

1 A bill to be entitled
2 An act relating to offers and sales of securities;
3 amending s. 517.021, F.S.; revising and providing
4 definitions; amending s. 517.061, F.S.; excluding
5 certain securities offers and sales by specified
6 persons from the exemption from specified registration
7 requirements; updating a cross-reference relating to
8 exemptions from registration under the Securities Act
9 of 1933 for securities offers and sales by specified
10 persons; revising requirements for certain securities
11 offers and sales to be exempt from specified
12 registrations; authorizing the Financial Services
13 Commission to adopt rules to specify factors for
14 certain determination; providing that certain
15 communications do not constitute general solicitation
16 or general advertising; conforming cross-references;
17 making technical changes; adding certain securities
18 offers and sales by specified persons to the list of
19 transactions exempt from specified registration
20 requirements; amending s. 517.0611, F.S.; defining the
21 term "target offering amount"; revising requirements
22 for securities offers and sales that are exempt
23 transactions under specified laws; revising
24 requirements for and duties of issuers of securities;
25 conforming cross-references; defining the term

26 "financial statement"; authorizing the commission to
27 establish certain procedures; revising the aggregate
28 amount in certain transactions that are exempt from
29 specified registration requirements; providing that
30 certain securities sales are voidable within specified
31 timeframes; authorizing registered intermediaries and
32 dealers to use means of general solicitation and
33 advertising under certain circumstances; revising
34 duties of intermediaries; authorizing issuers or
35 certain persons to communicate with prospective
36 investors on securities offerings under certain
37 circumstances; providing requirements for such
38 communications; deleting provisions relating to
39 disposition of funds received from investors in escrow
40 arrangements; amending s. 517.072, F.S.; authorizing
41 the commission to establish certain requirements and
42 standards; amending s. 517.081, F.S.; revising the
43 information and documents that the office may require
44 for securities registration; deleting a provision
45 relating to the authority of the commission to fix
46 certain compensations for or in connection with
47 securities offers and sales; revising fees for
48 securities registration applications; requiring the
49 office to deny registration applications under certain
50 circumstances; authorizing the office to deny a

51 request to withdraw a registration application under a
52 specified circumstance; revising circumstances under
53 which the office is required to record securities
54 registrations; authorizing securities to be sold by
55 registered dealers under a specified circumstance;
56 revising the requirements and standards that the
57 commission is required to establish; authorizing the
58 commission to establish certain disclosure criteria;
59 requiring the office to consider registration
60 applications to be abandoned under a specified
61 circumstance; authorizing issuers and persons acting
62 on behalf of issuers to communicate with prospective
63 investors under certain circumstances; providing
64 construction for such communications; prohibiting
65 solicitations, money acceptance, considerations, and
66 commitment until the offering's registration;
67 providing requirements for the communications;
68 providing that certain communications are not in
69 violation of specified laws; providing limitations on
70 virtual participation in events on securities
71 offerings; amending s. 517.082, F.S.; revising
72 exceptions to exemptions relating to securities
73 registrations; making technical changes; requiring
74 that registration applications by notification with
75 the office be deemed abandoned under a specified

76 | circumstance; amending s. 517.111, F.S.; revising
77 | circumstances under which the office may revoke or
78 | suspend securities registrations; deleting provisions
79 | relating to denial of securities registrations;
80 | revising means by which notice of suspension of
81 | securities registrations is given; deleting a
82 | provision relating to the office's authority to deny
83 | requests to withdraw registration applications;
84 | amending s. 517.12, F.S.; deleting issuers of
85 | securities from the list of persons that may not offer
86 | for sale or sell securities without being registered;
87 | deleting exceptions to the nonapplicability of certain
88 | registration requirements; conforming a provision to
89 | changes made by the act; revising circumstances under
90 | which the office is required to register applicants;
91 | revising requirements for information for registration
92 | applications for intermediaries; revising
93 | circumstances under which applicants are subject to
94 | certain disqualifications; conforming a cross-
95 | reference; prohibiting finders and associated persons
96 | from engaging in business unless registered; providing
97 | requirements for registration applications;
98 | authorizing the commission to establish certain
99 | procedures; requiring registration applications to be
100 | amended within a specified timeframe under certain

101 | circumstances; providing that applicants are not
102 | subject to certain disqualifications; requiring the
103 | office to register applicants under certain
104 | circumstances; providing expirations, renewals, and
105 | reinstatements of registrations; providing duties of
106 | finders and associated persons; providing
107 | recordkeeping requirements; prohibiting finders and
108 | associated persons from engaging in certain acts;
109 | amending s. 517.121, F.S.; requiring finders to
110 | maintain certain books and records; requiring the
111 | office to examine affairs, books, and records of
112 | finders or to require such records and reports to be
113 | submitted; amending s. 517.1217, F.S.; requiring the
114 | commission to establish rules of conduct and
115 | prohibited business practices for intermediaries and
116 | for finders and their associated persons; amending s.
117 | 517.161, F.S.; providing circumstances under which
118 | registrations of finders are revoked, denied, or
119 | suspended; conforming provisions to changes made by
120 | the act; amending s. 517.1611, F.S.; conforming a
121 | provision to changes made by the act; repealing s.
122 | 517.181, F.S., relating to escrow agreement; amending
123 | s. 517.191, F.S.; authorizing the office to recover
124 | costs and attorney fees related to investigations and
125 | enforcement of violations of specified laws and rules;

126 requiring such recovered moneys to be deposited into a
 127 specified trust fund; providing liability for control
 128 persons found to have violated specified laws and
 129 rules; providing an exception; providing liability of
 130 persons who provide substantial assistance to other
 131 persons violating specified laws and rules; amending
 132 ss. 517.075, 626.9911, and 744.351, F.S.; making
 133 technical changes; amending ss. 517.131, 517.211, and
 134 517.315, F.S.; conforming cross-references; providing
 135 an effective date.

136
 137 Be It Enacted by the Legislature of the State of Florida:

138
 139 Section 1. Section 517.021, Florida Statutes, is amended
 140 to read:

141 517.021 Definitions.—When used in this chapter, unless the
 142 context otherwise indicates, the following terms have the
 143 following respective meanings:

144 (1) "Accredited investor" is defined by rule of the
 145 commission in accordance with Securities and Exchange Commission
 146 Regulation 230.501 (17 C.F.R. s. 230.501).

147 (2) "Affiliate" means a person that directly, or
 148 indirectly through one or more intermediaries, controls, is
 149 controlled by, or is under common control with an applicant or
 150 registrant.

151 (3) "Angel investor group" means a group of accredited
 152 investors who hold regular meetings and have defined processes
 153 and procedures for making investment decisions, individually or
 154 among the membership of the group as a whole, and are neither
 155 associated persons nor agents of any dealer or investment
 156 adviser.

157 (4)-(2) "Associated person" means:

158 (a)1. With respect to a dealer, a natural person who is or
 159 investment adviser, any of the following:

160 a. A control person of or a person controlled by the
 161 dealer; or

162 b. A person employed, appointed, or authorized by the
 163 dealer and who represents the dealer in effecting or attempting
 164 to effect purchases or sales of securities.

165 2. The term does not include the following:

166 a. A dealer.

167 b. A partner, officer, or director of a dealer, or a
 168 person having a similar status or performing similar functions
 169 as a dealer unless such person is a person specified in
 170 subparagraph 1.

171 c. An employee of a dealer whose function is only clerical
 172 or ministerial.

173 d. A person whose transactions in this state are limited
 174 to those transactions described in s. 15(i) (3) of the Securities
 175 Exchange Act of 1934, as amended.

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176 (b)1. With respect to an investment adviser, a natural
177 person, including, but not limited to, a partner, officer,
178 director, or branch manager, or a person occupying a similar
179 status or performing similar functions, who meets all of the
180 following requirements:

181 a. Is employed by or associated with, or is subject to the
182 supervision and control of, an investment adviser registered or
183 required to be registered under this chapter.

184 b. Does any of the following:

185 (I) Makes any recommendation or otherwise gives investment
186 advice regarding securities.

187 (II) Manages accounts or portfolios of clients.

188 (III) Determines which recommendation or advice regarding
189 securities should be given.

190 (IV) Receives compensation to solicit, offer, or negotiate
191 for the sale of investment advisory services.

192 (V) Supervises employees who perform a function under sub-
193 sub-subparagraph (I), sub-sub-subparagraph (II), sub-sub-
194 subparagraph (III), or sub-sub-subparagraph (IV).

195 2. The term does not include the following:

196 a. An investment adviser.

197 b. An employee whose function is only clerical or
198 ministerial.

199 ~~1. Any partner, officer, director, or branch manager of a~~
200 ~~dealer or investment adviser or any person occupying a similar~~

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201 ~~status or performing similar functions;~~

202 ~~2. Any natural person directly or indirectly controlling~~
203 ~~or controlled by such dealer or investment adviser, other than~~
204 ~~an employee whose function is only clerical or ministerial; or~~

205 ~~3. Any natural person, other than a dealer, employed,~~
206 ~~appointed, or authorized by a dealer, investment adviser, or~~
207 ~~issuer to sell securities in any manner or act as an investment~~
208 ~~adviser as defined in this section.~~

209

210 ~~The partners of a partnership and the executive officers of a~~
211 ~~corporation or other association registered as a dealer, and any~~
212 ~~person whose transactions in this state are limited to those~~
213 ~~transactions described in s. 15(h)(2) of the Securities Exchange~~
214 ~~Act of 1934, are not "associated persons" within the meaning of~~
215 ~~this definition.~~

216 ~~(c)(b)~~ With respect to a federal covered adviser, a any
217 person that ~~who~~ is an investment adviser representative and that
218 ~~who~~ has a place of business in this state, as such terms are
219 defined in Rule 203A-3 of the Securities and Exchange Commission
220 adopted under the Investment Advisers Act of 1940.

221 (d)1. With respect to a finder, a natural person who is:

222 a. A control person of or a person controlled by the
223 finder; or

224 b. A person employed, appointed, or authorized by the
225 finder and who represents the finder in introducing or referring

226 one or more persons that such natural person reasonably believes
227 are accredited investors, to an issuer with a principal place of
228 business in this state, or introducing or referring an issuer
229 with a principal place of business in this state, to one or more
230 persons that such natural person reasonably believes are
231 accredited investors, solely for the purpose of a potential
232 offer or sale of securities of the issuer in an issuer
233 transaction in this state.

234 2. The term does not include the following:

235 a. A finder.

236 b. An employee whose function is only clerical or
237 ministerial.

238 (5)-(3) "Boiler room" means an enterprise in which two or
239 more persons engage in telephone communications with members of
240 the public using two or more telephones at one location, or at
241 more than one location in a common scheme or enterprise.

242 (6)-(4) "Branch office" means any location in this state of
243 a dealer or investment adviser at which one or more associated
244 persons regularly conduct the business of rendering investment
245 advice or effecting any transactions in, or inducing or
246 attempting to induce the purchase or sale of, any security or
247 any location that is held out as such. The commission may adopt
248 by rule exceptions to this definition for dealers in order to
249 maintain consistency with the definition of a branch office used
250 by self-regulatory organizations authorized by the Securities

251 and Exchange Commission, including, but not limited to, the
 252 Financial Industry Regulatory Authority. The commission may
 253 adopt by rule exceptions to this definition for investment
 254 advisers.

255 (7) "Business accelerator" means an organization offering
 256 a variety of mentoring or coaching resources to businesses that
 257 have completed, or are close to completing, a minimum viable
 258 product or service in a time-intensive, capital-funding-focused
 259 program having durations from several months to a year. A
 260 business accelerator may also offer business incubator services.

261 (8) "Business incubator" means an organization offering a
 262 variety of networking, mentoring, or coaching resources to pre-
 263 revenue seed or idea-stage businesses with shared workspaces to
 264 facilitate such businesses' development into post-revenue, pre-
 265 profit, early stage businesses. A business incubator may also
 266 offer business accelerator services.

267 (9) "Commission" means the Financial Services Commission.

268 (10)-(5) "Control," including the terms "controlling,"
 269 "controlled by," or "under control with" and "under common
 270 control with," means the possession, directly or indirectly, of
 271 the power to direct, or to cause the direction of, the
 272 management or policies of a person, whether through the
 273 ownership of voting securities, by contract, or otherwise.

274 (11) "Control person" means a person that possesses the
 275 power, directly or indirectly, to direct, or to cause the

276 direction of, the management or policies of an organization
 277 whether through ownership of securities, by contract, or
 278 otherwise. A person is presumed to be a control person of an
 279 organization if, with respect to a particular organization, the
 280 person:

281 (a) Is a director, general partner, manager, or managing
 282 member, or an officer who exercises executive responsibility or
 283 has a similar status or function;

284 (b) Has the power to vote, or to sell or direct the sale
 285 of, 20 percent or more of a class of voting securities; or

286 (c) In the case of a partnership or limited liability
 287 company, may receive upon dissolution of the partnership or
 288 company, or has contributed to the partnership or company, 20
 289 percent or more of the capital.

290 ~~(12)-(6)~~ (a) "Dealer" means ~~includes any of the following:~~

291 ~~1. a~~ Any person, other than an associated person
 292 registered under this chapter, that ~~who~~ engages, ~~either~~ for all
 293 or part of the person's ~~her or his~~ time, directly or indirectly,
 294 as broker or principal in the business of offering, buying,
 295 selling, or otherwise dealing or trading in securities issued by
 296 another person.

297 ~~2. Any issuer who through persons directly compensated or~~
 298 ~~controlled by the issuer engages, either for all or part of her~~
 299 ~~or his time, directly or indirectly, in the business of offering~~
 300 ~~or selling securities which are issued or are proposed to be~~

301 ~~issued by the issuer.~~

302 (b) The term "~~dealer~~" does not include the following:

303 1. A ~~Any~~ licensed practicing attorney who renders or
 304 performs any of such services in connection with the regular
 305 practice of the attorney's ~~her or his~~ profession.~~;~~

306 2. A ~~Any~~ bank authorized to do business in this state,
 307 except nonbank subsidiaries of a bank.~~;~~

308 3. A ~~Any~~ trust company having trust powers which it is
 309 authorized to exercise in this state, which renders or performs
 310 services in a fiduciary capacity incidental to the exercise of
 311 its trust powers.~~;~~

312 4. A ~~Any~~ wholesaler selling exclusively to dealers.~~;~~

313 5. A ~~Any~~ person buying and selling for the person's ~~her or~~
 314 ~~his~~ own account exclusively through a registered dealer or stock
 315 exchange.~~;~~~~or~~

316 6. A natural ~~Pursuant to s. 517.061(11),~~ any person
 317 representing ~~associated with~~ an issuer in the purchase, sale, or
 318 distribution of the issuer's own securities if such person meets
 319 all of the following requirements:

320 a. Is an officer, director, limited liability company
 321 manager or managing member, or a bona fide employee of the
 322 issuer.

323 b. ~~who~~ Has not participated in the distribution or sale of
 324 any securities for an issuer for whom such person was an
 325 officer, director, limited liability company manager or managing

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326 member, or bona fide employee within the preceding 12 months.
327 ~~and who~~

328 c. Primarily performs, or is intended to perform at the
329 end of the distribution, substantial duties for, or on behalf
330 of, the issuer other than in connection with transactions in
331 securities.

332 d. Does not receive a commission, compensation, or other
333 consideration for the completed sale of the issuer's securities
334 apart from the compensation received for regular duties to the
335 issuer.

336 7. A finder registered under this chapter and engaging
337 solely in the activities of a finder.

338 8. An intermediary registered under this chapter and
339 engaging solely in the activities of an intermediary.

340 ~~(7) "Commission" means the Financial Services Commission.~~

341 ~~(8) "Office" means the Office of Financial Regulation of~~
342 ~~the commission.~~

343 ~~(13)-(9)~~ (13) "Federal covered adviser" means a person that ~~who~~
344 is registered or required to be registered under s. 203 of the
345 Investment Advisers Act of 1940. The term ~~"federal covered~~
346 ~~adviser"~~ does not include any person that ~~who~~ is excluded from
347 the definition of investment adviser under paragraph (19)(b)
348 ~~subparagraphs (14)(b)1.-8.~~

349 ~~(14)-(10)~~ (14) "Federal covered security" means a ~~any~~ security
350 that is a covered security under s. 18(b) of the Securities Act

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351 of 1933 or rules and regulations adopted thereunder.

352 (15) "Finder" means a natural person, corporation, trust,
353 partnership, limited liability company, association, or other
354 legal entity that, for direct or indirect compensation,
355 introduces or refers one or more persons that the finder
356 reasonably believes are accredited investors, to an issuer with
357 a principal place of business in this state, or introduces or
358 refers an issuer with a principal place of business in this
359 state, to one or more persons that the finder reasonably
360 believes are accredited investors, solely for the purpose of a
361 potential offer or sale of securities of the issuer in an issuer
362 transaction in this state.

363 (16)~~(11)~~ "Guarantor" means a person that ~~who~~ agrees in
364 writing, or that ~~who~~ holds itself out to the public as agreeing,
365 to pay the indebtedness of another when due, including, without
366 limitation, payments of principal and interest on a bond,
367 debenture, note, or other evidence of indebtedness, without
368 resort by the holder to any other obligor, whether or not such
369 writing expressly states that the person signing is signing as a
370 guarantor. The obligation of a guarantor hereunder shall be a
371 continuing, absolute, and unconditional guaranty of payment,
372 without regard to the validity, regularity, or enforceability of
373 the underlying indebtedness.

