

By Senator Gruters

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1 A bill to be entitled
2 An act relating to securities transactions; reordering
3 and amending s. 517.021, F.S.; adding and revising
4 definitions; requiring the Financial Services
5 Commission to define the term "accredited investor";
6 amending s. 517.061, F.S.; revising conditions for
7 securities transactions exempt from registration
8 requirements; exempting the offer and sale of an
9 issuer's own securities from registration requirements
10 if certain conditions are met; requiring such issuers
11 to file certain information with the Office of
12 Financial Regulation within a certain timeframe;
13 authorizing the commission to adopt rules; making
14 technical and conforming changes; amending s.
15 517.0611, F.S.; revising federal standards for
16 intrastate crowdfunding securities offerings; revising
17 requirements for issuers and intermediaries of such
18 securities; revising the limit on consideration
19 received for sales of such securities; conforming
20 cross-references and provisions to changes made by the
21 act; creating s. 517.065, F.S.; authorizing issuers or
22 their authorized persons to communicate with
23 prospective investors to determine their interest in a
24 contemplated security offering; specifying conditions
25 and restrictions relating to such preoffering
26 communications; providing that certain preoffering
27 communications are not subject to certain requirements
28 and restrictions if certain conditions are met;
29 providing construction; amending s. 517.072, F.S.;

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30 authorizing the commission to adopt certain rules
31 relating to viatical settlement investments;
32 conforming a provision to changes made by the act;
33 amending s. 517.081, F.S.; revising requirements for
34 the registration of securities; deleting a limit on,
35 and the commission's rulemaking authority to fix,
36 maximum compensation in connection with the sale or
37 offering of securities; revising application fees for
38 certain securities registrations; requiring the office
39 to deem an application abandoned under certain
40 circumstances; conforming provisions to changes made
41 by the act; amending s. 517.082, F.S.; deleting a
42 restriction on securities registration by notification
43 for specified securities; requiring the office to deem
44 applications for registration by notification
45 abandoned under certain circumstances; making
46 technical changes; amending s. 517.111, F.S.; revising
47 grounds on which the office may revoke, suspend, or
48 deny the registration of securities; specifying the
49 office's powers in investigations of issuers; revising
50 the methods by which the office may enter an order
51 suspending an issuer's right to sell securities;
52 amending s. 517.12, F.S.; revising prohibited acts of
53 dealers and associated persons without required
54 registration; prohibiting the office from registering
55 a person as an associated person of a dealer unless
56 the dealer is lawfully registered; revising
57 applicability of registration requirements; revising
58 requirements for applying for registration as a

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59 dealer, an associated person, or an investment
60 adviser; conforming provisions to changes made by the
61 act; making technical changes; creating s. 517.1214,
62 F.S.; defining terms; specifying continuing education
63 requirements for associated persons of investment
64 advisers and federal covered advisers; providing that
65 certain education credits satisfy such requirements if
66 certain conditions are met; prohibiting associated
67 persons from carrying forward credits to subsequent
68 reporting periods; specifying a restriction on
69 associated persons who fail to meet such requirements;
70 specifying requirements for certain previously
71 registered associated persons; amending s. 517.1217,
72 F.S.; revising the commission's rulemaking authority
73 as to rules of conduct and prohibited business
74 practices of dealers, associated persons, and
75 intermediaries; specifying disclosure requirements for
76 Tier II dealers as to prospective investors;
77 specifying prohibited acts of Tier II dealers and
78 associated persons; amending s. 517.161, F.S.;
79 revising grounds on which the office may revoke,
80 restrict, or suspend registrations of dealers,
81 investment advisers, intermediaries, or associated
82 persons; amending s. 517.1611, F.S.; conforming a
83 provision to changes made by the act; repealing s.
84 517.181, F.S., relating to escrow agreements; amending
85 s. 517.191, F.S.; authorizing the office to recover
86 its investigation and enforcement costs and attorney
87 fees in certain civil actions; requiring such moneys

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88 to be deposited into the Anti-Fraud Trust Fund;
89 specifying the liability of certain control persons;
90 providing construction; amending s. 517.201, F.S.;
91 conforming a provision to changes made by the act;
92 amending s. 921.0022, F.S.; revising applicability of
93 a criminal penalty for certain registration
94 violations; amending ss. 517.051 and 517.1215, F.S.;
95 making technical changes; amending ss. 517.075,
96 517.131, 517.211, 517.315, 626.9911, and 744.351,
97 F.S.; conforming cross-references and making technical
98 changes; providing an effective date.

