Compliance, Fine B to Fine D, Restriction	Fine C to Fine D, Suspension A to Suspension B, Restriction	Fine D, Restriction, Suspension C
135	Dealer/Agent Sales Practices	69W-600.013(1)(l)	Receiving Compensation from an Adviser	Notice of Non-Compliance, Fine B to Fine D, Restriction	Fine C to Fine D, Suspension A to Suspension B, Restriction	Fine D, Restriction, Suspension C, Revocation
136	Dealer/Agent Sales Practices	69W-600.013(1)(m)	Sale of Non-Exempt Securities	Notice of Non-Compliance, Fine A to Fine C, Restriction, Suspension A to Suspension C	Fine A to Fine C, Restriction, Suspension B to Suspension C, Bar	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar
137	Dealer/Agent Sales Practices	69W-600.013(1)(m) Section 15D of the Securities Exchange Act of 1934	Securities Analyst and Research Reports	Notice of Non-Compliance, Fine C to Fine D, Restriction, Suspension A to Suspension C, Revocation	Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine D, Restriction, Suspension C, Revocation, Bar
138	Dealer/Agent Sales Practices	69W-600.013(1)(m) Section 13 of the Securities Exchange Act of 1934	Periodic and Other Reports	Notice of Non-Compliance, Fine C to Fine D	Fine D	Fine D
139	Dealer/Agent Sales Practices	69W-600.013(1)(n)	Providing False Client Data	Notice of Non-Compliance, Fine C to Fine D, Suspension B to Suspension C, Restriction, Revocation, Bar	Fine C to Fine D, Suspension B to Suspension C, Restriction, Revocation, Bar	Fine D, Revocation, Bar
140	Dealer/Agent Sales Practices	69W-600.013(1)(o)	Senior - Specific Certifications and Professional Designations	Notice of Non-Compliance, Fine C to Fine D, Suspension A to Suspension B, Restriction	Fine C to Fine D, Suspension B to Suspension C, Restriction, Revocation, Bar	Fine D, Revocation, Bar
141	Dealer/Agent Sales Practices	69W-600.013(2)(a)	Borrowing From or Lending to Customers	Notice of Non-Compliance, Fine B to Fine C, Restriction, Suspension A to Suspension C	Fine D, Restriction, Suspension B to Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar
142	Dealer/Agent Sales Practices	69W-600.013(2)(b)	Acting as Custodian for Money or Executed Stock Power	Fine C to Fine D, Suspension A to Suspension C, Revocation	Fine C to Fine D, Revocation, Bar	Fine C to Fine D, Revocation, Bar

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143	Dealer/Agent Sales Practices	69W-600.013(2)(c)	Effecting Transactions Not Recorded on the Books of the Dealer	Fine C to Fine D, Suspension A to Suspension C, Revocation	Fine C to Fine D, Revocation, Bar	Fine C to Fine D, Revocation, Bar
144	Dealer/Agent Sales Practices	69W-600.013(2)(d)	Operating an Account Under a Fictitious Name	Fine C to Fine D, Suspension A to Suspension C, Revocation	Fine C to Fine D, Revocation, Bar	Fine C to Fine D, Revocation, Bar
145	Dealer/Agent Sales Practices	69W-600.013(2)(e)	Sharing in the Profits or Losses in an Account	Fine C to Fine D, Suspension A to Suspension C, Revocation	Fine C to Fine D, Revocation, Bar	Fine C to Fine D, Revocation, Bar
146	Dealer/Agent Sales Practices	69W-600.013(2)(f)	Splitting Commissions	Fine C to Fine D, Suspension A to Suspension C, Revocation	Fine C to Fine D, Revocation, Bar	Fine C to Fine D, Revocation, Bar
147	Dealer/Agent Sales Practices	69W-600.013(2)(h) - [(1)(n)]	Providing False Client Data	Notice of Non-Compliance, Fine C to Fine D, Suspension B to Suspension C, Restriction, Revocation, Bar	Fine C to Fine D, Suspension B to Suspension C, Restriction, Revocation, Bar	Fine D, Revocation, Bar