374 (17)~~(12)~~ "Guaranty" means a writing in which one party
375 either agrees, or holds itself out to the public as agreeing, to

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376 pay the indebtedness of another when due, including, without
377 limitation, payments of principal and interest on a bond,
378 debenture, note, or other evidence of indebtedness, without
379 resort by the holder to any other obligor, whether or not such
380 writing expressly states that the person signing is signing as a
381 guarantor. An agreement that is not specifically denominated as
382 a guaranty shall nevertheless constitute a guaranty if the
383 holder of the underlying indebtedness or the holder's ~~her or his~~
384 representative or trustee has the right to sue to enforce the
385 guarantor's obligations under the guaranty. Words of guaranty or
386 equivalent words that ~~which~~ otherwise do not specify guaranty of
387 payment create a presumption that payment, rather than
388 collection, is guaranteed by the guarantor. Any guaranty in
389 writing is enforceable notwithstanding any statute of frauds.

390 (18) ~~(13)~~ "Intermediary" means a natural person residing in
391 this ~~the~~ state or a corporation, trust, partnership, limited
392 liability company, association, or other legal entity registered
393 with the Secretary of State to do business in this ~~the~~ state,
394 which facilitates, through its website, the offer or sale of
395 securities of an issuer with a principal place of business in
396 this state under s. 517.0611.

397 (19) ~~(14)~~ (a) "Investment adviser" includes a ~~any~~ person
398 that ~~who~~ receives compensation, directly or indirectly, and
399 engages for all or part of the person's ~~her or his~~ time,
400 directly or indirectly, or through publications or writings, in

401 the business of advising others as to the value of securities or
 402 as to the advisability of investments in, purchasing of, or
 403 selling of securities, ~~except a dealer whose performance of~~
 404 ~~these services is solely incidental to the conduct of her or his~~
 405 ~~business as a dealer and who receives no special compensation~~
 406 ~~for such services.~~

407 (b) The term "~~investment adviser~~" does not include the
 408 following:

409 1. A dealer or associated person of a dealer whose
 410 performance of services in paragraph (a) is solely incidental to
 411 the conduct of the dealer's or associated person's business as a
 412 dealer and who does not receive special compensation for those
 413 services.

414 2. A ~~Any~~ licensed practicing attorney or certified public
 415 accountant whose performance of such services is solely
 416 incidental to the practice of ~~the attorney's or accountant's her~~
 417 ~~or his profession.~~

418 ~~2. Any licensed certified public accountant whose~~
 419 ~~performance of such services is solely incidental to the~~
 420 ~~practice of her or his profession;~~

421 3. A ~~Any~~ bank authorized to do business in this state.

422 4. A ~~Any~~ bank holding company as defined in the Bank
 423 Holding Company Act of 1956, as amended, authorized to do
 424 business in this state.

425 5. A ~~Any~~ trust company having trust powers which it is

426 authorized to exercise in this ~~the~~ state, which trust company
 427 renders or performs services in a fiduciary capacity incidental
 428 to the exercise of its trust powers.~~†~~

429 6. A ~~Any~~ person that ~~who~~ renders investment advice
 430 exclusively to insurance or investment companies.~~†~~

431 7. A ~~Any~~ person that ~~who~~ does not hold itself ~~herself~~ or
 432 ~~himself~~ out to the general public as an investment adviser, has
 433 a place of business located in this state, and has fewer ~~no more~~
 434 than six ~~15~~ clients during the preceding ~~within~~ 12 consecutive
 435 months. ~~in this state;†~~

436 8. A ~~Any~~ person whose transactions in this state are
 437 limited to those transactions described in s. 222(d) of the
 438 Investment Advisers Act of 1940. Those clients listed in
 439 subparagraph 6. may not be included when determining the number
 440 of clients of an investment adviser for purposes of s. 222(d) of
 441 the Investment Advisers Act of 1940.~~† or~~

442 9. A federal covered adviser.

443 ~~(20)-(15)~~ "Issuer" means a ~~any~~ person that ~~who~~ proposes to
 444 issue, has issued, or shall hereafter issue any security. A ~~Any~~
 445 person that ~~who~~ acts as a promoter for and on behalf of a
 446 corporation, trust, or unincorporated association or partnership
 447 of any kind to be formed shall be deemed an issuer.

448 (21) "Natural person" means an individual.

449 ~~(22)-(16)~~ "Offer to sell," "offer for sale," or "offer"
 450 means an ~~any~~ attempt or offer to dispose of, or solicitation of

451 an offer to buy, a security or interest in a security, or an
452 investment or interest in an investment, for value.

453 (23) "Office" means the Office of Financial Regulation of
454 the commission.

455 (24)~~(17)~~ "Predecessor" means a person the major portion of
456 whose assets have been acquired directly or indirectly by an
457 issuer.

458 (25)~~(18)~~ "Principal" means an executive officer of a
459 corporation, partner of a partnership, sole proprietor of a sole
460 proprietorship, trustee of a trust, or any other person with
461 similar supervisory functions with respect to any organization,
462 whether incorporated or unincorporated.

463 (26)~~(19)~~ "Promoter" includes the following:

464 (a) A ~~Any~~ person that ~~who~~, acting alone or in conjunction
465 with one or more other persons, directly or indirectly takes the
466 initiative in founding and organizing the business or enterprise
467 of an issuer.

468 (b) A ~~Any~~ person that ~~who~~, in connection with the founding
469 or organizing of the business or enterprise of an issuer,
470 directly or indirectly receives in consideration of services or
471 property, or both services and property, 10 percent or more of
472 any class of securities of the issuer or 10 percent or more of
473 the proceeds from the sale of any class of securities. However,
474 a person that ~~who~~ receives such securities or proceeds either
475 solely as underwriting commissions or solely in connection with

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476 | property shall not be deemed a promoter if such person does not
477 | otherwise take part in founding and organizing the enterprise.

478 | ~~(27)-(20)~~ "Qualified institutional buyer" means a ~~any~~
479 | qualified institutional buyer, as defined in United States
480 | Securities and Exchange Commission Rule 144A, 17 C.F.R. s.
481 | 230.144A(a), under the Securities Act of 1933, as amended, or
482 | any foreign buyer that satisfies the minimum financial
483 | requirements set forth in such rule.

484 | ~~(28)-(21)~~ "Sale" or "sell" means a ~~any~~ contract of sale or
485 | disposition of an ~~any~~ investment, security, or interest in a
486 | security, for value. With respect to a security or interest in a
487 | security, the term defined in this subsection does not include
488 | preliminary negotiations or agreements between an issuer or any
489 | person on whose behalf an offering is to be made and any
490 | underwriter or among underwriters who are or are to be in
491 | privity of contract with an issuer. Any security given or
492 | delivered with, or as a bonus on account of, any purchase of
493 | securities or any other thing shall be conclusively presumed to
494 | constitute a part of the subject of such purchase and to have
495 | been offered and sold for value. Every sale or offer of a
496 | warrant or right to purchase or subscribe to another security of
497 | the same or another issuer, as well as every sale or offer of a
498 | security which gives the holder a present or future right or
499 | privilege to convert into another security or another issuer, is
500 | considered to include an offer of the other security.

- 501 | (29) ~~(22)~~ "Security" includes any of the following:
- 502 | (a) A note.
- 503 | (b) A stock.
- 504 | (c) A treasury stock.
- 505 | (d) A bond.
- 506 | (e) A debenture.
- 507 | (f) An evidence of indebtedness.
- 508 | (g) A certificate of deposit.
- 509 | (h) A certificate of deposit for a security.
- 510 | (i) A certificate of interest or participation.
- 511 | (j) A whiskey warehouse receipt or other commodity
- 512 | warehouse receipt.
- 513 | (k) A certificate of interest in a profit-sharing
- 514 | agreement or the right to participate therein.
- 515 | (l) A certificate of interest in an oil, gas, petroleum,
- 516 | mineral, or mining title or lease or the right to participate
- 517 | therein.
- 518 | (m) A collateral trust certificate.
- 519 | (n) A reorganization certificate.
- 520 | (o) A preorganization subscription.
- 521 | (p) A ~~Any~~ transferable share.
- 522 | (q) An investment contract.
- 523 | (r) A beneficial interest in title to property, profits,
- 524 | or earnings.
- 525 | (s) An interest in or under a profit-sharing or

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526 participation agreement or scheme.

527 (t) An ~~Any~~ option contract that ~~which~~ entitles the holder
528 to purchase or sell a given amount of the underlying security at
529 a fixed price within a specified ~~period of~~ time.

530 (u) Any other instrument commonly known as a security,
531 including an interim or temporary bond, debenture, note, or
532 certificate.

533 (v) A ~~Any~~ receipt for a security, or for subscription to a
534 security, or a ~~any~~ right to subscribe to or purchase any
535 security.

536 (w) A viatical settlement investment.

537 ~~(30)-(23)~~ "Underwriter" means a person that ~~who~~ has
538 purchased from an issuer or an affiliate of an issuer with a
539 view to, or offers or sells for an issuer or an affiliate of an
540 issuer in connection with, the distribution of any security, or
541 participates or has a direct or indirect participation in any
542 such undertaking, or participates or has a participation in the
543 direct or indirect underwriting of any such undertaking; except
544 that a person shall be presumed not to be an underwriter with
545 respect to any security which it ~~she or he~~ has owned
546 beneficially for at least 1 year; and, further, a dealer is
547 ~~shall~~ not be considered an underwriter with respect to any
548 securities that ~~which~~ do not represent part of an unsold
549 allotment to or subscription by the dealer as a participant in
550 the distribution of such securities by the issuer or an

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551 affiliate of the issuer; and, further, in the case of securities
552 acquired on the conversion of another security without payment
553 of additional consideration, the length of time such securities
554 have been beneficially owned by a person includes the period
555 during which the convertible security was beneficially owned and
556 the period during which the security acquired on conversion has
557 been beneficially owned.

558 ~~(31)-(24)~~ "Viatical settlement investment" means an
559 agreement for the purchase, sale, assignment, transfer, devise,
560 or bequest of all or any portion of a legal or equitable
561 interest in a viaticated policy as defined in chapter 626.

562 Section 2. Section 517.061, Florida Statutes, is amended
563 to read:

564 517.061 Exempt transactions.—Except as otherwise provided
565 in s. 517.0611 for a transaction listed in subsection (21) or
566 subsection (23), the exemption for each transaction listed below
567 is self-executing and does not require any filing with the
568 office before claiming the exemption. Any person who claims
569 entitlement to any of the exemptions bears the burden of proving
570 such entitlement in any proceeding brought under this chapter.
571 The registration provisions of s. 517.07 do not apply to any of
572 the following transactions; however, such transactions are
573 subject to the provisions of ss. 517.301, 517.311, and 517.312:

574 (1) At any judicial, executor's, administrator's,
575 guardian's, or conservator's sale, or at any sale by a receiver

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576 or trustee in insolvency or bankruptcy, or any transaction
577 incident to a judicially approved reorganization in which a
578 security is issued in exchange for one or more outstanding
579 securities, claims, or property interests.

580 (2) By or for the account of a pledgeholder or mortgagee
581 selling or offering for sale or delivery in the ordinary course
582 of business and not for the purposes of avoiding the provisions
583 of this chapter, to liquidate a bona fide debt, a security
584 pledged in good faith as security for such debt.

585 (3) The isolated sale or offer for sale of securities when
586 made by or on behalf of a vendor not the issuer or underwriter
587 of the securities, who, being the bona fide owner of such
588 securities, disposes of the owner's ~~her or his~~ own property for
589 the owner's ~~her or his~~ own account, and such sale is not made
590 directly or indirectly for the benefit of the issuer or an
591 underwriter of such securities or for the direct or indirect
592 promotion of any scheme or enterprise with the intent of
593 violating or evading any provision of this chapter. For purposes
594 of this subsection, isolated offers or sales include, but are
595 not limited to, an isolated offer or sale made by or on behalf
596 of a vendor of securities not the issuer or underwriter of the
597 securities if:

598 (a) The offer or sale of securities is in a transaction
599 satisfying all of the requirements of subparagraphs (11)(a)1.,
600 2., and 3. ~~and 4.~~ and paragraph (11)(b); or

601 (b) The offer or sale of securities is in a transaction
 602 exempt under s. 4(a)(1) ~~s. 4(1)~~ of the Securities Act of 1933,
 603 as amended.

604
 605 For purposes of this subsection, any person, including, without
 606 limitation, a promoter or affiliate of an issuer, shall not be
 607 deemed an underwriter, an issuer, or a person acting for the
 608 direct or indirect benefit of the issuer or an underwriter with
 609 respect to any securities of the issuer which she or he has
 610 owned beneficially for at least 1 year.

611 (4) The distribution by a corporation, trust, or
 612 partnership, actively engaged in the business authorized by its
 613 charter or other organizational articles or agreement, of
 614 securities to its stockholders or other equity security holders,
 615 partners, or beneficiaries as a stock dividend or other
 616 distribution out of earnings or surplus.

617 (5) The issuance of securities to such equity security
 618 holders or other creditors of a corporation, trust, or
 619 partnership in the process of a reorganization of such
 620 corporation or entity, made in good faith and not for the
 621 purpose of avoiding the provisions of this chapter, either in
 622 exchange for the securities of such equity security holders or
 623 claims of such creditors or partly for cash and partly in
 624 exchange for the securities or claims of such equity security
 625 holders or creditors.

626 (6) Any transaction involving the distribution of the
 627 securities of an issuer exclusively among its own security
 628 holders, including any person who at the time of the transaction
 629 is a holder of any convertible security, any nontransferable
 630 warrant, or any transferable warrant which is exercisable within
 631 not more than 90 days after ~~of~~ issuance, when no commission or
 632 other remuneration is paid or given directly or indirectly in
 633 connection with the sale or distribution of such additional
 634 securities.

635 (7) The offer or sale of securities to a bank, trust
 636 company, savings institution, insurance company, dealer,
 637 investment company as defined by the Investment Company Act of
 638 1940, pension or profit-sharing trust, or qualified
 639 institutional buyer as defined by rule of the commission in
 640 accordance with Securities and Exchange Commission Rule 144A (17
 641 C.F.R. s. 230.144(A) (a)), whether any of such entities is acting
 642 in its individual or fiduciary capacity; provided that such
 643 offer or sale of securities is not for the direct or indirect
 644 promotion of any scheme or enterprise with the intent of
 645 violating or evading any provision of this chapter.

646 (8) The sale of securities from one corporation to another
 647 corporation if both of the following conditions are met ~~provided~~
 648 ~~that~~:

649 (a) The sale price of the securities is \$50,000 or more ~~.~~
 650 and

651 (b) The buyer and seller corporations each have assets of
652 \$500,000 or more.

653 (9) The offer or sale of securities from one corporation
654 to another corporation, or to security holders thereof, pursuant
655 to a vote or consent of such security holders as may be provided
656 by the articles of incorporation and the applicable corporate
657 statutes in connection with mergers, share exchanges,
658 consolidations, or sale of corporate assets.

659 (10) The issuance of notes or bonds in connection with the
660 acquisition of real property or renewals thereof, if such notes
661 or bonds are issued to the sellers of, and are secured by all or
662 part of, the real property so acquired.

663 (11) (a) The offer or sale, by or on behalf of an issuer,
664 of its own securities, which offer or sale is part of an
665 offering made in accordance with all of the following
666 conditions:

667 1. There are no more than 35 purchasers, or the issuer
668 reasonably believes that there are no more than 35 purchasers,
669 of the securities of the issuer in this state during an offering
670 made in reliance upon this subsection or, if such offering
671 continues for a period in excess of 12 months, in any
672 consecutive 12-month period.

673 2. Neither the issuer nor any person acting on behalf of
674 the issuer offers or sells securities pursuant to this
675 subsection by means of any form of general solicitation or

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676 general advertising in this state.

677 3. Before the sale, each purchaser or the purchaser's
678 representative, if any, is provided with, or given reasonable
679 access to, full and fair disclosure of all material information.

680 ~~4. No person defined as a "dealer" in this chapter is paid~~
681 ~~a commission or compensation for the sale of the issuer's~~
682 ~~securities unless such person is registered as a dealer under~~
683 ~~this chapter.~~

684 4.5. When sales are made to five or more persons in this
685 state, any sale in this state made pursuant to this subsection
686 is voidable by the purchaser in such sale either within 3 days
687 after the first tender of consideration is made by such
688 purchaser to the issuer, an agent of the issuer, or an escrow
689 agent or within 3 days after the availability of that privilege
690 is communicated to such purchaser, whichever occurs later.

691 (b) The following purchasers are excluded from the
692 calculation of the number of purchasers under subparagraph
693 (a)1.:

694 1. Any relative or spouse, or relative of such spouse, of
695 a purchaser who has the same principal residence as such
696 purchaser.