99

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

101

102 Section 1. Section 517.021, Florida Statutes, is reordered
103 and amended to read:

104 517.021 Definitions.—When used in this chapter, unless the
105 context otherwise indicates, the following terms have the
106 following respective meanings:

107 (1) “Accredited investor” shall be defined by rule of the
108 commission. In adopting the rule, the commission shall consider
109 how the term is defined in the rules and regulations of the
110 various federal and self-regulatory securities agencies and
111 securities regulatory associations.

112 (2) “Affiliate” means a person that directly, or indirectly
113 through one or more intermediaries, controls, is controlled by,
114 or is under common control with an applicant or registrant.

115 (3) “Angel investor group” means a group of accredited
116 investors who hold regular meetings and have defined processes

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117 and procedures for making investment decisions, individually or
118 among the membership of the group as a whole, and are neither
119 associated persons nor agents of any dealer or investment
120 adviser.

121 (4)~~(2)~~ "Associated person" means:

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

124 a. Employed, appointed, or authorized by a Tier I dealer
125 and who represents the Tier I dealer in effecting or attempting
126 to effect purchases or sales of securities; or

127 b. Employed, appointed, or authorized by a Tier II dealer
128 and who represents the Tier II dealer in introducing or
129 referring, solely for the purpose of a potential offer or sale
130 of securities of the issuer in an issuer transaction in this
131 state:

132 (I) One or more potential investors whom such natural
133 person reasonably believes are accredited investors to an issuer
134 with a principal place of business in this state; or

135 (II) An issuer with a principal place of business in this
136 state to one or more potential investors whom such natural
137 person reasonably believes are accredited investors.

138 2. The term does not include the following:

139 a. A dealer.

140 b. A partner, officer, or director of a Tier I dealer or a
141 person having a similar status or performing similar functions
142 as a Tier I dealer, unless such person is specified in
143 subparagraph 1.

144 c. A dealer's employee whose function is only clerical or
145 ministerial.

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

149 (b)1. With respect to an investment adviser, a natural
150 person, including, but not limited to, a partner, officer,
151 director, or branch manager, or a person occupying a similar
152 status or performing similar functions, who:

153 a. Is employed by or associated with, or is subject to the
154 supervision and control of, an investment adviser registered or
155 required to be registered under this chapter; and

156 b. Does any of the following:

157 (I) Makes any recommendation or otherwise gives investment
158 advice regarding securities.

159 (II) Manages accounts or portfolios of clients.

160 (III) Determines which recommendation or advice regarding
161 securities should be given.

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

164 (V) Supervises employees who perform a function under this
165 sub-subparagraph.

166 2. The term does not include the following:

167 a. An investment adviser.

168 b. An employee whose function is only clerical or
169 ministerial

170 ~~1. Any partner, officer, director, or branch manager of a~~
171 ~~dealer or investment adviser or any person occupying a similar~~
172 ~~status or performing similar functions;~~

173 ~~2. Any natural person directly or indirectly controlling or~~
174 ~~controlled by such dealer or investment adviser, other than an~~

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175 ~~employee whose function is only clerical or ministerial; or~~

176 ~~3. Any natural person, other than a dealer, employed,~~
177 ~~appointed, or authorized by a dealer, investment adviser, or~~
178 ~~issuer to sell securities in any manner or act as an investment~~
179 ~~adviser as defined in this section.~~

180
181 ~~The partners of a partnership and the executive officers of a~~
182 ~~corporation or other association registered as a dealer, and any~~
183 ~~person whose transactions in this state are limited to those~~
184 ~~transactions described in s. 15(h)(2) of the Securities Exchange~~
185 ~~Act of 1934, are not "associated persons" within the meaning of~~
186 ~~this definition.~~

187 ~~(c)(b)~~ With respect to a federal covered adviser, a natural
188 any person who is an investment adviser representative and who
189 has a place of business in this state, as such terms are defined
190 in Rule 203A-3 of the Securities and Exchange Commission adopted
191 under the Investment Advisers Act of 1940, as amended.

192 ~~(5)(3)~~ "Boiler room" means an enterprise in which two or
193 more persons engage in telephone communications with members of
194 the public using two or more telephones at one location, or at
195 more than one location in a common scheme or enterprise.