148	Dealer/Agent Sales Practices	69W-600.013(2)(h) - [(1)(o)]	Senior - Specific Certifications and Professional Designations	Notice of Non-Compliance, Fine C to Fine D, Suspension A to Suspension B, Restriction	Fine C to Fine D, Suspension B to Suspension C, Restriction, Revocation, Bar	Fine D, Revocation, Bar
149	Dealer/Agent Registration	69W-400.002	Registration of Issuer Under Section 517.051(9), F.S. as Dealer.	Notice of Non-Compliance, Fine A, Suspension A to Suspension C, Revocation	Fine B, Suspension A to Suspension C, Revocation	Fine B, Suspension B to Suspension C, Revocation
150	Dealer/Agent Registration	69W-600.001	Registration of associated persons specific as to securities dealer, investment adviser, or federal covered adviser identified at time of registration approval	Notice of Non-Compliance, Fine A to Fine D, Restriction, Suspension B to C	Fine B to Fine D, Restriction, Suspension B to C, Revocation	Fine C to Fine D, Restriction, Suspension B to C, Revocation
151	Dealer/Agent Registration	69W-600.002	Application for Registration as an Associated Person	Notice of Non-Compliance, Fine A to Fine D, Restriction, Suspension B to C	Fine B to Fine D, Restriction, Suspension B to C, Revocation	Fine C to Fine D, Restriction, Suspension B to C, Revocation
152	Dealer Books and Records	69W-600.012(1) 17 CFR 240.10b-10, 17 CFR 240.17a-3, MSRB Rules G-8, MSRB Rule G-15	Confirmation of Transactions	Notice of Non-Compliance, Fine A to Fine B	Fine A to Fine B, Restriction, Suspension A to Suspension B	Fine A to Fine C, Restriction, Suspension A to Suspension C, Revocation
153	Dealer/Agent Anti-Fraud	69W-600.012(2)	Customer Contracts - Prohibitions	Notice of Non-Compliance, Fine A to Fine C	Fine A to Fine C, Restriction, Suspension A to Suspension B	Fine A to Fine C, Restriction, Suspension A to Suspension C, Revocation
154	Dealer/Agent Anti-Fraud	69W-600.012(3)	Withdrawal of Net Worth	Fine A to Fine C, Suspension A to Suspension B	Fine B to Fine C, Suspension A to Suspension C	Fine B to Fine C, Suspension A to Suspension C, Revocation
155	Dealer Books and Records	69W-600.012(4)	Copies of Contracts to be Provided to Customers	Notice of Non-Compliance, Fine A to Fine C, Suspension A to Suspension B	Fine B to Fine C, Suspension A to Suspension C	Fine B to Fine C, Suspension A to Suspension C, Revocation
156	Dealer/Agent Sales Practices	69W-600.0133(1)	Use of Senior-Specific Certifications and Professional Designations by Associated Persons and Investment Advisers.	Notice of Non-Compliance, Fine C to Fine D, Suspension A to Suspension B, Restriction	Fine C to Fine D, Suspension B to Suspension C, Restriction, Revocation, Bar	Fine D, Revocation, Bar
157	Dealer Securities Registration	69W-700.015(4)	Offering Price of Equity Securities.	Notice of Non-Compliance, Fine C to Fine D	Fine C to Fine D, Suspension	Fine D, Suspension C, Revocation, Bar
158	Dealer Securities Registration	69W-700.019	Submission of Sales Reports.	Notice of Non-Compliance, Fine A to Fine B	Fine B to Fine C	Fine D
159	Dealer Securities Registration	69W-700.020	Termination Date of Registration, Prospectuses not to be Used After Certain Date.	Notice of Non-Compliance, Fine A to Fine B	Fine B to Fine C	Fine D

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160	Dealer Securities Registration	69W-700.027	Loans and Other Affiliated Transactions.	Fine C to Fine D, Suspension B to Suspension C, Revocation	Fine D, Restriction, Suspension C, Revocation, Bar	Fine D, Suspension C, Revocation, Bar
161	Dealer Securities Registration	69W-700.009	Escrow of Proceeds from Sale of Securities.	Fine C to Fine D	Fine C to Fine D, Suspension	Fine D, Suspension C, Revocation, Bar