697 2. Any trust or estate in which a purchaser, any of the
698 persons related to such purchaser specified in subparagraph 1.,
699 and any organization ~~corporation~~ specified in subparagraph 3.
700 collectively have more than 50 percent of the beneficial

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701 interest (excluding contingent interest).

702 3. Any corporation or other organization of which a
703 purchaser, any of the persons related to such purchaser
704 specified in subparagraph 1., and any trust or estate specified
705 in subparagraph 2. collectively are beneficial owners of more
706 than 50 percent of the equity securities or equity interest.

707 4. Any purchaser who makes a bona fide investment of
708 \$100,000 or more, provided such purchaser or the purchaser's
709 representative receives, or has access to, the information
710 required to be disclosed by subparagraph (a)3.

711 5. Any accredited investor, ~~as defined by rule of the~~
712 ~~commission in accordance with Securities and Exchange Commission~~
713 ~~Regulation 230.501 (17 C.F.R. s. 230.501).~~

714 (c) The commission may by rule specify factors to be
715 considered in determining whether offers and sales of securities
716 constitute part of the same offering under this section in
717 accordance with Securities and Exchange Commission Regulation
718 230.152 (17 C.F.R. s. 230.152). Rules adopted under this
719 paragraph should harmonize Securities and Exchange Commission
720 Regulation 230.152 (17 C.F.R. s. 230.152) with this chapter.

721 ~~(c) 1. For purposes of determining which offers and sales~~
722 ~~of securities constitute part of the same offering under this~~
723 ~~subsection and are therefore deemed to be integrated with one~~
724 ~~another:~~

725 ~~a. Offers or sales of securities occurring more than 6~~

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726 ~~months before an offer or sale of securities made pursuant to~~
727 ~~this subsection shall not be considered part of the same~~
728 ~~offering, provided there are no offers or sales by or for the~~
729 ~~issuer of the same or a similar class of securities during such~~
730 ~~6-month period.~~

731 ~~b. Offers or sales of securities occurring at any time~~
732 ~~after 6 months from an offer or sale made pursuant to this~~
733 ~~subsection shall not be considered part of the same offering,~~
734 ~~provided there are no offers or sales by or for the issuer of~~
735 ~~the same or a similar class of securities during such 6-month~~
736 ~~period.~~

737 ~~2. Offers or sales which do not satisfy the conditions of~~
738 ~~any of the provisions of subparagraph 1. may or may not be part~~
739 ~~of the same offering, depending on the particular facts and~~
740 ~~circumstances in each case. The commission may adopt a rule or~~
741 ~~rules indicating what factors should be considered in~~
742 ~~determining whether offers and sales not qualifying for the~~
743 ~~provisions of subparagraph 1. are part of the same offering for~~
744 ~~purposes of this subsection.~~

745 (d) Offers or sales of securities made pursuant to, and in
746 compliance with, any other subsection of this section or any
747 subsection of s. 517.051 are ~~shall~~ not be considered part of an
748 offering pursuant to this subsection, regardless of when such
749 offers and sales are made.

750 (e) A communication is not deemed to constitute general

751 solicitation or general advertising if made in connection with a
752 seminar or meeting in which more than one issuer participates
753 and if the seminar or meeting is sponsored by a college,
754 university, or other institution of higher education; a state or
755 local government or an instrumentality thereof; a nonprofit
756 organization; or an angel investor group, business incubator, or
757 business accelerator, provided that all of the following
758 requirements are met:

759 1. No advertising for the seminar or meeting references a
760 specific offering of securities by the issuer.

761 2. The sponsor of the seminar or meeting does not do any
762 of the following:

763 a. Make investment recommendations or provide investment
764 advice to event attendees.

765 b. Engage in any investment negotiations between the
766 issuer and investors attending the event.

767 c. Charge event attendees any fees, other than reasonable
768 administrative fees.

769 d. Receive any compensation for making introductions
770 between event attendees and issuers or for investment
771 negotiations between such parties.

772 e. Receive any compensation with respect to the event
773 which would require registration of the sponsor as a dealer,
774 intermediary, finder, or investment adviser under s. 517.12.

775 3. The type of information regarding an offering of

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776 securities by the issuer that is communicated or distributed by
777 or on behalf of the issuer in connection with the event is
778 limited to a notification that the issuer is in the process of
779 offering or planning to offer securities, the type and amount of
780 securities being offered, the intended use of proceeds of the
781 offering, and the unsubscribed amount in the offering.

782 4. If the event allows attendees to participate virtually
783 rather than in person, online participation in the event is
784 limited to:

785 a. Natural persons who are members of, or otherwise
786 associated with, the sponsor organization.

787 b. Natural persons who the sponsor reasonably believes are
788 accredited investors.

789 c. Natural persons who have been invited by the sponsor
790 based on industry or investment-related experience, reasonably
791 selected in good faith, and disclosed in the public
792 communications about the event.

793 (12) The sale of securities by a bank or trust company
794 organized or incorporated under the laws of the United States or
795 this state at a profit to such bank or trust company of not more
796 than 2 percent of the total sale price of such securities;
797 provided that there is no solicitation of this business by such
798 bank or trust company where such bank or trust company acts as
799 agent in the purchase or sale of such securities.

800 (13) An unsolicited purchase or sale of securities on

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801 order of, and as the agent for, another by a dealer registered
802 pursuant to the provisions of s. 517.12; provided that this
803 exemption applies solely and exclusively to such registered
804 dealers and does not authorize or permit the purchase or sale of
805 securities on order of, and as agent for, another by any person
806 other than a dealer so registered; and provided, further, that
807 such purchase or sale is not directly or indirectly for the
808 benefit of the issuer or an underwriter of such securities or
809 for the direct or indirect promotion of any scheme or enterprise
810 with the intent of violation or evading any provision of this
811 chapter.

812 (14) The offer or sale of shares of a corporation which
813 represent ownership, or entitle the holders of the shares to
814 possession and occupancy, of specific apartment units in
815 property owned by such corporation and organized and operated on
816 a cooperative basis, solely for residential purposes.

817 (15) The offer or sale of securities under a bona fide
818 employer-sponsored stock option, stock purchase, pension,
819 profit-sharing, savings, or other benefit plan when offered only
820 to employees of the sponsoring organization or to employees of
821 its controlled subsidiaries.

822 (16) The sale by or through a registered dealer of any
823 securities option if at the time of the sale of the option:

824 (a) 1. The performance of the terms of the option is
825 guaranteed by any dealer registered under the federal Securities

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826 Exchange Act of 1934, as amended, which guaranty and dealer are
827 in compliance with such requirements or rules as may be approved
828 or adopted by the commission; or

829 2.~~(b)~~ Such options transactions are cleared by the Options
830 Clearing Corporation or any other clearinghouse recognized by
831 the office; ~~and~~

832 (b)~~(e)~~ The option is not sold by or for the benefit of the
833 issuer of the underlying security; ~~and~~

834 (c)~~(d)~~ The underlying security may be purchased or sold on
835 a recognized securities exchange or is quoted on the National
836 Association of Securities Dealers Automated Quotation System;
837 and

838 (d)~~(e)~~ Such sale is not directly or indirectly for the
839 purpose of providing or furthering any scheme to violate or
840 evade any provisions of this chapter.

841 (17) (a) The offer or sale of securities, as agent or
842 principal, by a dealer registered pursuant to s. 517.12, when
843 such securities are offered or sold at a price reasonably
844 related to the current market price of such securities, provided
845 such securities are:

846 1. Securities of an issuer for which reports are required
847 to be filed by s. 13 or s. 15(d) of the Securities Exchange Act
848 of 1934, as amended;

849 2. Securities of a company registered under the Investment
850 Company Act of 1940, as amended;

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851 3. Securities of an insurance company, as that term is
 852 defined in s. 2(a)(17) of the Investment Company Act of 1940, as
 853 amended; or

854 4. Securities, other than any security that is a federal
 855 covered security pursuant to s. 18(b)(1) of the Securities Act
 856 of 1933 and is not subject to any registration or filing
 857 requirements under this act, which appear in any list of
 858 securities dealt in on any stock exchange registered pursuant to
 859 the Securities Exchange Act of 1934, as amended, and which
 860 securities have been listed or approved for listing upon notice
 861 of issuance by such exchange, and also all securities senior to
 862 any securities so listed or approved for listing upon notice of
 863 issuance, or represented by subscription rights which have been
 864 so listed or approved for listing upon notice of issuance, or
 865 evidences of indebtedness guaranteed by companies any stock of
 866 which is so listed or approved for listing upon notice of
 867 issuance, such securities to be exempt only so long as such
 868 listings or approvals remain in effect. The exemption provided
 869 for herein does not apply when the securities are suspended from
 870 listing approval for listing or trading.

871 (b) The exemption provided in this subsection does not
 872 apply if the sale is made for the direct or indirect benefit of
 873 an issuer or control person ~~controlling persons~~ of such issuer
 874 or if such securities constitute the whole or part of an unsold
 875 allotment to, or subscription or participation by, a dealer as

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876 an underwriter of such securities.

877 (c) This exemption is ~~shall~~ not ~~be~~ available for any
878 securities that ~~which~~ have been denied registration pursuant to
879 s. 517.111. Additionally, the office may deny this exemption
880 with reference to any particular security, other than a federal
881 covered security, by order published in such manner as the
882 office finds proper.

883 (18) The offer or sale of any security effected by or
884 through a person in compliance with s. 517.12(16) ~~s. 517.12(17)~~.

885 (19) Other transactions defined by rules as transactions
886 exempted from the registration provisions of s. 517.07, which
887 rules the commission may adopt from time to time, but only after
888 a finding by the office that the application of the provisions
889 of s. 517.07 to a particular transaction is not necessary in the
890 public interest and for the protection of investors because of
891 the small dollar amount of securities involved or the limited
892 character of the offering. In conjunction with its adoption of
893 such rules, the commission may also provide in such rules that
894 persons selling or offering for sale the exempted securities are
895 exempt from the registration requirements of s. 517.12. No rule
896 so adopted may have the effect of narrowing or limiting any
897 exemption provided for by statute in the other subsections of
898 this section.

899 (20) Any nonissuer transaction by a registered associated
900 person of a registered dealer, and any resale transaction by a

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901 sponsor of a unit investment trust registered under the
902 Investment Company Act of 1940, in a security of a class that
903 has been outstanding in the hands of the public for at least 90
904 days; provided, at the time of the transaction, that all of the
905 following requirements are met:

906 (a) The issuer of the security is actually engaged in
907 business and is not in the organization stage or in bankruptcy
908 or receivership and is not a blank check, blind pool, or shell
909 company whose primary plan of business is to engage in a merger
910 or combination of the business with, or an acquisition of, any
911 unidentified person.~~†~~

912 (b) The security is sold at a price reasonably related to
913 the current market price of the security.~~†~~

914 (c) The security does not constitute the whole or part of
915 an unsold allotment to, or a subscription or participation by,
916 the broker-dealer as an underwriter of the security.~~†~~

917 (d) A nationally recognized securities manual designated
918 by rule of the commission or order of the office or a document
919 filed with the Securities and Exchange Commission that is
920 publicly available through the commission's electronic data
921 gathering and retrieval system contains all of the following:

922 1. A description of the business and operations of the
923 issuer.~~†~~

924 2. The names of the issuer's officers and directors, if
925 any, or, in the case of an issuer not domiciled in the United

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926 States, the corporate equivalents of such persons in the
927 issuer's country of domicile.;

928 3. An audited balance sheet of the issuer as of a date
929 within 18 months before such transaction or, in the case of a
930 reorganization or merger in which parties to the reorganization
931 or merger had such audited balance sheet, a pro forma balance
932 sheet.;~~and~~

933 4. An audited income statement for each of the issuer's
934 immediately preceding 2 fiscal years, or for the period of
935 existence of the issuer, if in existence for less than 2 years
936 or, in the case of a reorganization or merger in which the
937 parties to the reorganization or merger had such audited income
938 statement, a pro forma income statement.;~~and~~

939 (e) The issuer of the security has a class of equity
940 securities listed on a national securities exchange registered
941 under the Securities Exchange Act of 1934 or designated for
942 trading on the National Association of Securities Dealers
943 Automated Quotation System, unless:

944 1. The issuer of the security is a unit investment trust
945 registered under the Investment Company Act of 1940;

946 2. The issuer of the security has been engaged in
947 continuous business, including predecessors, for at least 3
948 years; or

949 3. The issuer of the security has total assets of at least
950 \$2 million based on an audited balance sheet as of a date within

951 18 months before such transaction or, in the case of a
952 reorganization or merger in which parties to the reorganization
953 or merger had such audited balance sheet, a pro forma balance
954 sheet.

955 (21) The offer or sale of a security by an issuer
956 conducted in accordance with s. 517.0611.

957 (22) The offer or sale of securities, solely in connection
958 with the transfer of ownership of an eligible privately held
959 company, through a merger and acquisition broker in accordance
960 with s. 517.12(21) ~~s. 517.12(22)~~.

961 (23) The offer or sale, by or on behalf of an issuer, of
962 the issuer's own securities, which offer or sale is part of an
963 offering made in accordance with all of the following
964 conditions:

965 (a) Sales of securities are made only to persons who are
966 or who the issuer reasonably believes are accredited investors.

967 (b) An issuer that is in the development stage must have a
968 specific business plan or purpose, and such purpose or business
969 plan may not be to engage in a merger or acquisition with an
970 unidentified company, or other entity or person.

971 (c) The issuer reasonably believes that all purchasers are
972 purchasing for investment and not with a view to resell in
973 connection with a distribution of a security. Any resale of a
974 security sold in reliance on this exemption within 12 months
975 after a sale shall be presumed to be with a view to distribution

976 and not for investment, except a resale under a registration
977 effective under this chapter or the Securities Act of 1933 or
978 under an exemption available under this chapter, the Securities
979 Act of 1933, or the rules and regulations adopted thereunder.

980 (d) Neither the issuer, nor any beneficial owner of 10
981 percent or more of any class of the security's equity
982 securities; any affiliated issuer; any of the issuer's
983 predecessors, directors, officers, or general partners; any of
984 the issuer's promoters presently connected with the issuer in
985 any capacity; or any underwriter of the securities to be offered
986 or any partner, director, or officer of such underwriter:

987 1. Has, within the last 5 years, filed a registration
988 statement that is the subject of a currently effective
989 registration stop-order entered by a state securities
990 administrator or the Securities and Exchange Commission;

991 2. Has, within the last 5 years, been convicted of a
992 criminal offense in connection with the offer, purchase, or sale
993 of a security or involving fraud or deceit;

994 3. Is currently subject to a state or federal
995 administrative enforcement order or judgment entered within the
996 last 5 years finding fraud or deceit in connection with the
997 purchase or sale of a security; or

998 4. Is currently subject to an order, judgment, or decree
999 of a court of competent jurisdiction entered within the last 5
1000 years temporarily, preliminarily, or permanently restraining or

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1001 enjoining such party from engaging in or continuing to engage in
1002 a conduct or practice involving fraud or deceit in connection
1003 with the purchase or sale of a security.

1004 (e) A general announcement of the proposed offering may be
1005 made by any means and must include all of the following
1006 information:

1007 1. The name, address, and telephone number of the issuer
1008 of the securities.

1009 2. The name, a brief description, and the price, if known,
1010 of any security to be issued.

1011 3. A brief description of the business of the issuer in 25
1012 words or fewer.

1013 4. The type, number, and aggregate amount of securities
1014 offered.

1015 5. The name, address, and telephone number of the person
1016 to contact for additional information.

1017 6. A statement that:

1018 a. Sales will be made only to accredited investors.

1019 b. No money or other consideration is being solicited or
1020 will be accepted by way of this general announcement.

1021 c. The securities have not been registered with or
1022 approved by any state securities agency or the Securities and
1023 Exchange Commission and are being offered and sold under an
1024 exemption from registration.

1025 (f) The issuer, in connection with an offer, may provide

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1026 information in addition to the general announcement under
1027 paragraph (e) if such information is delivered:

1028 1. Electronically to persons who have been prequalified as
1029 accredited investors; or

1030 2. After the issuer reasonably believes that the
1031 prospective investor is an accredited investor.

1032 (g) Telephone solicitation is not authorized unless,
1033 before placing the call, the issuer reasonably believes that the
1034 prospective investor to be solicited is an accredited investor.

1035 (h) Dissemination of the general announcement of the
1036 proposed offering to persons who are not accredited investors
1037 does not disqualify the issuer from claiming the exemption under
1038 this subsection.

1039 (i) The issuer shall file with the office, within 15 days
1040 after the first sale in this state, a notice of transaction on a
1041 form prescribed by commission rule, a consent to service of
1042 process similar to that provided in s. 517.101, and a copy of
1043 the general announcement. The commission may establish by rule
1044 procedures for filing documents by electronic means.

1045 Section 3. Section 517.0611, Florida Statutes, is amended
1046 to read:

1047 517.0611 Intrastate crowdfunding.—

1048 (1) This section may be cited as the "Florida Intrastate
1049 Crowdfunding Exemption."

1050 (2) As used in this section, the term "target offering

1051 amount" means the minimum amount of funds required to accomplish
 1052 the stated purpose for the use of proceeds as specified in the
 1053 disclosure statement.

