

By the Committee on Criminal Justice; and Senators Fasano and Argenziano

307-2196-03

1                                   A bill to be entitled  
2           An act relating to securities transactions;  
3           amending s. 517.191, F.S.; authorizing the  
4           Attorney General to enforce certain provisions,  
5           initiate certain actions, and bring civil  
6           actions to recover civil penalties, costs, and  
7           attorney's fees; amending s. 517.221, F.S.;  
8           increasing the administrative penalties for  
9           certain violations; amending s. 517.302, F.S.;  
10          increasing the criminal penalty for violations  
11          of specified sections of ch. 517, F.S.;  
12          providing an effective date.

14 Be It Enacted by the Legislature of the State of Florida:

16           Section 1. Subsection (4) is added to section 517.191,  
17 Florida Statutes, to read:

18           517.191 Injunction to restrain violations; Attorney  
19 General enforcement.--

20           (4) In addition to all other means provided by law for  
21 the enforcement of any of the provisions of this chapter, when  
22 it shall appear to the Attorney General, either upon complaint  
23 or otherwise, that a person has engaged or is engaged in any  
24 act or practice constituting a violation of s. 517.275, s.  
25 517.301, s. 517.311 or s. 517.312, or any rule or order  
26 thereunder, the Attorney General may conduct an investigation  
27 in the same manner as provided under ss. 517.201 and 517.2015;  
28 and whenever the Attorney General determines from evidence  
29 satisfactory to the Attorney General that any such person has  
30 engaged or is engaged in any act or practice constituting a  
31 violation of s. 517.275, s. 517.301, s. 517.311 or s. 517.312,

1 or any rule or order thereunder, the Attorney General may  
2 bring an action against such person, and any other person  
3 concerned in or in any way participating in such act or  
4 practice or engaging therein or doing any act or acts in  
5 furtherance thereof, to obtain injunctive relief and  
6 restitution as provided in subsections (1), (2), and (3) and  
7 to recover from each person a civil penalty of not more than  
8 \$10,000 for each such violation, plus the costs of such  
9 action, including reasonable attorney's fees.

10 Section 2. Subsection (3) of section 517.221, Florida  
11 Statutes, is amended to read:

12 517.221 Cease and desist orders.--

13 (3) The department may impose and collect an  
14 administrative fine against any person found to have violated  
15 any provision of this chapter, any rule or order promulgated  
16 by the department, or any written agreement entered into with  
17 the department in an amount not to exceed \$10,000~~\$5,000~~ for  
18 each such violation. All fines collected hereunder shall be  
19 deposited as received in the Anti-Fraud Trust Fund.

20 Section 3. Subsection (1) of section 517.302, Florida  
21 Statutes, is amended to read:

22 517.302 Criminal penalties; alternative fine;  
23 Anti-Fraud Trust Fund; time limitation for criminal  
24 prosecution.--

25 (1)(a) Except as provided in paragraph (b), whoever  
26 violates any of the provisions of this chapter commits ~~is~~  
27 ~~guilty of~~ a felony of the third degree, punishable as provided  
28 in s. 775.082, s. 775.083, or s. 775.084.

29 (b) Whoever violates any of the provisions of s.  
30 517.275, s. 517.301, or s. 517.311 commits a felony of the  
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1 second degree, punishable as provided in s. 775.082, s.  
2 775.083, or s. 775.084.

3 Section 4. This act shall take effect July 1, 2003.

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5 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
6 COMMITTEE SUBSTITUTE FOR  
7 Senate Bill 1630

- 8 - Deletes increased penalty from 1st degree felony to life  
9 felony for certain crimes involving 5 or more victims and  
10 more than \$50,000 total damages.  
11 - Deletes expansion of use of funds in the Anti-Fraud Trust  
12 Fund to include victim's restitution.  
13 - Provides specific authority for the Attorney General to  
14 investigate violations of ss. 517.275, 517.301, 517.311,  
15 and 517.312, F.S., and to bring civil action for  
16 injunctive relief, restitution, and civil penalties not  
17 to exceed \$10,000 per violation.  
18 - Increases the maximum administrative fine for violation  
19 of securities transactions law to \$10,000 from \$5,000.  
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