162	Dealer Securities Registration	69W-700.012(5)	Oil and Gas Participation Plans.	Notice of Non-Compliance, Fine C to Fine D, Suspension B to Suspension C, Restriction, Revocation, Bar	Fine D, Restriction, Suspension B to Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar
163	Dealer Securities Registration	69W-700.028	Small Corporate Offering Registration ("SCOR" Offering).	Notice of Non-Compliance, Fine A to Fine B	Fine B to Fine C	Fine D
164	Dealer/Agent Registration	<del>69W-600.004(1) and (2)</del> 69W-600.004(3)	Registration of Issuer/Dealers and Principals and <del>Branch Office Notification.</del>	Notice of Non-Compliance, Fine A	Notice of Non-Compliance, Fine A	Fine B, Restriction
<del>165</del> 165	<del>Dealer/Agent Registration</del>	69W-600.004(3)	<u>Branch Office Notification</u>	<u>Fine C to Fine D and Summary Suspension of Branch, Revocation</u>	<u>\$10,000 Fine and Summary Suspension of Branch, Revocation</u>	<u>\$10,000 Fine and Summary Suspension of Branch, Revocation</u>
<del>166</del> 166	Dealer/Agent Registration	69W-600.008	Termination of Registration as a Dealer, Principal or Agent, or Branch Office Notification	Notice of Non-Compliance, Fine A to Fine B	Notice of Non-Compliance, Fine A to Fine C	Fine B to Fine D
<del>167</del> 167	Dealer Financial Reporting	69W-600.016(1),(2), (3), (5) 17 CFR 240.15c3-1, 17 CFR 240.15c3-1b, 17 CFR 240.15c3-1c, 17 CFR 240.15c3-1d, 17 CFR 240.17a-11, 17 CFR 240.17a-3, 17 CFR 240.17a-4	Net Capital Requirements for Dealers	Fine C to Fine D, Restriction, Suspension A	Fine D, Restriction, Suspension B to Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar
<del>168</del> 168	Dealer/Agent Registration	69W-600.020 NASD Membership and Registration Rule 1120, NYSE Rule 345A, MSRB General Rule G-3(h), ASE Rule 341 A, Article VI, Rule 9 of the CSE	Continuing Education Requirements.	Fine A to Fine B, Suspension A to Suspension C	Fine B to Fine C, Suspension B to Suspension C	Fine C to Fine D, Suspension B to Suspension C
<del>169</del> 169	Dealer/Agent Registration	69W-600.010	Notice of Civil, Criminal or Administrative Action	Notice of Non-Compliance, Fine A to Fine D, Restriction, Suspension B to C	Fine B to Fine D, Restriction, Suspension B to C, Revocation	Fine C to Fine D, Restriction, Suspension B to C, Revocation
<del>170</del> 170	Dealer Financial Reporting	69W-600.015(1),(2) 17 CFR 240.17a-5, 17 CFR 240.17a-10	Financial Reporting Requirements - Statement of Financial Condition - Dealers	Notice of Non-Compliance, Fine A, Suspension A to Suspension C, Revocation	Fine B, Suspension A to Suspension C, Revocation	Fine B, Suspension B to Suspension C, Revocation
<del>171</del> 171	Dealer Financial Reporting	69W-600.017 17 CFR 240.15c3-3	Customer Protection Rule - Reserve Requirements and Custody of Customer Funds and Securities.	Fine C to Fine D, Restriction, Suspension A	Fine D, Restriction, Suspension B to Suspension C, Revocation	Fine D, Suspension C, Revocation, Bar
<del>172</del> 172	Dealer Books and Records	69W-600.014(1) CFR 240.17a-3, CFR 240.17a-4, MSRB General Rules G-7 -G-9, NASD Conduct Rule 3000	Books and Records Requirements.	Notice of Non-Compliance, Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar
<del>173</del> 173	Dealer Books and Records	69W-600.014(2) 17 CFR 240.17a-3	Books and Records Requirements.	Notice of Non-Compliance, Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	, Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar

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<del>174</del> 473	Dealer Books and Records	69W-600.014(5) 17 CFR 240.17a-4, MSRB General Rule G-9	Books and Records Requirements.	Notice of Non-Compliance, Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar
<del>175</del> 474	Dealer Books and Records	69W-600.014(7) 17 CFR 240.17a-4, MSRB General Rule G-9	Books and Records Requirements.	Notice of Non-Compliance, Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar
<del>176</del> 475	Dealer/Agent Registration	69W-600.008	Termination of Registration as a Dealer, Principal or Agent, or Branch Office Notification	Notice of Non-Compliance, Fine A to Fine B	Fine A to Fine C	Fine B to Fine D
<del>177</del> 476	Dealer/ Agent Anti-Fraud	69W-600.012(5), 17 CFR 240.9b-1, 17 CFR 240.10b-1 et seq., 17 CFR 242.601, 17 CFR 240.15c1-1 et seq., 17 CFR 240.15c2-1 et seq., 17 CFR 240.15g-1 et seq., 17 CFR 242.100-105	Anti-Fraud	Fine D, Revocation, Bar	Fine D, Revocation, Bar	Fine D, Revocation, Bar
<del>178</del> 477	Dealer/Agent Sales Practices	69W-600.013(2)(g)	Failure to Provide Florida Guide to Small Business Investments (SCOR)	Notice of Non-Compliance, Fine A to Fine B	Fine A to Fine B	Fine A to Fine B
<del>179</del> 478	Dealer/Agent Sales Practices	69W-600.013(2)(h) - [(1)(a)]	Extension of Credit	Notice of Non-Compliance, Fine B to Fine C	Fine B to Fine D, Suspension A to Suspension B, Revocation	Fine C to Fine D, Suspension B to Suspension C, Revocation, Bar
<del>180</del> 479	Dealer/Agent Sales Practices	69W-600.013(2)(h) - [(1)(e)]	Failing to Execute an Order	Notice of Non-Compliance, Fine B to Fine D, Restriction	Fine B to Fine D, Suspension A to Suspension C, Restriction	Fine D, Suspension A to Suspension C, Revocation, Bar
<del>181</del> 480	Dealer/Agent Sales Practices	69W-600.013(2)(h) - [(1)(f)]	Unregistered Securities	Notice of Non-Compliance, Fine A to Fine C, Restriction, Suspension A to Suspension C	Fine A to Fine C, Restriction, Suspension B to Suspension C, Bar	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar
<del>182</del> 484	Dealer/Agent Sales Practices	69W-600.013(2)(h) - [(1)(g)]	Representation of Qualifications	Notice of Non-Compliance, Fine C to Fine D, Restriction	Fine C to Fine D, Suspension B to Suspension C, Restriction, Revocation	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar
<del>183</del> 482	Dealer/Agent Sales Practices	69W-600.013(2)(h) - [(1)(i)]	Using Unregistered Clearing Dealer	Notice of Non-Compliance, Fine C to Fine D, Restriction, Suspension A to Suspension C	Fine C to Fine D, Suspension A to Suspension C	Fine D, Restriction, Suspension C, Revocation
<del>184</del> 483	Dealer/Agent Sales Practices	69W-600.013(2)(h) - [(1)(k)]	Recommending Use of an Unregistered Investment Adviser	Notice of Non-Compliance, Fine B to Fine D, Restriction	Fine C to Fine D, Suspension A to Suspension B, Restriction	Fine D, Restriction, Suspension C
<del>185</del> 484	Dealer/Agent Sales Practices	69W-600.013(2)(h) - [(1)(l)]	Receiving Compensation from an Adviser	Notice of Non-Compliance, Fine B to Fine D, Restriction	Fine C to Fine D, Suspension A to Suspension B, Restriction	Fine D, Restriction, Suspension C
<del>186</del> 485	Dealer/Agent Sales Practices	69W-600.013(2)(h) - [(1)(m)]	Sale of Non-Exempt Securities	Notice of Non-Compliance, Fine A to Fine C, Restriction, Suspension A to Suspension C	Fine A to Fine C, Restriction, Suspension B to Suspension C, Bar	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar
<del>187</del> 486	Adviser/Agent Registration	517.12	Registration of investment advisers and associated persons; and notification of branch offices	Notice of Non-Compliance, Fine A to Fine C, Restriction, Suspension A to Suspension C	Fine A to Fine C, Restriction, Suspension B to Suspension C, Bar	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar
<del>188</del> 487	Adviser Branch Office Notification	517.1202	Notice-filing of branch offices	Fine C to Fine D and Summary Suspension of Branch, Revocation	\$10,000 Fine and Summary Suspension of Branch, Revocation	\$10,000 Fine and Summary Suspension of Branch, Revocation
<del>189</del> 488	Adviser Books and Records	517.121(1),(2)	Books and records requirements; examinations.	Notice of Non-Compliance, Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine C, Suspension B to Suspension C, Revocation, Bar	Fine B to Fine D, Suspension B to Suspension C, Revocation, Bar

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

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<del>190</del> 189	Adviser Books and Records	517.121(3)	Books and records requirements; examinations.	Summary Suspension	Summary Suspension	Summary Suspension
<del>191</del> 190	Adviser/Agent Registration	517.161	Revocation, denial, or suspension of registration of dealer, investment adviser, or associated person, or branch office notification.	Denial without prejudice to reapply, Denial, Restriction, Suspension, Summary Suspension, Revocation, Bar	Denial without prejudice to reapply, Denial, Restriction, Suspension, Summary Suspension, Revocation, Bar	Denial without prejudice to reapply, Denial, Restriction, Suspension, Summary Suspension, Revocation, Bar
<del>192</del> 191	Adviser/Agent Anti-Fraud	517.275	Commodities; prohibited practices.	Restriction, Fine A to Fine D, Suspension A to Suspension C, Revocation, Bar	Restriction, Fine A to Fine D, Suspension A to Suspension C, Revocation, Bar	Restriction, Fine A to Fine D, Suspension A to Suspension C, Revocation, Bar
<del>193</del> 192	Adviser/Agent Anti-Fraud	517.301	Fraudulent transactions; falsification or concealment of facts.	Fine D, Revocation, Bar	Fine D, Revocation, Bar	Fine D, Revocation, Bar
<del>194</del> 193	Adviser/Agent Anti-Fraud	517.311	False representations; deceptive words; enforcement.	Fine D, Revocation, Bar	Fine D, Revocation, Bar	Fine D, Revocation, Bar
<del>195</del> 194	Adviser/Agent Anti-Fraud	517.312	Securities, investments, boiler rooms; prohibited practices; remedies.	Fine D, Revocation, Bar	Fine D, Revocation, Bar	Fine D, Revocation, Bar
<del>196</del> 195	Adviser/Agent Registration	69W-600.0093	Investment Adviser Registration Depository for Investment Advisers	Notice of Non-Compliance	Fine A	Fine B
<del>197</del> 196	Adviser/Agent Registration	69W-600.001	Application for Registration as an Investment Adviser	Notice of Non-Compliance, Fine A to Fine D, Restriction, Suspension B to C	Fine B to Fine D, Restriction, Suspension B to C, Revocation	Fine C to Fine D, Restriction, Suspension B to C, Revocation
<del>198</del> 197	Adviser/Agent Registration	69W-600.002	Application for Registration as an Associated Person	Notice of Non-Compliance, Fine A to Fine D, Restriction, Suspension B to C	Fine B to Fine D, Restriction, Suspension B to C, Revocation	Fine C to Fine D, Restriction, Suspension B to C, Revocation
<del>199</del> 198	Adviser/Agent Registration	69W-600.010	Notice of Civil, Criminal or Administrative Action	Notice of Non-Compliance, Fine A to Fine D, Restriction, Suspension B to C	Fine B to Fine D, Restriction, Suspension B to C, Revocation	Fine C to Fine D, Restriction, Suspension B to C, Revocation