1054 (3)-(2) Notwithstanding any other provision of this
 1055 chapter, an offer or sale of a security by an issuer is an
 1056 exempt transaction under s. 517.061 if the offer or sale is
 1057 conducted in accordance with this section. The exemption
 1058 provided in this section may not be used in conjunction with any
 1059 other exemption under s. 517.051 or s. 517.061.

1060 (4)-(3) The offer or sale of securities under this section
 1061 must be conducted in accordance with the requirements of the
 1062 federal exemption for intrastate offerings in:

1063 (a) Section 3(a)(11) s. 3(a)(11) of the Securities Act of
 1064 1933, 15 U.S.C. s. 77c(a)(11), and United States Securities and
 1065 Exchange Commission Rule 147, 17 C.F.R. s. 230.147, adopted
 1066 pursuant to the Securities Act of 1933; or

1067 (b) United States Securities and Exchange Commission Rule
 1068 147A, 17 C.F.R. s. 230.147A.

1069 (5)-(4) An issuer must:

1070 (a) Be a for-profit business entity formed and ~~under the~~
 1071 ~~laws of the state, be registered with the Secretary of State,~~
 1072 ~~maintain its principal place of business in the state, and~~
 1073 ~~derive its revenues primarily from operations in the state.~~

1074 (b) Conduct transactions for the offering through a dealer
 1075 registered with the office or an intermediary registered under

1076 | s. 517.12(19) ~~s. 517.12(20)~~.

1077 | (c) Not be, either before or as a result of the offering,
 1078 | an investment company as defined in s. 3 of the Investment
 1079 | Company Act of 1940, 15 U.S.C. s. 80a-3, or subject to the
 1080 | reporting requirements of s. 13 or s. 15(d) of the Securities
 1081 | Exchange Act of 1934, 15 U.S.C. s. 78m or s. 78o(d).

1082 | (d) Not be a company with an undefined business operation,
 1083 | a company that lacks a business plan, a company that lacks a
 1084 | stated investment goal for the funds being raised, or a company
 1085 | that plans to engage in a merger or acquisition with an
 1086 | unspecified business entity.

1087 | (e) Not be subject to a disqualification established by
 1088 | the commission or office or a disqualification described in s.
 1089 | 517.1611 or United States Securities and Exchange Commission
 1090 | Rule 506(d), 17 C.F.R. 230.506(d), adopted pursuant to the
 1091 | Securities Act of 1933. Each director, officer, person occupying
 1092 | a similar status or performing a similar function, or person
 1093 | holding more than 20 percent of the shares of the issuer, is
 1094 | subject to this requirement.

1095 | (f) Through an escrow agreement or trust account
 1096 | arrangement entered into with an independent third party, cause
 1097 | all funds received from investors to be deposited in a federally
 1098 | insured account for benefit of the investors, and maintain all
 1099 | of such funds in the account until such time as either the
 1100 | target offering amount has been reached, the offering has been

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1101 terminated, or the offering has expired. All funds shall be used
1102 in accordance with the uses of proceeds represented to
1103 prospective investors.

1104 (g) Provide written notice, before any sale made under
1105 this section, that any such sale is voidable as described in
1106 subsection (11).

1107 (h) Before the use of investor funds, determine whether
1108 the target offering amount has been reached. If the target
1109 offering amount was not reached by the offering deadline, cancel
1110 all commitments to invest and issue refunds within 30 days to
1111 all investors in this offering.

1112 ~~(f) Execute an escrow agreement with a federally insured~~
1113 ~~financial institution authorized to do business in the state for~~
1114 ~~the deposit of investor funds, and ensure that all offering~~
1115 ~~proceeds are provided to the issuer only when the aggregate~~
1116 ~~capital raised from all investors is equal to or greater than~~
1117 ~~the target offering amount.~~

1118 ~~(g) Allow investors to cancel a commitment to invest~~
1119 ~~within 3 business days before the offering deadline, as stated~~
1120 ~~in the disclosure statement, and issue refunds to all investors~~
1121 ~~if the target offering amount is not reached by the offering~~
1122 ~~deadline.~~

1123 (6)-(5) The issuer must file a notice of the offering with
1124 the office, in writing or in electronic form, in a format
1125 prescribed by commission rule, together with a nonrefundable

1126 filing fee of \$200. The filing fee shall be deposited into the
 1127 Regulatory Trust Fund of the office. The commission may adopt
 1128 rules establishing procedures for the deposit of fees and the
 1129 filing of documents by electronic means if the procedures
 1130 provide the office with the information and data required by
 1131 this section. A notice is effective upon receipt, by the office,
 1132 of the completed form, filing fee, and an irrevocable written
 1133 consent to service of civil process, similar to that provided
 1134 for in s. 517.101. The notice may be terminated by filing with
 1135 the office a notice of termination. The notice and offering
 1136 expire 12 months after filing the notice with the office and are
 1137 not eligible for renewal. The notice must:

1138 (a) Be filed with the office at least 10 days before the
 1139 issuer commences an offering of securities or the offering is
 1140 displayed on a website of an intermediary in reliance upon the
 1141 exemption provided by this section.

1142 (b) Indicate that the issuer is conducting an offering in
 1143 reliance upon the exemption provided by this section.

1144 (c) Contain the name and contact information of the
 1145 issuer.

1146 (d) Identify any predecessors, owners, officers,
 1147 directors, and control persons or any person occupying a similar
 1148 status or performing a similar function of the issuer, including
 1149 that person's:

1150 1. Title, ~~his or her~~

1151 2. Status as a partner, trustee, or sole proprietor, or in
1152 a similar role., ~~and his or her~~

1153 3. Ownership percentage.

1154 ~~(c) Identify the federally insured financial institution,~~
1155 ~~authorized to do business in the state, in which investor funds~~
1156 ~~will be deposited, in accordance with the escrow agreement.~~

1157 (e)~~(f)~~ Require an attestation under oath that the issuer,
1158 its predecessors, affiliated issuers, directors, officers, and
1159 control persons, or any other person occupying a similar status
1160 or performing a similar function, are not currently and have not
1161 been within the past 10 years the subject of regulatory or
1162 criminal actions involving fraud or deceit.

1163 (f)~~(g)~~ Include documentation verifying that the issuer is
1164 ~~organized under the laws of the state and~~ authorized to do
1165 business in the state.

1166 (g)~~(h)~~ Include the intermediary's website address where
1167 the issuer's securities will be offered.

1168 (h)~~(i)~~ Include the target offering amount.

1169 (7)~~(6)~~ The issuer must amend the notice form within 30
1170 days after any information contained in the notice becomes
1171 inaccurate for any reason. The commission may require, by rule,
1172 an issuer who has filed a notice under this section to file
1173 amendments with the office.

1174 (8)~~(7)~~ The issuer must provide to prospective investors
1175 and the dealer or intermediary, along with a copy to the office

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1176 at the time that the notice is filed, and make available to
1177 prospective ~~potential~~ investors through the dealer or
1178 intermediary, a disclosure statement containing material
1179 information about the issuer and the offering, including:

1180 (a) The name, legal status, physical address, and website
1181 address of the issuer.

1182 (b) The names of the directors, officers, and any person
1183 occupying a similar status or performing a similar function, and
1184 the name of each person holding more than 20 percent of the
1185 shares or interests of the issuer.

1186 (c) A description of the business of the issuer and the
1187 anticipated business plan of the issuer.

1188 (d) A description of the stated purpose and intended use
1189 of the proceeds of the offering.

1190 (e) The target offering amount, the deadline to reach the
1191 target offering amount, the frequency with which ~~and regular~~
1192 updates regarding the progress of the issuer in meeting the
1193 target offering amount are to be provided to investors and
1194 prospective investors, and the manner in which such updates are
1195 to be provided.

1196 (f) The price to the public of the securities or the
1197 method for determining the price. However, before the sale, each
1198 investor must receive in writing the final price and all
1199 required disclosures ~~and have an opportunity to rescind the~~
1200 ~~commitment to purchase the securities.~~

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1201 (g) A description of the ownership and capital structure
1202 of the issuer, including:

1203 1. Terms of the securities being offered and each class of
1204 security of the issuer, including how those terms may be
1205 modified, and a summary of the differences between such
1206 securities, including how the rights of the securities being
1207 offered may be materially limited, diluted, or qualified by
1208 rights of any other class of security of the issuer.

1209 2. A description of how the exercise of the rights held by
1210 the control persons ~~principal shareholders~~ of the issuer could
1211 negatively impact the purchasers of the securities being
1212 offered.

1213 3. The name and ownership level of each existing
1214 shareholder or member who owns more than 20 percent of any class
1215 of the securities of the issuer.

1216 4. How the securities being offered are being valued, and
1217 examples of methods of how such securities may be valued by the
1218 issuer in the future, including during subsequent corporate
1219 actions.

1220 5. The risks to purchasers of the securities relating to
1221 minority ownership in the issuer, the risks associated with
1222 corporate action, including additional issuances of securities
1223 ~~shares~~, a sale of the issuer or of assets of the issuer, or
1224 transactions with related parties.

1225 (h) A description of the financial condition of the

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1226 issuer.

1227 1. For offerings that, in combination with all other
1228 offerings of the issuer within the preceding 12-month period,
1229 have combined total target offering amounts of less than
1230 \$50,000, the description must state the amount of revenue
1231 received to date.

1232 ~~2.1.~~ For offerings that, in combination with all other
1233 offerings of the issuer within the preceding 12-month period,
1234 have combined total target offering amounts between \$50,000 and
1235 \$500,000 ~~of \$100,000 or less~~, the description must include the
1236 most recent income tax return filed by the issuer, if any, and a
1237 financial statement that must be certified by the principal
1238 executive officer of the issuer as true and complete in all
1239 material respects.

1240 ~~3.2.~~ For offerings that, in combination with all other
1241 offerings of the issuer within the preceding 12-month period,
1242 have combined total target offering amounts of more than
1243 \$500,000 ~~\$100,000~~, but not more than \$1 million ~~\$500,000~~, the
1244 description must include financial statements prepared in
1245 accordance with generally accepted accounting principles and
1246 reviewed by a certified public accountant, as defined in s.
1247 473.302, who is independent of the issuer, using professional
1248 standards and procedures for such review or standards and
1249 procedures established by the office, by rule, for such purpose.

1250 ~~4.3.~~ For offerings that, in combination with all other

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1251 offerings of the issuer within the preceding 12-month period,
1252 have combined total target offering amounts of more than \$1
1253 million ~~\$500,000~~, the description must include audited financial
1254 statements prepared in accordance with generally accepted
1255 accounting principles by a certified public accountant, as
1256 defined in s. 473.302, who is independent of the issuer, and
1257 other requirements as the commission may establish by rule.
1258

1259 As used in this paragraph, the term "financial statement"
1260 includes, but is not limited to, balance sheets, income
1261 statements, and cash-flow statements dated no earlier than 90
1262 days before the offering.

1263 (i) The following statement in boldface, conspicuous type
1264 on the front page of the disclosure statement:

1265
1266 These securities are offered under, and will be sold in reliance
1267 upon, an exemption from the registration requirements of federal
1268 and Florida securities laws. Consequently, neither the Federal
1269 Government nor the State of Florida has reviewed the accuracy or
1270 completeness of any offering materials. In making an investment
1271 decision, investors must rely on their own examination of the
1272 issuer and the terms of the offering, including the merits and
1273 risks involved. These securities are subject to restrictions on
1274 transferability and resale and may not be transferred or resold
1275 except as specifically authorized by applicable federal and

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1276 state securities laws. Investing in these securities involves a
1277 speculative risk, and investors should be able to bear the loss
1278 of their entire investment.

1279
1280 (9) Upon completion of the offering or expiration of the
1281 notice required by subsection (6), the issuer must provide the
1282 office with a report of sale and use of proceeds on a form
1283 prescribed by commission rule. The commission may establish, by
1284 rule, procedures for filing documents by electronic means. The
1285 report of sale and use of proceeds must include, at a minimum,
1286 the name of any underwriter, if any, the date the offering
1287 commenced, the date the offering was completed, the total amount
1288 of securities sold, the total amount received from the public
1289 from the commencement of the offering to date, and the total
1290 number of investors that participated in the offering.

1291 ~~(8) The issuer shall provide to the office a copy of the~~
1292 ~~escrow agreement with a financial institution authorized to~~
1293 ~~conduct business in this state. All investor funds must be~~
1294 ~~deposited in the escrow account. The escrow agreement must~~
1295 ~~require that all offering proceeds be released to the issuer~~
1296 ~~only when the aggregate capital raised from all investors is~~
1297 ~~equal to or greater than the minimum target offering amount~~
1298 ~~specified in the disclosure statement as necessary to implement~~
1299 ~~the business plan, and that all investors will receive a full~~
1300 ~~return of their investment commitment if that target offering~~

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1301 ~~amount is not raised by the date stated in the disclosure~~
1302 ~~statement.~~

1303 ~~(10)-(9)~~ The sum of all cash and other consideration
1304 received for sales of a security under this section may not
1305 exceed \$5 ~~\$1~~ million, less the aggregate amount received for all
1306 sales of securities by the issuer within the 12 months preceding
1307 the first offer or sale made in reliance upon this exemption.
1308 Offers or sales to a person owning 20 percent or more of the
1309 outstanding equity ownership ~~shares~~ of any class or classes of
1310 securities or to an officer, director, partner, limited
1311 liability company manager or managing member, or trustee, or a
1312 person occupying a similar status, do not count toward this
1313 limitation.

1314 (11) Any sale made under this section is voidable by the
1315 purchaser within 3 business days after the first tender of
1316 consideration is made by such purchaser to the issuer, an agent
1317 of the issuer, or an escrow agent, or within 3 business days
1318 after the availability of this privilege is provided in writing
1319 to such purchaser, whichever occurs later.

1320 ~~(12)-(10)~~ Unless the investor is an accredited investor ~~as~~
1321 ~~defined by Rule 501 of Regulation D, adopted pursuant to the~~
1322 ~~Securities Act of 1933,~~ the aggregate amount sold by an issuer
1323 to an investor in transactions exempt from registration
1324 requirements under this subsection in a 12-month period may not
1325 exceed:

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1326 (a) The greater of \$2,000 or 5 percent of the annual
1327 income or net worth of such investor, if the annual income or
1328 the net worth of the investor is less than \$100,000.

1329 (b) Ten percent of the annual income or net worth of such
1330 investor, not to exceed a maximum aggregate amount sold of
1331 \$100,000, if either the annual income or net worth of the
1332 investor is equal to or exceeds \$100,000.

1333 (13)~~(11)~~ The issuer shall file with the office and provide
1334 to investors free of charge an annual report of the results of
1335 operations and financial statements of the issuer within 45 days
1336 after the end of its fiscal year, until no securities under this
1337 offering are outstanding. The annual reports must meet the
1338 following requirements:

1339 (a) Include an analysis by management of the issuer of the
1340 business operations and the financial condition of the issuer,
1341 and disclose the compensation received by each director,
1342 executive officer, and person having an ownership interest of 20
1343 percent or more of the issuer, including cash compensation
1344 earned since the previous report and on an annual basis, and any
1345 bonuses, stock options, other rights to receive securities of
1346 the issuer, or any affiliate of the issuer, or other
1347 compensation received.

1348 (b) Disclose any material change to information contained
1349 in the disclosure statements which was not disclosed in a
1350 previous report.

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1351 (14)~~(12)~~(a) A notice-filing under this section shall be
1352 summarily suspended by the office if the payment for the filing
1353 is dishonored by the financial institution upon which the funds
1354 are drawn. For purposes of s. 120.60(6), failure to pay the
1355 required notice filing fee constitutes an immediate and serious
1356 danger to the public health, safety, and welfare. The office
1357 shall enter a final order revoking a notice-filing in which the
1358 payment for the filing is dishonored by the financial
1359 institution upon which the funds are drawn.

1360 (b) A notice-filing under this section shall be summarily
1361 suspended by the office if the issuer made a material false
1362 statement in the issuer's notice-filing. The summary suspension
1363 shall remain in effect until a final order is entered by the
1364 office. For purposes of s. 120.60(6), a material false statement
1365 made in the issuer's notice-filing constitutes an immediate and
1366 serious danger to the public health, safety, and welfare. If an
1367 issuer made a material false statement in the issuer's notice-
1368 filing, the office shall enter a final order revoking the
1369 notice-filing, issue a fine as prescribed by s. 517.221(3), and
1370 issue permanent bars under s. 517.221(4) to the issuer and all
1371 owners, officers, directors, and control persons, or any person
1372 occupying a similar status or performing a similar function of
1373 the issuer, including title; status as a partner, trustee, sole
1374 proprietor, or similar role; and ownership percentage.

1375 (15) In conducting an offering under this section, a

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1376 registered intermediary or dealer may use means of general
1377 solicitation or advertising if all communications limit the
1378 target audience of prospective investors to residents of this
1379 state.

1380 (16)~~(13)~~ An intermediary must:

1381 (a) Take measures, as established by commission rule, to
1382 reduce the risk of fraud with respect to transactions, including
1383 ~~verifying that the issuer is in compliance with the requirements~~
1384 ~~of this section and~~, if necessary, denying an issuer access to
1385 its platform if the intermediary believes it is unable to
1386 adequately assess the risk of fraud of the issuer or its
1387 potential offering.

