

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

October 3, 2006

MEMBERS

Governor Jeb Bush
Attorney General Charlie Crist
Chief Financial Officer Tom Gallagher
Commissioner Charles Bronson

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

<u>ITEM</u>	<u>SUBJECT</u>	<u>RECOMMENDATION</u>
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| 1. | Adoption of amendments to Rule 69W-600.013, "Prohibited Business Practices for Dealers and Their Associated Persons", F.A.C. | |
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The proposed amendments specify the circumstances under which a securities agent may borrow money from or lend money to a client. The proposed amendments are based on Rule 2370 of the National Association of Securities Dealers (NASD). The rule is also amended to reflect that a violation of SEC Regulation SHO or NASD Conduct Rule 3210 is a prohibited business practice. These regulations relate to short sales.

(ATTACHMENT 1)

Approval for Final Adoption

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| 2. | Adoption of amendments to Rule 69W-600.0131, "Prohibited Business Practices for Investment Advisers and Their Associated Persons", F.A.C.; adoption of Rule 69W-600.0132, "Custody Requirements for Investment Advisers (New); and adoption of amendments to Rule 69W-600.014, "Books and Records Requirements", F.A.C. | |
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Rule 69W-600.0132 is a new rule that specifies requirements for state-covered investments advisers who are deemed to have custody of client funds. The requirements are based on the model rules of the North American Securities Administrators Association (NASAA). Rules 69W-600.0131 and .014, governing prohibited business practices and books and records requirements, respectively, are being amended to reflect the new requirements.

(ATTACHMENT 2)

Approval for Final Adoption