<del>200</del> 199	Adviser Sales Practices	<del>69W-600.0131(1) (subsections (c), (e), (h), (m), (q), (r), and (s)) 69W-600.0131(1),(e),(h),(m),(q),(r),(s)</del>	Prohibited Business Practices for Investment Advisers and Their Associated Persons.	Notice of Non-Compliance, Restriction, Fine B to Fine D,	Fine B to Fine D, Suspension A to Suspension B	Fine C to Fine D, Suspension B to <del>to</del> Suspension C
<del>201</del> 200	Adviser Sales Practices	69W-600.0131(1)(a) (15 USC 80b-4)	Reports by Investment Advisers	Notice of Non-Compliance, Fine A to Fine B, Suspension B to Suspension C, Summary Suspension, Revocation, Bar	Fine A to Fine C, Suspension B to Suspension C, Summary Suspension, Revocation, Bar	Fine B to Fine D, Suspension B to Suspension C, Summary Suspension, Revocation, Bar
<del>202</del> 201	Adviser Sales Practices	69W-600.0131(1)(a) (15 USC 80b-4a)	Prevention of Misuse of Nonpublic Information	Notice of Non-Compliance, Fine A to Fine C, Restriction, Suspension A to Suspension C	Fine A to Fine C, Restriction, Suspension B to Suspension C, Bar	Fine B to Fine D, Restriction, Suspension C, Revocation, Bar
<del>203</del> 202	Adviser Sales Practices	69W-600.0131(1)(a) (15 USC 80b-5)	Investment Advisory Contracts -	Notice of Non-Compliance, Restriction, Fine B to Fine D,	Fine B to Fine D, Suspension A to Suspension B	Fine C to Fine D, Suspension B to Suspension C

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<u>204</u>	Adviser Sales Practices	69W-600.0131(1)(a) (15 USC 80b-6)	Prohibited Transactions by Investment Advisers	Fine D, Revocation, Bar	Fine D, Revocation, Bar	Fine D, Revocation, Bar
<u>205</u>	Adviser Sales Practices	69W-600.0131(1)(a) (15 USC 80b-7)	Material Misstatement	Denial, Restriction, Suspension, Summary Suspension, Revocation, Bar	Denial, Restriction, Suspension, Summary Suspension, Revocation, Bar	Denial, Restriction, Suspension, Summary Suspension, Revocation, Bar
<u>206</u>	Adviser Sales Practices	69W-600.0131(1)(a) (15 USC 80b-8)	General Prohibitions	Fine D, Revocation, Bar	Fine D, Revocation, Bar	Fine D, Revocation, Bar
<u>207</u>	Adviser Sales Practices	69W-600.0131(1)(a) (17 CFR 275.204-1 and 17 CFR 275.204-3)	Amendments to Form ADV and Delivery of Brochures and Supplements	Notice of Non-Compliance, Fine A to Fine B	Fine A to Fine C, Suspension A to Suspension B	Fine B to Fine D, Suspension B to Suspension C, Revocation, Bar
<u>208</u> <u>209</u>	Adviser Sales Practices	69W-600.0131(1)(a) (17 CFR 275.205-1, 17 CFR 275.205-2, and 17 CFR 275.205-3) 69W-600.0131(1)(a), 17 CFR 275.205-1, 17 CFR 275.205-2, 17 CFR 275.205-3	Contracts	Notice of Non-Compliance, Fine A to Fine B	Fine A to Fine C, Suspension A	Fine C to Fine D, Suspension B to Suspension C, Revocation, Bar
<u>209</u> <u>204</u>	Adviser Sales Practices	69W-600.0131(1)(a) (17 CFR 275.206(3)-1, 17 CFR 275.206(3)-2, 17 CFR 275.206(4)-1, and 17 CFR 275.206(4)-3) 69W-600.0131(1)(a), 17 CFR 275.206(3)-1, 17 CFR 275.206(3)-2, 17 CFR 275.206(4)-1, 17 CFR 275.206(4)-3, and 17 CFR 275.206(4)-4	Prohibited Transactions	Notice of Non-Compliance, Fine B to Fine D, Suspension A to Suspension C, Revocation, Bar	Fine A to Fine D, Suspension A to Suspension C, Revocation, Bar	Fine B to Fine D, Suspension B to Suspension C, Revocation, Bar
<u>210</u>	Adviser Sales Practices	69W-600.0131(1)(a) (17 CFR 275.206(4)-7)	Compliance Procedures and Practices	Notice of Non-Compliance, Fine A to Fine C, Suspension B to Suspension C, Revocation, Bar	Fine B to Fine D, Suspension B to Suspension C, Revocation, Bar	Fine B to Fine D, Suspension B to Suspension C, Revocation, Bar