1388 (b) Provide basic information on its website regarding the
1389 high risk of investment in and limitation on the resale of
1390 exempt securities and the potential for loss of an entire
1391 investment. The basic information must include:

1392 1. A description of the trust arrangement or escrow
1393 agreement that the issuer has executed and the conditions for
1394 release of such funds to the issuer in accordance with the
1395 agreement and subsection (5) ~~(4)~~.

1396 2. A description of whether financial information provided
1397 by the issuer has been audited by an independent certified
1398 public accountant, as defined in s. 473.302.

1399 (c) Obtain a zip code or residence address from each
1400 prospective ~~potential~~ investor who seeks to view information

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1401 regarding specific investment opportunities, in order to confirm
1402 that the prospective ~~potential~~ investor is a resident of the
1403 state.

1404 (d) Obtain and verify a valid Florida driver license
1405 number or Florida identification card number from each investor
1406 before purchase of a security to confirm that the investor is a
1407 resident of the state. The commission may adopt rules
1408 authorizing additional forms of identification and prescribing
1409 the process for verifying any identification presented by the
1410 investor.

1411 (e) Obtain an affidavit from each investor stating that
1412 the investment being made by the investor is consistent with the
1413 income requirements of subsection (12) ~~(10)~~.

1414 ~~(f) Direct the release of investor funds in escrow in
1415 accordance with subsection (4).~~

1416 ~~(g) Direct investors to transmit funds directly to the
1417 financial institution designated in the escrow agreement to hold
1418 the funds for the benefit of the investor.~~

1419 ~~(f)(h)~~ Provide at least a quarterly ~~monthly~~ update to each
1420 investor and prospective investor for each offering, ~~after the~~
1421 ~~first full month after the date of the offering~~. The update must
1422 be accessible on the intermediary's website and must include
1423 ~~display~~ the date and amount of each sale of securities, and each
1424 cancellation of commitment to invest, in the previous quarter
1425 ~~calendar month~~.

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1426 (g)~~(i)~~ Require each investor to certify in writing,
1427 including as part of such certification each investor's ~~his or~~
1428 ~~her~~ signature and ~~his or her~~ initials next to each paragraph of
1429 the certification, as follows:

1430

1431 I understand and acknowledge that:

1432

1433 I am investing in a high-risk, speculative business venture. I
1434 may lose all of my investment, and I can afford the loss of my
1435 investment.

1436

1437 This offering has not been reviewed or approved by any state or
1438 federal securities commission or other regulatory authority and
1439 no regulatory authority has confirmed the accuracy or determined
1440 the adequacy of any disclosure made to me relating to this
1441 offering.

1442

1443 The securities I am acquiring in this offering are illiquid and
1444 are subject to possible dilution. There is no ready market for
1445 the sale of the securities. It may be difficult or impossible
1446 for me to sell or otherwise dispose of the securities, and I may
1447 be required to hold the securities indefinitely.

1448

1449 I may be subject to tax on my share of the taxable income and
1450 losses of the issuer, whether or not I have sold or otherwise

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1451 disposed of my investment or received any dividends or other
1452 distributions from the issuer.

1453
1454 By entering into this transaction with the issuer, I am
1455 affirmatively representing myself as being a Florida resident at
1456 the time this contract is formed, ~~and if this representation is~~
1457 ~~subsequently shown to be false, the contract is void.~~

1458
1459 ~~If I must not resell any of the securities I am acquiring in~~
1460 ~~this offering to a person that is not a Florida resident within~~
1461 ~~6 9 months after the date closing of the offering, my contract~~
1462 ~~with the issuer for the purchase of the these securities is~~
1463 ~~void.~~

1464
1465 ~~(h)-(j)~~ Require each investor to answer questions
1466 demonstrating an understanding of the level of risk generally
1467 applicable to investments in startups, emerging businesses, and
1468 small issuers, and an understanding of the risk of illiquidity.

1469 ~~(i)-(k)~~ Take reasonable steps to protect personal
1470 information collected from investors, as required by s. 501.171.

1471 ~~(l)~~ ~~Prohibit its directors and officers from having any~~
1472 ~~financial interest in the issuer using its services.~~

1473 ~~(j)-(m)~~ Implement written policies and procedures that are
1474 reasonably designed to achieve compliance with federal and state
1475 securities laws; comply with the anti-money laundering

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1476 requirements of 31 C.F.R. chapter X applicable to registered
1477 brokers; and comply with the privacy requirements of 17 C.F.R.
1478 part 248 relating to brokers.

1479 (17)~~(14)~~ An intermediary not registered as a dealer under
1480 s. 517.12(5) ~~s. 517.12(6)~~ may not:

1481 (a) Offer investment advice or recommendations. A refusal
1482 by an intermediary to post an offering that it deems not
1483 credible or that represents a potential for fraud may not be
1484 construed as an offer of investment advice or recommendation.

1485 (b) Solicit purchases, sales, or offers to buy securities
1486 offered or displayed on its website.

1487 (c) Compensate employees, agents, or other persons for the
1488 solicitation of, or based on the sale of, securities offered or
1489 displayed on its website.

1490 (d) Hold, manage, possess, or otherwise handle investor
1491 funds or securities.

1492 (e) Compensate promoters, finders, or lead generators for
1493 providing the intermediary with the personal identifying
1494 information of any prospective ~~potential~~ investor.

1495 (f) Engage in any other activities set forth by commission
1496 rule.

1497 (18) At any time before the offering of a security in
1498 accordance with this section, an issuer or a person authorized
1499 to act on behalf of an issuer may communicate orally or in
1500 writing with prospective investors to determine whether there is

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1501 any interest in a contemplated securities offering. Such
1502 communications are deemed to be an offer of a security for sale
1503 for purposes of ss. 517.301, 517.311, and 517.312. No
1504 solicitation or acceptance of money or other consideration, nor
1505 of any commitment, binding or otherwise, from any person is
1506 permitted until the offering is notice-filed in accordance with
1507 this section.

1508 (a) The communications must state that:

1509 1. No money or other consideration is being solicited and,
1510 if sent in response, will not be accepted.

1511 2. No offer to buy the securities can be accepted and no
1512 part of the purchase price can be received until the offering is
1513 notice-filed in accordance with this section, and any such offer
1514 may be withdrawn or revoked, without obligation or commitment of
1515 any kind, at any time before notice of its acceptance given
1516 after the notice-filed date.

1517 3. A person's indication of interest involves no
1518 obligation or commitment of any kind.

1519 (b) Any written communication under this section may
1520 include a means by which a person may indicate to the issuer
1521 that the person is interested in a potential offering. The
1522 issuer may require the name, address, telephone number, or e-
1523 mail address in any response form included under to this
1524 paragraph.

1525 ~~(15) All funds received from investors must be directed to~~

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1526 ~~the financial institution designated in the escrow agreement to~~
1527 ~~hold the funds and must be used in accordance with~~
1528 ~~representations made to investors by the intermediary. If an~~
1529 ~~investor cancels a commitment to invest, the intermediary must~~
1530 ~~direct the financial institution designated to hold the funds to~~
1531 ~~promptly refund the funds of the investor.~~

1532 Section 4. Paragraph (d) of subsection (3) of section
1533 517.072, Florida Statutes, is amended, and subsection (4) is
1534 added to that section, to read:

1535 517.072 Viatical settlement investments.—

1536 (3) The registration provisions of ss. 517.07 and 517.12
1537 do not apply to any of the following transactions in viatical
1538 settlement investments; however, such transactions in viatical
1539 settlement investments are subject to the provisions of ss.
1540 517.301, 517.311, and 517.312:

1541 (d) The transfer or assignment of a viaticated policy to a
1542 bank, trust company, savings institution, insurance company,
1543 dealer, investment company as defined in the Investment Company
1544 Act of 1940, pension or profit-sharing trust, or qualified
1545 institutional buyer as defined in United States Securities and
1546 Exchange Commission Rule 144A, 17 C.F.R. s. 230.144A(a), or to
1547 an accredited investor ~~as defined by Rule 501 of Regulation D of~~
1548 ~~the Securities Act Rules~~, provided such transfer or assignment
1549 is not for the direct or indirect promotion of any scheme or
1550 enterprise with the intent of violating or evading any provision

1551 of this chapter.

1552 (4) The commission may by rule establish requirements and
 1553 standards for:

1554 (a) Disclosures to purchasers of viatical settlement
 1555 investments.

1556 (b) Recordkeeping requirements for sellers of viatical
 1557 settlement investments.

1558 Section 5. Section 517.081, Florida Statutes, is amended
 1559 to read:

1560 517.081 Registration procedure.—

1561 (1) All securities required by this chapter to be
 1562 registered before being sold in this state and not entitled to
 1563 registration by notification shall be registered in the manner
 1564 provided by this section.

1565 (2) The office shall receive and act upon applications to
 1566 have securities registered, and the commission may prescribe
 1567 forms on which it may require such applications to be submitted.
 1568 Applications shall be duly signed by the applicant, sworn to by
 1569 any person having knowledge of the facts, and filed with the
 1570 office. The commission may establish, by rule, procedures for
 1571 depositing fees and filing documents by electronic means
 1572 provided such procedures provide the office with the information
 1573 and data required by this section. An application may be made
 1574 either by the issuer of the securities for which registration is
 1575 applied or by any registered dealer desiring to sell the same

1576 | within the state.

1577 | (3) The office may require the applicant to submit to the
 1578 | office the following information concerning the issuer and such
 1579 | other relevant information as the office may in its judgment
 1580 | deem necessary to enable it to ascertain whether such securities
 1581 | shall be registered pursuant to the provisions of this section:

1582 | (a) The names and addresses of:

1583 | 1. The directors, trustees, and officers, ~~if the issuer is~~
 1584 | ~~be~~ a corporation, association, or trust. ~~if~~

1585 | 2. All the managers or managing members if the issuer is a
 1586 | limited liability company.

1587 | 3. All the partners, ~~if the issuer is~~ ~~be~~ a partnership. ~~if~~
 1588 | ~~or of~~

1589 | 4. The issuer, ~~if the issuer is~~ a sole proprietorship or
 1590 | natural person ~~be an individual.~~

1591 | (b) The location of the issuer's principal business office
 1592 | and of its principal office in this state, if any.

1593 | (c) The general character of the business actually to be
 1594 | transacted by the issuer and the purposes of the proposed issue.

1595 | (d) A statement of the capitalization of the issuer.

1596 | (e) A balance sheet showing the amount and general
 1597 | character of its assets and liabilities on a day not more than
 1598 | 90 days prior to the date of filing such balance sheet or such
 1599 | longer period of time, not exceeding 6 months, as the office may
 1600 | permit at the written request of the issuer on a showing of good

1601 cause therefor.

1602 (f) A detailed statement of the plan upon which the issuer
1603 proposes to transact business.

1604 (g)1. A specimen copy of the securities certificate, if
1605 applicable, security and a copy of any circular, prospectus,
1606 advertisement, or other description of such securities.

1607 2. The commission shall adopt a form for a simplified
1608 offering circular ~~to be used solely by corporations~~ to register,
1609 under this section, securities ~~of the corporation~~ that are sold
1610 in offerings in which the aggregate offering price in any
1611 consecutive 12-month period does not exceed the amount provided
1612 in s. 3(b) of the Securities Act of 1933. The following issuers
1613 shall not be eligible to submit a simplified offering circular
1614 adopted pursuant to this subparagraph:

1615 a. An issuer seeking to register securities for resale by
1616 persons other than the issuer.

1617 b. An issuer that ~~who~~ is subject to any of the
1618 disqualifications described in 17 C.F.R. s. 230.262, adopted
1619 pursuant to the Securities Act of 1933, or that ~~who~~ has been or
1620 is engaged or is about to engage in an activity that would be
1621 grounds for denial, revocation, or suspension under s. 517.111.
1622 For purposes of this subparagraph, an issuer includes an
1623 issuer's director, officer, manager or managing member, equity
1624 owner ~~shareholder~~ who owns at least 10 percent of the ownership
1625 interests ~~shares~~ of the issuer, promoter, or selling agent of

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1626 the securities to be offered or any officer, director, or
1627 partner of such selling agent.

1628 c. An issuer that ~~who~~ is a development-stage company that
1629 either has no specific business plan or purpose or has indicated
1630 that its business plan is to merge with an unidentified company
1631 or companies.

1632 d. An issuer of offerings in which the specific business
1633 or properties cannot be described.

1634 e. Any issuer the office determines is ineligible because
1635 ~~if~~ the form does ~~would~~ not provide full and fair disclosure of
1636 material information for the type of offering to be registered
1637 by the issuer.

1638 f. Any issuer that ~~corporation which~~ has failed to provide
1639 the office the reports required for a previous offering
1640 registered pursuant to this subparagraph.

1641
1642 As a condition precedent to qualifying for use of the simplified
1643 offering circular, an issuer ~~a corporation~~ shall agree to
1644 provide the office with an annual financial report containing a
1645 balance sheet as of the end of the issuer's fiscal year and a
1646 statement of income for such year, prepared in accordance with
1647 United States generally accepted accounting principles and
1648 accompanied by an independent accountant's report. If the issuer
1649 has more than 100 security holders at the end of a fiscal year,
1650 the financial statements must be audited. Annual financial

1651 reports must be filed with the office within 90 days after the
1652 close of the issuer's fiscal year for each of the first 5 years
1653 following the effective date of the registration.

1654 (h) A statement of the amount of the issuer's income,
1655 expenses, and fixed charges during the last fiscal year or, if
1656 in actual business less than 1 year, then for such time as the
1657 issuer has been in actual business.

1658 (i) A statement of the issuer's cash sources and
1659 application during the last fiscal year or, if in actual
1660 business less than 1 year, then for such time as the issuer has
1661 been in actual business.

1662 (j) A statement showing the maximum price at which such
1663 security is proposed to be sold, together with the maximum
1664 amount of commission, including expenses, or other form of
1665 remuneration to be paid in cash or otherwise, directly or
1666 indirectly, for or in connection with the sale or offering for
1667 sale of such securities.

1668 (k) A copy of the opinion or opinions of counsel
1669 concerning the legality of the issue or other matters which the
1670 office may determine to be relevant to the issue.

1671 (l) A detailed statement showing the items of cash,
1672 property, services, patents, good will, and any other
1673 consideration in payment for which such securities have been or
1674 are to be issued.

1675 (m) The amount of securities to be set aside and disposed

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1676 of and a statement of all securities issued from time to time
1677 for promotional purposes.

1678 (n) If the issuer is a corporation, there shall be filed
1679 with the application a copy of its articles of incorporation
1680 with all amendments and of its existing bylaws, if not already
1681 on file in the office. If the issuer is a limited liability
1682 company, there shall be filed with the application a copy of the
1683 articles of organization with all the amendments, and a copy of
1684 the company's operating agreement, if not already on file with
1685 the office. If the issuer is a trustee, there shall be filed
1686 with the application a copy of all instruments by which the
1687 trust is created or declared and in which it is accepted and
1688 acknowledged. If the issuer is a partnership, unincorporated
1689 association, joint-stock company, or any other form of
1690 organization whatsoever, there shall be filed with the
1691 application a copy of its articles of partnership or association
1692 and all other papers pertaining to its organization, if not
1693 already on file in the office.

1694 (4) All of the statements, exhibits, and documents of
1695 every kind required under this section, except properly
1696 certified public documents, shall be verified by the oath of the
1697 applicant or of the issuer in such manner and form as may be
1698 required by the commission.

1699 ~~(5) The commission may by rule fix the maximum discounts,~~
1700 ~~commissions, expenses, remuneration, and other compensation to~~

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1701 ~~be paid in cash or otherwise, not to exceed 20 percent, directly~~
1702 ~~or indirectly, for or in connection with the sale or offering~~
1703 ~~for sale of such securities in this state.~~

1704 (5)~~(6)~~ An issuer filing an application under this section
1705 shall, at the time of filing, pay the office a nonreturnable fee
1706 of \$1,000 per application for each offering that exceeds the
1707 amount provided in s. 3(b) of the Securities Act of 1933 or \$200
1708 per application for each offering that does not exceed the
1709 amount provided in s. 3(b) of the Securities Act of 1933.

1710 (6) The office must deny any application to register
1711 securities if the office determines that:

1712 (a) The issuer or an officer, director, manager or
1713 managing member, or control person of the issuer, or a person
1714 having a similar status or performing similar functions, has
1715 made any fraudulent representations or failed to disclose any
1716 material information in any prospectus or in any circular or
1717 other literature that has been distributed concerning the issuer
1718 or its securities;

1719 (b) The issuer or an officer, director, manager or
1720 managing member, or control person of the issuer, or a person
1721 having a similar status or performing similar functions, has
1722 violated or is violating any provision of s. 517.161(1); or

1723 (c) The security sought to be registered is the subject of
1724 an injunction entered by a court of competent jurisdiction or is
1725 the subject of an administrative stop-order or similar order

1726 prohibiting the sale of the security.

1727 (7) The office may deny a request to withdraw an
1728 application for registration if the office believes that an act
1729 that would be grounds for denial under this chapter has been
1730 committed.

