

**OFFICE OF FINANCIAL REGULATION**  
**Division of Securities – Rulemaking Workshop**  
**1:30 P.M, December 18, 2014**  
**Room B103, 200 East Gaines Street, Fletcher Building, Tallahassee, FL 32399**

**THIS MEETING IS OPEN TO THE PUBLIC**

**AGENDA**

1. Call to order.
2. New business: Presentation by the Office of proposed rulemaking to Chapter 69W, Florida Administrative Code.

**Investment Adviser Prohibited Business Practices and Disciplinary Guidelines**

- a. **Rule 69W-600.0131 and 69W-200.002 (proposed amendments).** The Office proposes to add SEC Rules 204-1 and 206(4)-7 relating to Form ADV amendments and compliance procedures and practices requirements for investment advisers to subsection 69W-600.0131(1)(a); incorporate the foregoing SEC Rules by reference in 69W-200.002; strike SEC Rule 206(4)-4; and add clarifying language in subsection (1).
- b. **Rule 69W-1000.001 (proposed amendment).** The Office proposes to add disciplinary guidelines for violations of the above-referenced SEC Rules; add disciplinary guidelines for violations of Investment Advisers Act of 1940 provisions currently in 69W-600.0131(1)(a); add disciplinary guidelines for violations of 69W-600.004(3); amend disciplinary guidelines for violations of 517.161; and make certain formatting changes.

**Investment Adviser Custody and Recordkeeping**

- c. **Rule 69W-600.0132 (proposed amendment).** The Office proposes to amend this rule to conform it closely with the NASAA model custody rule, including adding a requirement for investment advisers with custody to have an annual independent verification of client funds or securities, unless they meet certain exceptions. The proposed rule maintains the current trustee and beneficial trust exceptions which are not contained in the NASAA model rule.
- d. **Rule 69W-600.014 (proposed amendment).** The Office proposes to amend this rule to add new recordkeeping requirements for investment advisers who inadvertently hold or obtain client funds or securities, in accordance with the NASAA model recordkeeping rule.

## Financial Reporting and Net Capital

- e. **Rule 69W-300.002, 69W-600.015, and 69W-600.016 (proposed repeal).** The Office proposes to repeal these financial reporting and net capital rules and replace them with proposed new rules 69W-600.0151 and 69W-600.0161.
  - f. **Rule 69W-600.0151 (proposed new rule) and 69W-400.002 and 500.011 (conforming amendments).** The Office proposes to adopt a new consolidated net capital and financial reporting rule for dealers and issuer/dealers. The proposed rule consolidates certain provisions from 69W-300.002, 600.015, 600.016, and 400.002; and makes substantive changes, including amending the definition of net capital for issuer-dealers, removing certain waiver provisions, amending the provision relating to deficiency of net capital, and adopting a standardized form for financial reporting for dealer applicants. Conforming amendments are proposed for 69W-400.002 and 500.011.
  - g. **Rule 69W-600.0161 (proposed new rule).** The Office proposes to adopt a new consolidated net capital and financial reporting rule for investment advisers. The proposed rule consolidates certain provisions from 69W-300.002, 600.015, and 600.016; and makes substantive changes, including amending the definition of net capital for investment advisers, clarifying which advisers are subject to the \$25,000 vs. \$2,500 net capital requirement, removing certain waiver provisions, and amending the provision relating to deficiency of net capital.
3. Comments from the public to the proposed rulemaking.
  4. Meeting adjourned.