<u>211</u> <u>202</u>	Adviser Sales Practices	69W-600.0131(1) (subsections (b), (d), (f), (g), (i), (j), (k), (l), (n), (o), (p), (t), and (u)) 69W-600.0131(1), (b)(d)(f)(g)(i)(j)(k)(l)(n)(o)(p)(t)(u)	Prohibited Business Practices for Investment Advisers and Their Associated Persons.	Fine B to Fine D, Restriction, Suspension A to Suspension C, Revocation, Bar	Fine D, Restriction, Suspension B to Suspension C, Revocation, Bar	Fine D, Revocation, Bar
<u>212</u> <u>203</u>	Adviser Financial Reporting	69W-300.002(4), 17 CFR 240.15c3-1	Financial Statements and Reports	Notice of Non-Compliance, Fine A, Suspension A to Suspension C, Revocation	Fine B, Suspension A to Suspension C, Revocation	Fine B, Suspension B to Suspension C, Revocation
<u>213</u> <u>204</u>	Adviser Financial Reporting	69W-600.016(1),(3),(5), 17 CFR 240.15c3-1	Net Capital Requirements for Investment Advisers	Notice of Non-Compliance, Fine B to Fine C, Restriction, Suspension A to Suspension C	Fine B to Fine D, Restriction, Suspension A to Suspension C	Fine D, Suspension C, Revocation, Bar

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<del>214</del> 205	Adviser Books and Records	69W-600.012(3)	Rules of Conduct	Restriction, Fine A to Fine C, Suspension A to Suspension B	Restriction, Fine B to Fine C, Suspension A to Suspension C	Fine B to Fine C, Suspension A to Suspension C, Revocation
<del>215</del> 206	Adviser Books and Records	69W-600.012(4) 17 CFR 275.204-2	Books and Records to Be Maintained by Investment Advisers	Notice of Non-Compliance, Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine C, Suspension B to Suspension C, Revocation, Bar	Fine B to Fine D, Suspension B to Suspension C, Revocation, Bar
<del>216</del> 207	Adviser Books and Records	69W-600.0132(2)	Custody Requirements for Investment Advisers	Notice of Non-Compliance, Fine C to Fine D, Suspension A to Suspension C	Fine C to Fine D, Restriction, Suspension B to Suspension C	Fine D, Suspension C, Revocation, Bar
<del>217</del> 208	Adviser Books and Records	69W-600.0131(1)(a), 17 CFR 275.204-3	Books and Records	Notice of Non-Compliance, Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine C, Suspension B to Suspension C, Revocation, Bar	Fine B to Fine D, Suspension B to Suspension C, Revocation, Bar
<del>218</del> 209	Adviser Books and Records	69W-600.014(3), 17 CFR 275.204-2, 17 CFR 275.204-2(11), 17 CFR 275.204-3, 17 CFR 206(4)-3, 17 CFR 204-2(16)	Books and Records Requirements.	Notice of Non-Compliance, Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar
<del>219</del> 240	Adviser Books and Records	69W-600.014(7)(c) - (e), 17 CFR 275.204-2	Books and Records Requirements.	Notice of Non-Compliance, Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar	Fine A to Fine B, Suspension B to Suspension C, Revocation, Bar
<del>220</del> 244	Adviser Books and Records	69W-600.015(1),(3)	Financial Reporting Requirements - Statement of Financial Condition - Investment Advisers	Notice of Non-Compliance, Fine A, Suspension A to Suspension C, Revocation	Fine B, Suspension A to Suspension C, Revocation	Fine B, Suspension B to Suspension C, Revocation
<del>221</del> 242	Adviser/Agent Sales Practices	69W-600.0133(1)	Use of Senior-Specific Certifications and Professional Designations by Associated Persons and Investment Advisers.	Notice of Non-Compliance, Fine C to Fine D, Suspension A to Suspension B, Restriction	Fine C to Fine D, Suspension B to Suspension C, Restriction, Revocation, Bar	Fine D, Revocation, Bar

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