1731 (8) If, upon examination of an application, the office
1732 finds that the application is complete, the fee required under
1733 subsection (5) has been paid, and the sale of the security would
1734 not work or tend to work a fraud upon the purchaser, the office
1735 shall record the registration of such security in the register
1736 of securities, and thereupon such security so registered may be
1737 sold by any registered dealer.

1738 (9) The commission must by rule establish requirements and
1739 standards for the filing, content, and circulation of a
1740 preliminary, final, or amended prospectus and other sales
1741 literature and may by rule establish disclosure criteria
1742 relating to the issuance of equity securities, debt securities,
1743 insurance company securities, real estate investment trusts, and
1744 other traditional and nontraditional investments, including, but
1745 not limited to, oil and gas investments. The criteria may
1746 include such elements as the promoter's equity investment ratio,
1747 the financial condition of the issuer, the voting rights of
1748 shareholders, the grant of options or warrants to underwriters
1749 and others, loans and other affiliated transaction, the use or
1750 refund of proceeds of the offering, and such other relevant

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1751 criteria as the commission in its judgment may deem necessary.

1752 (10) The office must deem any application to register
1753 securities filed with the office abandoned if the issuer or a
1754 person acting on behalf of the issuer has failed to timely
1755 complete an application as specified by commission rule.

1756 (11) At any time before the offering of a security in
1757 accordance with this section, an issuer or a person authorized
1758 to act on behalf of an issuer may communicate orally or in
1759 writing with prospective investors to determine whether there is
1760 any interest in a contemplated security offering. Such
1761 communications are deemed to be an offer of a security for sale
1762 for purposes of ss. 517.301, 517.311, and 517.312. No
1763 solicitation or acceptance of money or other consideration, nor
1764 of any commitment, binding or otherwise, from any person is
1765 permitted until the offering is registered.

1766 (a) The communications must state that:

1767 1. No money or other consideration is being solicited and,
1768 if sent in response, will not be accepted.

1769 2. No offer to buy the securities can be accepted and no
1770 part of the purchase price can be received until the offering is
1771 registered, and any such offer may be withdrawn or revoked,
1772 without obligation or commitment of any kind, at any time before
1773 notice of its acceptance given after the registration date.

1774 3. A person's indication of interest involves no
1775 obligation or commitment of any kind.

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1776 (b) Any written communication under this section may
1777 include a means by which a person may indicate to the issuer
1778 that the person is interested in a potential offering. The
1779 issuer may require the name, address, telephone number, or e-
1780 mail address in any response form included under this paragraph.

1781 (12) A communication before registration under this
1782 section is not deemed to be in violation of s. 517.07 if made in
1783 connection with a seminar or meeting in which more than one
1784 issuer participates and if the seminar or meeting is sponsored
1785 by a college, university, or other institution of higher
1786 education; a state or local government or an instrumentality
1787 thereof; a nonprofit organization; an angel investor group,
1788 business incubator, or business accelerator, provided that all
1789 of the following requirements are met:

1790 (a) No advertising for the seminar or meeting references a
1791 specific offering of securities by the issuer.

1792 (b) The sponsor of the seminar or meeting does not do any
1793 of the following:

1794 1. Make investment recommendations or provide investment
1795 advice to event attendees.

1796 2. Engage in investment negotiations between the issuer
1797 and investors attending the event.

1798 3. Charge event attendees of the event any fees, other
1799 than reasonable administrative fees.

1800 4. Receive any compensation for making introductions

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1801 between event attendees and issuers or for investment
1802 negotiations between such parties.

1803 5. Receive any compensation with respect to the event that
1804 would require registration of the sponsor as a dealer,
1805 intermediary, finder, or investment adviser under s. 517.12.

1806 (c) The type of information regarding an offering of
1807 securities by the issuer that is communicated or distributed by
1808 or on behalf of the issuer in connection with the event is
1809 limited to a notification that the issuer is in the process of
1810 offering or planning to offer securities, the type and amount of
1811 securities being offered, the intended use of proceeds of the
1812 offering, and the unsubscribed amount in the offering.

1813 (d) If the event allows attendees to participate virtually
1814 rather than in person, online participation in the event is
1815 limited to:

1816 1. Natural persons who are members of, or otherwise
1817 associated with the sponsor organization.

1818 2. Natural persons who the sponsor reasonably believes are
1819 accredited investors.

1820 3. Natural persons who have been invited to the event by
1821 the sponsor based on industry or investment-related experience,
1822 reasonably selected in good faith, and disclosed in the public
1823 communications about the event.

1824 ~~(7) If upon examination of any application the office~~
1825 ~~shall find that the sale of the security referred to therein~~

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1826 ~~would not be fraudulent and would not work or tend to work a~~
1827 ~~fraud upon the purchaser, that the terms of the sale of such~~
1828 ~~securities would be fair, just, and equitable, and that the~~
1829 ~~enterprise or business of the issuer is not based upon unsound~~
1830 ~~business principles, it shall record the registration of such~~
1831 ~~security in the register of securities; and thereupon such~~
1832 ~~security so registered may be sold by any registered dealer,~~
1833 ~~subject, however, to the further order of the office. In order~~
1834 ~~to determine if an offering is fair, just, and equitable, the~~
1835 ~~commission may by rule establish requirements and standards for~~
1836 ~~the filing, content, and circulation of any preliminary, final,~~
1837 ~~or amended prospectus and other sales literature and may by rule~~
1838 ~~establish merit qualification criteria relating to the issuance~~
1839 ~~of equity securities, debt securities, insurance company~~
1840 ~~securities, real estate investment trusts, and other traditional~~
1841 ~~and nontraditional investments, including, but not limited to,~~
1842 ~~oil and gas investments. The criteria may include such elements~~
1843 ~~as the promoter's equity investment ratio, the financial~~
1844 ~~condition of the issuer, the voting rights of shareholders, the~~
1845 ~~grant of options or warrants to underwriters and others, loans~~
1846 ~~and other affiliated transaction, the use or refund of proceeds~~
1847 ~~of the offering, and such other relevant criteria as the office~~
1848 ~~in its judgment may deem necessary to such determination.~~

1849 ~~(8) The commission may by rule establish requirements and~~
1850 ~~standards for:~~

1851 ~~(a) Disclosures to purchasers of viatical settlement~~
 1852 ~~investments.~~

1853 ~~(b) Recordkeeping requirements for sellers of viatical~~
 1854 ~~settlement investments.~~

1855 Section 6. Section 517.082, Florida Statutes, is amended
 1856 to read:

1857 517.082 Registration by notification; federal registration
 1858 statements ~~Notification registration.~~-

1859 (1) Except as provided in subsection (3), securities
 1860 offered or sold pursuant to a registration statement filed under
 1861 the Securities Act of 1933 shall be entitled to registration by
 1862 notification in the manner provided in subsection (2), provided
 1863 that before ~~prior to~~ the offer or sale the registration
 1864 statement has become effective.

1865 (2) An application for registration by notification shall
 1866 be filed with the office, shall contain the following
 1867 information, and shall be accompanied by all of the following:

1868 (a) An application to sell executed by the issuer, any
 1869 person on whose behalf the offering is made, a dealer registered
 1870 under this chapter, or any duly authorized agent of any such
 1871 person, setting forth the name and address of the applicant, the
 1872 name and address of the issuer, and the title of the securities
 1873 to be offered and sold.†

1874 (b) Copies of such documents filed with the Securities and
 1875 Exchange Commission as the Financial Services Commission may by

1876 rule require ~~.~~

1877 (c) An irrevocable written consent to service as required

1878 by s. 517.101 ~~.~~ ~~and~~

1879 (d) A nonreturnable fee of \$1,000 per application.

1880

1881 A registration under this section becomes effective when the

1882 federal registration statement becomes effective or as of the

1883 date the application is filed with the office, whichever is

1884 later, provided that, in addition to the items listed in

1885 paragraphs (a)-(d), the office has received written notification

1886 of effective registration under the Securities Act of 1933 or

1887 the Investment Company Act of 1940 within 10 business days after

1888 ~~from~~ the date federal registration is granted. Failure to

1889 provide all the information required by this subsection to the

1890 office within 60 days after ~~of~~ the date the registration

1891 statement becomes effective with the Securities and Exchange

1892 Commission shall be a violation of this chapter.

1893 (3) Except for ~~units of limited partnership interests or~~

1894 ~~such other~~ securities ~~as~~ the Financial Services Commission

1895 describes by rule as exempt from this subsection due to high

1896 investment quality, the provisions of this section may not be

1897 used to register securities if the offering price at the time of

1898 effectiveness with the Securities and Exchange Commission is \$5

1899 or less per share, unless such securities are listed or

1900 designated, or approved for listing or designation upon notice

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1901 of issuance, on a stock exchange registered pursuant to the
 1902 Securities Exchange Act of 1934 ~~or on the National Association~~
 1903 ~~of Securities Dealers Automated Quotation (NASDAQ) System,~~ or
 1904 unless such securities are of the same issuer and of senior or
 1905 substantially equal rank to securities so listed or designated.

1906 (4) In lieu of filing with the office the application,
 1907 fees, and documents for registration required by subsection (2),
 1908 the commission may establish, by rule, procedures for depositing
 1909 fees and filing documents by electronic means, provided such
 1910 procedures provide the office with the information and data
 1911 required by this section.

1912 (5) An application for registration by notification with
 1913 the office shall be deemed abandoned if the applicant's federal
 1914 registration statement is not declared effective by the
 1915 Securities and Exchange Commission within 180 days after the
 1916 filing of the application for registration by notification with
 1917 the office.

1918 Section 7. Section 517.111, Florida Statutes, is amended
 1919 to read:

1920 517.111 Revocation or denial of registration of
 1921 securities.-

1922 (1) The office may revoke or suspend the registration of
 1923 any security, ~~or may deny any application to register~~
 1924 ~~securities,~~ if, upon examination or investigation into the
 1925 affairs of the issuer of such security, it appears ~~shall appear~~

1926 that:

1927 (a) The issuer cannot pay its debts as they become due in
 1928 the usual course of business ~~is insolvent;~~

1929 (b) The issuer or any officer, director, or control person
 1930 of the issuer has violated any provision of this chapter or any
 1931 rule made hereunder or any order of the office of which such
 1932 issuer has notice;

1933 (c) The issuer or any officer, director, or control person
 1934 of the issuer has been or is engaged or is about to engage in
 1935 fraudulent transactions;

1936 (d) The issuer or any officer, director, or control person
 1937 of the issuer has been found guilty of a fraudulent act in
 1938 connection with any sale of securities, has engaged, is engaged,
 1939 or is about to engage, in making a fictitious sale or purchase
 1940 of any security, or in any practice or sale of any security
 1941 which is fraudulent or a violation of any law;

1942 (e) The issuer or any officer, director, or control person
 1943 of the issuer has had a final judgment entered against such
 1944 issuer or person in a civil action on the grounds of fraud,
 1945 embezzlement, misrepresentation, or deceit;

1946 ~~(f) The issuer or any officer, director, or control person~~
 1947 ~~of the issuer has demonstrated any evidence of unworthiness;~~

1948 (f)(g) The issuer or any officer, director, or control
 1949 person of the issuer ~~is in any other way dishonest or~~ has made
 1950 any fraudulent representations or failed to disclose any

1951 material information in any prospectus or in any circular or
 1952 other literature that has been distributed concerning the issuer
 1953 or its securities; or

1954 ~~(g)-(h)~~ The security ~~registered or sought to be registered~~
 1955 is the subject of an injunction entered by a court of competent
 1956 jurisdiction or is the subject of an administrative stop-order
 1957 or similar order prohibiting the offer or sale of the security. ~~;~~

1958 ~~(i)~~ ~~For any security for which registration has been~~
 1959 ~~applied pursuant to s. 517.081, the terms of the offer or sale~~
 1960 ~~of such securities would not be fair, just, or equitable; or~~

1961 ~~(j)~~ ~~The issuer or any person acting on behalf of the~~
 1962 ~~issuer has failed to timely complete any application for~~
 1963 ~~registration filed with the office pursuant to the provisions of~~
 1964 ~~s. 517.081 or s. 517.082 or any rule adopted under such~~
 1965 ~~sections.~~

1966
 1967 In making such examination or investigation, the office shall
 1968 have access to and may compel the production of all the books
 1969 and papers of such issuer and may administer oaths to and
 1970 examine the officers of such issuer or any other person
 1971 connected therewith as to its business and affairs and may also
 1972 require a balance sheet exhibiting the assets and liabilities of
 1973 any such issuer or its income statement, or both, to be
 1974 certified to by a public accountant either of this state or of
 1975 any other state where the issuer's business is located. Whenever

1976 | the office deems it necessary, it may also require such balance
 1977 | sheet or income statement, or both, to be made more specific in
 1978 | such particulars as the office may require.

1979 | (2) If any issuer shall refuse to permit an examination or
 1980 | investigation to be made by the office, it shall be proper
 1981 | ground for revocation of registration.

1982 | (3) If the office deems it necessary, it may enter an
 1983 | order suspending the right to sell securities pending any
 1984 | examination or investigation, provided that the order shall
 1985 | state the office's grounds for taking such action.

1986 | (4) Notice of the entry of such order shall be given
 1987 | personally or by mail, ~~personally, by telephone confirmed in~~
 1988 | ~~writing, or by telegraph to the issuer.~~ Before such order is
 1989 | made final, the issuer ~~applying for registration~~ shall, on
 1990 | application, be entitled to a hearing.

1991 | (5) The office may deny any request to terminate any
 1992 | registration ~~or to withdraw any application for registration~~ if
 1993 | the office believes that an act which would be grounds for
 1994 | denial, suspension, or revocation under this chapter has been
 1995 | committed.

1996 | Section 8. Subsections (3) through (22) of section 517.12,
 1997 | Florida Statutes, are renumbered as subsections (2) through
 1998 | (21), respectively, subsection (1), present subsections (2),
 1999 | (3), (7), and (11), paragraph (b) of present subsection (15),
 2000 | and present subsections (20) and (21) are amended, and a new

2001 subsection (22) is added to that section, to read:

2002 517.12 Registration of dealers, associated persons,
2003 intermediaries, ~~and~~ investment advisers, and finders.—

2004 (1) No dealer or, associated person, ~~or issuer of~~
2005 ~~securities~~ shall sell or offer for sale any securities in or
2006 from offices in this state, or sell securities to persons in
2007 this state from offices outside this state, by mail or
2008 otherwise, unless the person has been registered with the office
2009 pursuant to the provisions of this section. The office shall not
2010 register any person as an associated person of a dealer unless
2011 the dealer with which the applicant seeks registration is
2012 lawfully registered with the office pursuant to this chapter.

2013 ~~(2) The registration requirements of this section do not~~
2014 ~~apply to the issuers of securities exempted by s. 517.051(1) - (8)~~
2015 ~~and (10).~~

2016 (2)(3) ~~Except as otherwise provided in s.~~
2017 ~~517.061(11)(a) 4., (13), (16), (17), or (19),~~ The registration
2018 requirements of this section do not apply in a transaction
2019 exempted by s. 517.061(1) - (10), (12) ~~s. 517.061(1) - (12),~~ (14),
2020 and (15).

2021 (6)(7) The application must also contain such information
2022 as the commission or office may require about the applicant; any
2023 member, principal, or director of the applicant or any person
2024 having a similar status or performing similar functions; any
2025 control person of ~~directly or indirectly controlling~~ the

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2026 applicant; or any employee of a dealer or of an investment
2027 adviser rendering investment advisory services. Each applicant
2028 and any direct owners, principals, or indirect owners that are
2029 required to be reported on Form BD or Form ADV pursuant to
2030 subsection (14) ~~(15)~~ shall submit fingerprints for live-scan
2031 processing in accordance with rules adopted by the commission.
2032 The fingerprints may be submitted through a third-party vendor
2033 authorized by the Department of Law Enforcement to provide live-
2034 scan fingerprinting. The costs of fingerprint processing shall
2035 be borne by the person subject to the background check. The
2036 Department of Law Enforcement shall conduct a state criminal
2037 history background check, and a federal criminal history
2038 background check must be conducted through the Federal Bureau of
2039 Investigation. The office shall review the results of the state
2040 and federal criminal history background checks and determine
2041 whether the applicant meets licensure requirements. The
2042 commission may waive, by rule, the requirement that applicants,
2043 including any direct owners, principals, or indirect owners that
2044 are required to be reported on Form BD or Form ADV pursuant to
2045 subsection (14) ~~(15)~~, submit fingerprints or the requirement
2046 that such fingerprints be processed by the Department of Law
2047 Enforcement or the Federal Bureau of Investigation. The
2048 commission or office may require information about any such
2049 applicant or person concerning such matters as:

2050 (a) His or her full name, and any other names by which he

2051 or she may have been known, and his or her age, social security
 2052 number, photograph, qualifications, and educational and business
 2053 history.

2054 (b) Any injunction or administrative order by a state or
 2055 federal agency, national securities exchange, or national
 2056 securities association involving a security or any aspect of the
 2057 securities business and any injunction or administrative order
 2058 by a state or federal agency regulating banking, insurance,
 2059 finance, or small loan companies, real estate, mortgage brokers,
 2060 or other related or similar industries, which injunctions or
 2061 administrative orders relate to such person.

2062 (c) His or her conviction of, or plea of nolo contendere
 2063 to, a criminal offense or his or her commission of any acts
 2064 which would be grounds for refusal of an application under s.
 2065 517.161.

2066 (d) The names and addresses of other persons of whom the
 2067 office may inquire as to his or her character, reputation, and
 2068 financial responsibility.

2069 ~~(10)-(11)~~(a) If the office finds that the applicant ~~is of~~
 2070 ~~good repute and character and~~ has complied with the applicable
 2071 registration provisions of this chapter and the rules made
 2072 pursuant hereto, it shall register the applicant. The
 2073 registration of each dealer, investment adviser, and associated
 2074 person expires on December 31 of the year the registration
 2075 became effective unless the registrant has renewed its ~~his or~~

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2076 ~~her~~ registration on or before that date. Registration may be
2077 renewed by furnishing such information as the commission may
2078 require, together with payment of the fee required in paragraph
2079 (9) (a) ~~(10) (a)~~ for dealers, investment advisers, or associated
2080 persons and the payment of any amount lawfully due and owing to
2081 the office pursuant to any order of the office or pursuant to
2082 any agreement with the office. Any dealer, investment adviser,
2083 or associated person who has not renewed a registration by the
2084 time the current registration expires may request reinstatement
2085 of such registration by filing with the office, on or before
2086 January 31 of the year following the year of expiration, such
2087 information as may be required by the commission, together with
2088 payment of the fee required in paragraph (9) (a) ~~(10) (a)~~ for
2089 dealers, investment advisers, or associated persons and a late
2090 fee equal to the amount of such fee. Any reinstatement of
2091 registration granted by the office during the month of January
2092 shall be deemed effective retroactive to January 1 of that year.

2093 (b) The office shall waive the \$50 assessment fee for an
2094 associated person required by paragraph (9) (a) ~~(10) (a)~~ for a
2095 registrant renewing his or her registration who:

2096 1. Is an active duty member of the United States Armed
2097 Forces or the spouse of such member;

2098 2. Is or was a member of the United States Armed Forces
2099 and served on active duty within the 2 years preceding the
2100 expiration date of the registration pursuant to paragraph (a).

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2101 To qualify for the fee waiver, a registrant who is a former
2102 member of the United States Armed Forces who served on active
2103 duty within the 2 years preceding the expiration date of the
2104 registration must have received an honorable discharge upon
2105 separation or discharge from the United States Armed Forces; or
2106 3. Is the surviving spouse of a member of the United
2107 States Armed Forces if the member was serving on active duty at
2108 the time of death and died within the 2 years preceding the
2109 surviving spouse's registration expiration date pursuant to
2110 paragraph (a).

2111
2112 A registrant seeking such fee waiver must submit proof, in a
2113 form prescribed by commission rule, that the registrant meets
2114 one of the qualifications in this paragraph.

2115 (14) ~~(15)~~

2116 (b) In lieu of filing with the office the applications
2117 specified in subsection (5) ~~(6)~~, the fees required by subsection
2118 (9) ~~(10)~~, the renewals required by subsection (10) ~~(11)~~, and the
2119 termination notices required by subsection (11) ~~(12)~~, the
2120 commission may by rule establish procedures for the deposit of
2121 such fees and documents with the Central Registration Depository
2122 or the Investment Adviser Registration Depository of the
2123 Financial Industry Regulatory Authority, as developed under
2124 contract with the North American Securities Administrators
2125 Association, Inc.

2126 (19)~~(20)~~ An intermediary may not engage in business in
 2127 this state unless the intermediary is registered as a dealer or
 2128 as an intermediary with the office pursuant to this section to
 2129 facilitate the offer or sale of securities in accordance with s.
 2130 517.0611. An intermediary, in order to obtain registration, must
 2131 file with the office a written application on a form prescribed
 2132 by commission rule and pay a registration fee of \$200. The fees
 2133 under this subsection shall be deposited into the Regulatory
 2134 Trust Fund of the office. The commission may establish by rule
 2135 procedures for depositing fees and filing documents by
 2136 electronic means if such procedures provide the office with the
 2137 information and data required by this section. Each intermediary
 2138 must also file an irrevocable written consent to service of
 2139 civil process, as provided in s. 517.101.

2140 (a) The application must contain such information as the
 2141 commission or office may require concerning:

2142 1. The name of the applicant and address of its principal
 2143 office and each office in this state.

2144 2.a. The applicant's form and place of organization; and~~r~~

2145 b. If the applicant is:

2146 (I) A corporation, a copy of its articles of incorporation
 2147 and amendments to the articles of incorporation; ~~or~~

2148 (II) A limited liability company, a copy of its articles
 2149 of organization and amendments to the articles, and a copy of
 2150 the company's operating agreement; or

2151 (III) ~~if~~ A partnership, a copy of the partnership
 2152 agreement.
 2153 3. The website address where securities of the issuer will
 2154 be offered.
 2155 4. Contact information.
 2156 (b) The application must also contain such information as
 2157 the commission may require by rule about the applicant; any
 2158 member, principal, or director of the applicant or any person
 2159 having a similar status or performing similar functions; or any
 2160 control person of ~~persons directly or indirectly controlling~~ the
 2161 applicant. Each applicant and any direct owners, principals, or
 2162 indirect owners that are required to be reported on a form
 2163 adopted by commission rule shall submit fingerprints for live-
 2164 scan processing in accordance with rules adopted by the
 2165 commission. The fingerprints may be submitted through a third-
 2166 party vendor authorized by the Department of Law Enforcement to
 2167 provide live-scan fingerprinting. The costs of fingerprint
 2168 processing shall be borne by the person subject to the
 2169 background check. The Department of Law Enforcement shall
 2170 conduct a state criminal history background check, and a federal
 2171 criminal history background check must be conducted through the
 2172 Federal Bureau of Investigation. The office shall review the
 2173 results of the state and federal criminal history background
 2174 checks and determine whether the applicant meets registration
 2175 requirements. The commission may waive, by rule, the requirement

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2176 that applicants, including any direct owners, principals, or
2177 indirect owners, which are required to be reported on a form
2178 adopted by commission rule, submit fingerprints or the
2179 requirement that such fingerprints be processed by the
2180 Department of Law Enforcement or the Federal Bureau of
2181 Investigation. The commission, by rule, or the office may
2182 require information about any applicant or person, including:

2183 1. The applicant's or person's ~~His or her~~ full name and
2184 any other names by which the applicant or person ~~he or she~~ may
2185 have been known and the applicant's or person's ~~his or her~~ age,
2186 social security number, photograph, qualifications, and
2187 educational and business history.

2188 2. Any injunction or administrative order by a state or
2189 federal agency, national securities exchange, or national
2190 securities association involving a security or any aspect of the
2191 securities business and any injunction or administrative order
2192 by a state or federal agency regulating banking, insurance,
2193 finance, ~~or small loan companies,~~ real estate, mortgage brokers,
2194 or other related or similar industries, which relate to such
2195 person.

2196 3. The applicant's or person's ~~His or her~~ conviction of,
2197 or plea of nolo contendere to, a criminal offense or the
2198 applicant's or person's ~~his or her~~ commission of any acts that
2199 would be grounds for refusal of an application under s. 517.161.

2200 (c) The application must be amended within 30 days if any

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2201 information contained in the form becomes inaccurate for any
2202 reason.

2203 (d) An intermediary or persons affiliated with the
2204 intermediary are not subject to any disqualification described
2205 in s. 517.1611 or United States Securities and Exchange
2206 Commission Rule 506(d), 17 C.F.R. 230.506(d), adopted pursuant
2207 to the Securities Act of 1933. Each director, officer, manager
2208 or managing member, control person of the issuer, any person
2209 occupying a similar status or performing a similar function, and
2210 each person holding more than 20 percent of the ownership
2211 interests ~~shares~~ of the intermediary is subject to this
2212 requirement.

2213 (e) If the office finds that the applicant ~~is of good~~
2214 ~~repute and character and~~ has complied with the applicable
2215 registration provisions of this chapter and the rules adopted
2216 thereunder, it shall register the applicant. The registration of
2217 each intermediary expires on December 31 of the year the
2218 registration became effective unless the registrant renews its
2219 ~~his or her~~ registration on or before that date. Registration may
2220 be renewed by furnishing such information as the commission may
2221 require by rule, together with payment of a \$200 fee and the
2222 payment of any amount due to the office pursuant to any order of
2223 the office or pursuant to any agreement with the office. An
2224 intermediary who has not renewed a registration by the time that
2225 the current registration expires may request reinstatement of

2226 such registration by filing with the office, on or before
2227 January 31 of the year following the year of expiration, such
2228 information as required by the commission, together with payment
2229 of the \$200 fee and a late fee of \$200. Any reinstatement of
2230 registration granted by the office during the month of January
2231 is deemed effective retroactive to January 1 of that year.

2232 (20)-(21) The registration requirements of this section do
2233 not apply to any general lines insurance agent or life insurance
2234 agent licensed under chapter 626, for the sale of a security as
2235 defined in s. 517.021(29)(g) ~~s. 517.021(22)(g)~~, if the
2236 individual is directly authorized by the issuer to offer or sell
2237 the security on behalf of the issuer and the issuer is a
2238 federally chartered savings bank subject to regulation by the
2239 Federal Deposit Insurance Corporation. Actions under this
2240 subsection shall constitute activity under the insurance agent's
2241 license for purposes of ss. 626.611 and 626.621.

2242 (22)(a) A finder or an associated person of a finder may
2243 not engage in business in this state unless the finder or the
2244 finder and associated person of the finder have been registered
2245 with the office pursuant to this section.

2246 (b) In order to register, a finder or associated person
2247 must file with the office a written application on a form that
2248 the commission may prescribe by rule. The commission may
2249 establish, by rule, procedures for filing documents by
2250 electronic means if such procedures provide the office with the

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2251 information and data required by this section. Each finder must
2252 also file an irrevocable written consent to service of civil
2253 process similar to that provided in s. 517.101. The application
2254 must contain information as the commission or office may require
2255 concerning matters such as:

2256 1. The name of the applicant, the address of its principal
2257 office and each office in this state, and its contact
2258 information.

2259 2.a. The applicant's form and place of organization.

2260 b. If the applicant is:

2261 (I) A corporation, a copy of its articles of incorporation
2262 and amendments of its articles;

2263 (II) A limited liability company, a copy of its articles
2264 of organization with amendments of its articles, and a copy of
2265 the company's operating agreement; or

2266 (III) A partnership, a copy of the partnership agreement.

2267 3. The names and addresses of all associated persons of
2268 the applicant to be employed in this state and the offices to
2269 which the persons will be assigned.

2270 (c) The application must also contain such information as
2271 the commission or office may require about the applicant; any
2272 member, principal, or director of the applicant or any person
2273 having a similar status or performing similar functions; or any
2274 control person of the applicant. Each applicant, and any control
2275 person if the applicant is an entity, shall submit fingerprints

2276 for live-scan processing in accordance with s. 517.12(6). The
2277 commission, by rule, or the office may require information about
2278 any such applicant or person, including, but not limited to:

2279 1. The applicant's or person's date of birth, social
2280 security number, and education and business history.

2281 2. Any injunction or administrative order by a state or
2282 federal agency, national securities exchange, or national
2283 securities association involving a security or any aspect of the
2284 securities business and any injunction or administrative order
2285 by a state or federal agency regulating banking, insurance,
2286 finance, real estate, mortgage brokers, or other related or
2287 similar industries, which relate to such applicant or person.

2288 3. The applicant's or person's conviction of, or plea of
2289 nolo contendere to, a criminal offense or the applicant's or
2290 person's commission of any act that would be grounds for refusal
2291 of an application under s. 517.161.

2292 (d) The application must be amended within 30 days if any
2293 information contained in the form becomes inaccurate for any
2294 reason.

2295 (e) The applicant must not be subject to any
2296 disqualification described in s. 517.1611 or United States
2297 Securities and Exchange Commission Rule 506(d), 17 C.F.R.
2298 230.506(d), adopted under the Securities Act of 1933.

2299 (f) If the office finds that an applicant has complied
2300 with the applicable registration provisions of this chapter and

2301 the rules adopted thereunder, the office shall register the
2302 applicant. The registration of each finder and associated person
2303 expires on December 31 of the year in which the registration
2304 became effective unless the finder or associated person renews
2305 the registration on or before that date. Registration may be
2306 renewed by furnishing such information as the commission may
2307 require by rule. A finder or associated person who has not
2308 renewed a registration by the time the current registration
2309 expires may request reinstatement of such registration by filing
2310 with the office, on or before January 31 of the year following
2311 the year of expiration, such information as required by the
2312 commission. A reinstatement of registration granted by the
2313 office during the month of January is deemed effective
2314 retroactive to January 1 of that year.

2315 (g) A finder must:

2316 1. Concurrently with each introduction, obtain the
2317 informed, written consent of each person introduced or referred
2318 by the finder to an issuer, in a written agreement signed by the
2319 finder, the issuer, and the person introduced or referred, and
2320 initialed by the person introduced or referred next to each
2321 paragraph, disclosing the following:

2322 a. The type and amount of compensation that has been or
2323 will be paid to the finder in connection with the introduction
2324 or referral and the conditions for payment of that compensation.

2325 b. That neither the finder nor its associated persons are

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2326 providing advice to the issuer or a person introduced or
2327 referred by the finder to an issuer as to the value of the
2328 securities being offered or sold or as to the advisability of
2329 investing in, purchasing, or selling the securities being
2330 offered or sold.

2331 c. Whether the finder or any of its associated persons are
2332 also owners, directly or indirectly, of the securities being
2333 offered or sold.

2334 d. Any actual and potential conflict of interest in
2335 connection with the finder's or associated person's activities
2336 related to the issuer transaction.

2337 e. That the parties to the agreement have the right to
2338 pursue any available remedies at law or otherwise for any breach
2339 of the agreement.

2340
2341 To satisfy the requirements of this subparagraph, the agreement
2342 must also include a representation by the person introduced or
2343 referred by the finder to the issuer that the person is an
2344 accredited investor and that the person knowingly consents to
2345 the payment of the compensation described in the agreement.

2346 2. Maintain and preserve for 5 years after the date of the
2347 last renewal of registration under paragraph (f) a copy of the
2348 written agreement required under this paragraph and all other
2349 records relating to any offer or sale of securities in
2350 connection with which the finder receives compensation as the

2351 commission may require by rule, including, but not limited to,
 2352 communications with prospective investors, compensation records,
 2353 and written disclosures provided to prospective investors. Upon
 2354 written request by the office, the finder shall furnish to the
 2355 office any records required to be maintained and preserved under
 2356 this paragraph.

2357 (h) A finder or associated person may not:

2358 1. Participate in negotiating any of the terms of the
 2359 offer or sale of the securities being offered or sold.

2360 2. Advise any party to the transaction regarding the value
 2361 of the securities being offered or sold or the advisability of
 2362 investing in, purchasing, or selling the securities being
 2363 offered or sold.

2364 3. Conduct any due diligence on the part of any party to
 2365 the transaction.

2366 4. Sell or offer for sale, in connection with the issuer
 2367 transaction, any securities of the issuer that are owned,
 2368 directly or indirectly, by the finder or associated person.

2369 5. Receive, directly or indirectly, possession or custody
 2370 of any funds in connection with the issuer transaction.

2371 6. Knowingly receive compensation in connection with any
 2372 offer or sale of securities unless the security is exempt under
 2373 s. 517.051, is sold in a transaction exempt under s. 517.061, is
 2374 a federal covered security, or is registered under this chapter.

2375 7. Make any disclosure to a prospective investor other

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2376 than the following:

2377 a. The name and address of, and the contact information

2378 for, the issuer or a dealer representing the issuer.

2379 b. The name, type, price, and aggregate amount of any

2380 securities being offered in the issuer transaction.

2381 c. The issuer's industry, location, and number of years in

2382 business.

2383 d. Written disclosure documents obtained from the issuer.

2384 8. Engage in any other activities prohibited by commission

2385 rule.

2386 Section 9. Subsections (1) and (2) of section 517.121,

2387 Florida Statutes, are amended to read:

2388 517.121 Books and records requirements; examinations.—

2389 (1) A dealer, investment adviser, branch office,

2390 associated person, ~~or~~ intermediary, or finder shall maintain

2391 such books and records as the commission may prescribe by rule.

2392 (2) The office shall, at intermittent periods, examine the

2393 affairs and books and records of each registered dealer,

2394 investment adviser, associated person, intermediary, finder, or

2395 branch office notice-filed with the office, or require such

2396 records and reports to be submitted to it as required by rule of

2397 the commission, to determine compliance with this act.

2398 Section 10. Section 517.1217, Florida Statutes, is amended

2399 to read:

2400 517.1217 Rules of conduct and prohibited business

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2401 practices for intermediaries and for dealers, finders, and their
 2402 associated persons.—The commission by rule may establish rules
 2403 of conduct and prohibited business practices for intermediaries
 2404 and for dealers, finders, and their associated persons. In
 2405 adopting the rules, the commission shall consider general
 2406 industry standards as expressed in the rules and regulations of
 2407 the various federal and self-regulatory agencies and regulatory
 2408 associations, including, but not limited to, the United States
 2409 Securities and Exchange Commission, the Financial Industry
 2410 Regulatory Authority, and the North American Securities
 2411 Administrators Association.

2412 Section 11. Section 517.161, Florida Statutes, is amended
 2413 to read:

2414 517.161 Revocation, denial, or suspension of registration
 2415 of dealer, investment adviser, intermediary, finder, or
 2416 associated person.—

2417 (1) Registration under s. 517.12 may be denied or any
 2418 registration granted may be revoked, restricted, or suspended by
 2419 the office if the office determines that such applicant or
 2420 registrant; any member, principal, or director of the applicant
 2421 or registrant or any person having a similar status or
 2422 performing similar functions; or any control person of ~~directly~~
 2423 ~~or indirectly controlling~~ the applicant or registrant:

2424 (a) Has violated any provision of this chapter or any rule
 2425 or order made under this chapter;

2426 (b) Has made a material false statement in the application
 2427 for registration;

2428 (c) Has been guilty of a fraudulent act in connection with
 2429 rendering investment advice or in connection with any sale of
 2430 securities, has been or is engaged or is about to engage in
 2431 making fictitious or pretended sales or purchases of any such
 2432 securities or in any practice involving the rendering of
 2433 investment advice or the sale of securities which is fraudulent
 2434 or in violation of the law;

2435 (d) Has made a misrepresentation or false statement to, or
 2436 concealed any essential or material fact from, any person in the
 2437 rendering of investment advice or the sale of a security to such
 2438 person;

2439 (e) Has failed to account to persons interested for all
 2440 money and property received;

2441 (f) Has not delivered, after a reasonable time, to persons
 2442 entitled thereto securities held or agreed to be delivered by
 2443 the dealer, ~~broker,~~ or investment adviser, as and when paid for,
 2444 and due to be delivered;

2445 (g) Is rendering investment advice or selling or offering
 2446 for sale securities through any associated person not registered
 2447 in compliance with ~~the provisions of~~ this chapter;

2448 (h) Has demonstrated unworthiness to transact the business
 2449 of dealer, investment adviser, intermediary, finder, or
 2450 associated person;

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2451 (i) Has exercised management or policy control over or
2452 owned 10 percent or more of the securities of any dealer,
2453 intermediary, or investment adviser that has been declared
2454 bankrupt, or had a trustee appointed under the Securities
2455 Investor Protection Act; or is, in the case of a dealer,
2456 intermediary, or investment adviser, insolvent;

2457 (j) Has been convicted of, or has entered a plea of guilty
2458 or nolo contendere to, regardless of whether adjudication was
2459 withheld, a crime against the laws of this state or any other
2460 state or of the United States or of any other country or
2461 government which relates to registration as a dealer, investment
2462 adviser, issuer of securities, intermediary, finder, or
2463 associated person; which relates to the application for such
2464 registration; or which involves moral turpitude or fraudulent or
2465 dishonest dealing;

2466 (k) Has had a final judgment entered against her or him in
2467 a civil action upon grounds of fraud, embezzlement,
2468 misrepresentation, or deceit;

2469 ~~(l) Is of bad business repute;~~

2470 (l) ~~(m)~~ Has been the subject of any decision, finding,
2471 injunction, suspension, prohibition, revocation, denial,
2472 judgment, or administrative order by any court of competent
2473 jurisdiction, administrative law judge, or by any state or
2474 federal agency, national securities, commodities, or option
2475 exchange, or national securities, commodities, or option

2476 association, involving a violation of any federal or state
 2477 securities or commodities law or any rule or regulation
 2478 promulgated thereunder, or any rule or regulation of any
 2479 national securities, commodities, or options exchange or
 2480 national securities, commodities, or options association, or has
 2481 been the subject of any injunction or adverse administrative
 2482 order by a state or federal agency regulating banking,
 2483 insurance, finance ~~or small loan companies~~, real estate,
 2484 mortgage brokers or lenders, money transmitters, or other
 2485 related or similar industries. For purposes of this subsection,
 2486 the office may not deny registration to any applicant who has
 2487 been continuously registered with the office for 5 years after
 2488 the date of entry of such decision, finding, injunction,
 2489 suspension, prohibition, revocation, denial, judgment, or
 2490 administrative order provided such decision, finding,
 2491 injunction, suspension, prohibition, revocation, denial,
 2492 judgment, or administrative order has been timely reported to
 2493 the office pursuant to the commission's rules; or

2494 (m) ~~(n)~~ Made payment to the office for a registration with
 2495 a check or electronic transmission of funds that is dishonored
 2496 by the applicant's or registrant's financial institution.

2497 (2) The payment or anticipated payment of any amount from
 2498 the Securities Guaranty Fund in settlement of a claim or in
 2499 satisfaction of a judgment against an applicant or registrant
 2500 constitutes prima facie grounds for the denial of the

2501 applicant's application for registration or the revocation of
 2502 the registrant's registration.

2503 (3) In the event the office determines to deny an
 2504 application or revoke a registration, it shall enter a final
 2505 order with its findings on the register of dealers and
 2506 associated persons; and denial, suspension, or revocation of the
 2507 registration of a dealer, intermediary, or investment adviser
 2508 shall also deny, suspend, or revoke the registration of all her
 2509 or his associated persons.

2510 (4) It shall be sufficient cause for denial of an
 2511 application or revocation of registration, in the case of a
 2512 partnership, corporation, limited liability company, or
 2513 unincorporated association, if any member of the partnership,
 2514 any manager or managing member of the limited liability company,
 2515 or any officer, director, or ultimate equitable owner of the
 2516 corporation or association has committed any act or omission
 2517 which would be cause for denying, revoking, restricting, or
 2518 suspending the registration of an individual dealer, investment
 2519 adviser, intermediary, finder, or associated person. As used in
 2520 this subsection, the term "ultimate equitable owner" means a
 2521 natural person who directly or indirectly owns or controls an
 2522 ownership interest in the corporation, partnership, association,
 2523 or other legal entity however organized, regardless of whether
 2524 such natural person owns or controls such ownership interest
 2525 through one or more proxies, powers of attorney, nominees,

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2526 corporations, associations, partnerships, trusts, joint stock
2527 companies, or other entities or devices, or any combination
2528 thereof.

2529 (5) The office may deny any request to terminate or
2530 withdraw any application or registration if the office believes
2531 that an act that ~~which~~ would be a ground for denial, suspension,
2532 restriction, or revocation under this chapter has been
2533 committed.

2534 (6) Registration under s. 517.12 may be denied or any
2535 registration granted may be suspended or restricted if an
2536 applicant or registrant is charged, in a pending enforcement
2537 action or pending criminal prosecution, with any conduct that
2538 would authorize denial or revocation under subsection (1).
2539 Registration under s. 517.12 may be suspended or restricted if a
2540 registrant is arrested for any conduct that would authorize
2541 revocation under subsection (1).

2542 (a) Any denial of registration ordered under this
2543 subsection shall be without prejudice to the applicant's ability
2544 to reapply for registration.

2545 (b) Any order of suspension or restriction under this
2546 subsection shall:

2547 1. Take effect only after a hearing, unless no hearing is
2548 requested by the registrant or unless the suspension or
2549 restriction is made in accordance with s. 120.60(6).

2550 2. Contain a finding that evidence of a prima facie case

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2551 supports the charge made in the enforcement action or criminal
2552 prosecution.

2553 3. Operate for no longer than 10 days beyond receipt of
2554 notice by the office of termination with respect to the
2555 registrant of the enforcement action or criminal prosecution.

2556 (c) For purposes of this subsection:

2557 1. The term "enforcement action" means any judicial
2558 proceeding or any administrative proceeding where such judicial
2559 or administrative proceeding is brought by an agency of the
2560 United States or of any state to enforce or restrain violation
2561 of any state or federal law, or any disciplinary proceeding
2562 maintained by the Financial Industry Regulatory Authority, the
2563 National Futures Association, or any other similar self-
2564 regulatory organization.

2565 2. An enforcement action is pending at any time after
2566 notice to the applicant or registrant of such action and is
2567 terminated at any time after entry of final judgment or decree
2568 in the case of judicial proceedings, final agency action in the
2569 case of administrative proceedings, and final disposition by a
2570 self-regulatory organization in the case of disciplinary
2571 proceedings.

2572 3. A criminal prosecution is pending at any time after
2573 criminal charges are filed and is terminated at any time after
2574 conviction, acquittal, or dismissal.

2575 Section 12. Subsection (2) of section 517.1611, Florida

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2576 Statutes, is amended to read:

2577 517.1611 Guidelines.—

2578 (2) The commission shall adopt by rule disqualifying
2579 periods pursuant to which an applicant will be disqualified from
2580 eligibility for registration based upon criminal convictions,
2581 pleas of nolo contendere, or pleas of guilt, regardless of
2582 whether adjudication was withheld, by the applicant; any
2583 partner, member, officer, or director of the applicant or any
2584 person having a similar status or performing similar functions;
2585 or any control person of ~~directly or indirectly controlling~~ the
2586 applicant.

2587 (a) The disqualifying periods shall be 15 years for a
2588 felony and 5 years for a misdemeanor.

2589 (b) The disqualifying periods shall be related to crimes
2590 involving registration as a dealer, investment adviser, issuer
2591 of securities, or associated person or the application for such
2592 registration or involving moral turpitude or fraudulent or
2593 dishonest dealing.

2594 (c) The rules may also address mitigating factors, an
2595 additional waiting period based upon dates of imprisonment or
2596 community supervision, an additional waiting period based upon
2597 commitment of multiple crimes, and other factors reasonably
2598 related to the consideration of an applicant's criminal history.

2599 (d) An applicant is not eligible for registration until
2600 the expiration of the disqualifying period set by rule. Section

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2601 112.011 does not apply to the registration provisions under this
2602 chapter. Nothing in this section changes or amends the grounds
2603 for denial under s. 517.161.

2604 Section 13. Section 517.181, Florida Statutes, is
2605 repealed.

2606 Section 14. Subsection (4) of section 517.191, Florida
2607 Statutes, is amended to read:

2608 517.191 Injunction to restrain violations; civil
2609 penalties; enforcement by Attorney General.—

2610 (4)(a) In addition to any other remedies provided by this
2611 chapter, the office may apply to the court hearing the matter
2612 for, and the court shall have jurisdiction to impose, a civil
2613 penalty against any person found to have violated any provision
2614 of this chapter, any rule or order adopted by the commission or
2615 office, or any written agreement entered into with the office in
2616 an amount not to exceed \$10,000 for a natural person or \$25,000
2617 for any other person, or the gross amount of any pecuniary gain
2618 to such defendant for each such violation other than a violation
2619 of s. 517.301 plus \$50,000 for a natural person or \$250,000 for
2620 any other person, or the gross amount of any pecuniary gain to
2621 such defendant for each violation of s. 517.301. All civil
2622 penalties collected pursuant to this subsection shall be
2623 deposited into the Anti-Fraud Trust Fund. The office may recover
2624 any costs and attorney fees related to the office's
2625 investigation or enforcement of this section. Notwithstanding

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2626 any other provision of law, moneys recovered by the office for
2627 costs and attorney fees collected pursuant to this subsection
2628 shall be deposited into the Anti-Fraud Trust Fund.

2629 (b) A control person found to have violated any provision
2630 of this chapter or any rule adopted under any provision of this
2631 chapter is liable jointly and severally with and to the same
2632 extent as such controlled person in any action brought by the
2633 office under this section, unless the control person can
2634 establish by a preponderance of the evidence that he or she
2635 acted in good faith and did not directly or indirectly induce
2636 the act that constitutes the violation or cause of action. For
2637 purposes of any action brought by the office under this section,
2638 a person who knowingly or recklessly provides substantial
2639 assistance to another person in violation of a provision of this
2640 chapter, or of any rule adopted under any provision of this
2641 chapter, is deemed to violate the provision or the rule to the
2642 same extent as the person to whom such assistance is provided.

2643 Section 15. Subsection (1) of section 517.075, Florida
2644 Statutes, is amended to read:

2645 517.075 Cuba, prospectus disclosure of doing business
2646 with, required.-

2647 (1) Any issuer of securities that will be sold in this
2648 state pursuant to a prospectus must disclose in the prospectus
2649 if the issuer or any affiliate thereof, ~~as defined in s.~~
2650 ~~517.021(1),~~ does business with the government of Cuba or with

2651 any person or affiliate located in Cuba. The prospectus
 2652 disclosure required by this subsection does not apply with
 2653 respect to prospectuses prepared before April 10, 1992.

2654 Section 16. Paragraph (b) of subsection (5) of section
 2655 626.9911, Florida Statutes, is amended to read:

2656 626.9911 Definitions.—As used in this act, the term:

2657 (5) "Life expectancy provider" means a person who
 2658 determines, or holds himself or herself out as determining, life
 2659 expectancies or mortality ratings used to determine life
 2660 expectancies:

2661 (b) In connection with a viatical settlement investment,
 2662 ~~pursuant to s. 517.021(24); or~~

2663 Section 17. Subsection (6) of section 744.351, Florida
 2664 Statutes, is amended to read:

2665 744.351 Bond of guardian.—

2666 (6) When it is expedient in the judgment of any court
 2667 having jurisdiction of any guardianship property, because the
 2668 size of the bond required of the guardian is burdensome, or for
 2669 other cause, the court may order, in lieu of a bond or in
 2670 addition to a lesser bond, that the guardian place all or part
 2671 of the property of the ward in a designated financial
 2672 institution under the same conditions and limitations as are
 2673 contained in s. 69.031. A designated financial institution shall
 2674 also include a dealer, ~~as defined in s. 517.021(6),~~ if the
 2675 dealer is a member of the Security Investment Protection

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2676 Corporation and is doing business in the state.

2677 Section 18. Paragraph (a) of subsection (1) of section
2678 517.131, Florida Statutes, is amended to read:

2679 517.131 Securities Guaranty Fund.—

2680 (1) (a) The Chief Financial Officer shall establish a
2681 Securities Guaranty Fund. An amount not exceeding 20 percent of
2682 all revenues received as assessment fees pursuant to s.
2683 517.12(9) and (10) ~~s. 517.12(10) and (11)~~ for dealers and
2684 investment advisers or s. 517.1201 for federal covered advisers
2685 and an amount not exceeding 10 percent of all revenues received
2686 as assessment fees pursuant to s. 517.12(9) and (10) ~~s.~~
2687 ~~517.12(10) and (11)~~ for associated persons shall be part of the
2688 regular license fee and shall be transferred to or deposited in
2689 the Securities Guaranty Fund.

2690 Section 19. Subsection (1) of section 517.211, Florida
2691 Statutes, is amended to read:

2692 517.211 Remedies available in cases of unlawful sale.—

2693 (1) Every sale made in violation of either s. 517.07 or s.
2694 517.12(1), (3), (4), (8), (10), (12), (15), or (17) ~~(4), (5),~~
2695 ~~(9), (11), (13), (16), or (18)~~ may be rescinded at the election
2696 of the purchaser, except a sale made in violation of the
2697 provisions of s. 517.1202(3) relating to a renewal of a branch
2698 office notification shall not be subject to this section, and a
2699 sale made in violation of the provisions of s. 517.12(12) ~~s.~~
2700 ~~517.12(13)~~ relating to filing a change of address amendment

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2701 shall not be subject to this section. Each person making the
2702 sale and every director, officer, partner, or agent of or for
2703 the seller, if the director, officer, partner, or agent has
2704 personally participated or aided in making the sale, is jointly
2705 and severally liable to the purchaser in an action for
2706 rescission, if the purchaser still owns the security, or for
2707 damages, if the purchaser has sold the security. No purchaser
2708 otherwise entitled will have the benefit of this subsection who
2709 has refused or failed, within 30 days of receipt, to accept an
2710 offer made in writing by the seller, if the purchaser has not
2711 sold the security, to take back the security in question and to
2712 refund the full amount paid by the purchaser or, if the
2713 purchaser has sold the security, to pay the purchaser an amount
2714 equal to the difference between the amount paid for the security
2715 and the amount received by the purchaser on the sale of the
2716 security, together, in either case, with interest on the full
2717 amount paid for the security by the purchaser at the legal rate,
2718 pursuant to s. 55.03, for the period from the date of payment by
2719 the purchaser to the date of repayment, less the amount of any
2720 income received by the purchaser on the security.

2721 Section 20. Subsection (2) of section 517.315, Florida
2722 Statutes, is amended to read:

2723 517.315 Fees.—All fees of any nature collected by the
2724 office pursuant to this chapter shall be disbursed as follows:

2725 (2) After the transfer required in subsection (1), the

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2726 office shall transfer the \$50 assessment fee collected from each
2727 associated person under s. 517.12(9) and (10) ~~s. 517.12(10) and~~
2728 ~~(11)~~ and 30.44 percent of the \$100 assessment fee paid by
2729 dealers and investment advisors for each office in the state
2730 under s. 517.12(9) and (10) ~~s. 517.12(10) and (11)~~ to the
2731 Regulatory Trust Fund; and
2732 Section 21. This act shall take effect July 1, 2022.