196 ~~(6)(4)~~ "Branch office" means any location in this state of
197 a dealer or investment adviser at which one or more associated
198 persons regularly conduct the business of rendering investment
199 advice or effecting any transactions in, or inducing or
200 attempting to induce the purchase or sale of, any security or
201 any location that is held out as such. The commission may adopt
202 by rule exceptions to this definition for dealers in order to
203 maintain consistency with the definition of a branch office used

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204 by self-regulatory organizations authorized by the Securities
205 and Exchange Commission, including, but not limited to, the
206 Financial Industry Regulatory Authority. The commission may
207 adopt by rule exceptions to this definition for investment
208 advisers.

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

215 (8) "Business incubator" means an organization offering a
216 variety of networking, mentoring, or coaching resources to pre-
217 revenue seed or idea-stage businesses with shared workspaces to
218 facilitate such businesses' development into post-revenue, pre-
219 profit, early stage businesses. A business incubator may also
220 offer business accelerator services.

221 (10)~~(5)~~ "Control," including the terms "controlling,"
222 "controlled by," or "under control with" and "under common
223 control with," means the possession, directly or indirectly, of
224 the power to direct or cause the direction of the management or
225 policies of a person, whether through the ownership of voting
226 securities, by contract, or otherwise.

227 (11) "Control person" means a person that possesses the
228 power, directly or indirectly, to direct or to cause the
229 direction of the management or policies of an organization,
230 whether through ownership of securities, by contract, or
231 otherwise. A person is presumed to be a control person of an
232 organization if, with respect to a particular organization, the

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233 person:

234 (a) Holds the title of president, chief executive officer,
235 chief financial officer, chief operations officer, chief legal
236 officer, or compliance officer;

237 (b) Holds any of the officer positions named in the
238 organization's governing documents;

239 (c) Is a member of the organization's board of directors;

240 (d) For an organization that is a corporation, is a
241 shareholder that, directly or indirectly, owns 25 percent or
242 more or has the power to vote 25 percent or more of a class of
243 voting securities;

244 (e) For an organization that is a partnership, is a general
245 partner or a limited or special partner that has contributed 25
246 percent or more or that has the right to receive upon
247 dissolution 25 percent or more of the partnership's capital; or

248 (f) For an organization that is a limited liability
249 company, is a manager or is a member that has contributed 25
250 percent or more or that has the right to receive upon
251 dissolution 25 percent or more of the limited liability
252 company's capital.

253 (12)-(6)-(a) "Dealer" includes, unless otherwise specified,
254 any Tier I dealer or Tier II dealer any of the following:

255 1. Any person, other than an associated person registered
256 under this chapter, who engages, either for all or part of her
257 or his time, directly or indirectly, as broker or principal in
258 the business of offering, buying, selling, or otherwise dealing
259 or trading in securities issued by another person.

260 2. Any issuer who through persons directly compensated or
261 controlled by the issuer engages, either for all or part of her

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262 ~~or his time, directly or indirectly, in the business of offering~~
263 ~~or selling securities which are issued or are proposed to be~~
264 ~~issued by the issuer.~~

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

266 ~~1. Any licensed practicing attorney who renders or performs~~
267 ~~any of such services in connection with the regular practice of~~
268 ~~her or his profession;~~

269 ~~2. Any bank authorized to do business in this state, except~~
270 ~~nonbank subsidiaries of a bank;~~

271 ~~3. Any trust company having trust powers which it is~~
272 ~~authorized to exercise in this state, which renders or performs~~
273 ~~services in a fiduciary capacity incidental to the exercise of~~
274 ~~its trust powers;~~

275 ~~4. Any wholesaler selling exclusively to dealers;~~

276 ~~5. Any person buying and selling for her or his own account~~
277 ~~exclusively through a registered dealer or stock exchange; or~~

278 ~~6. Pursuant to s. 517.061(11), any person associated with~~
279 ~~an issuer of securities if such person is a bona fide employee~~
280 ~~of the issuer who has not participated in the distribution or~~
281 ~~sale of any securities within the preceding 12 months and who~~
282 ~~primarily performs, or is intended to perform at the end of the~~
283 ~~distribution, substantial duties for, or on behalf of, the~~
284 ~~issuer other than in connection with transactions in securities.~~

285 ~~(9)(7)~~ "Commission" means the Financial Services
286 Commission.

287 ~~(22)(8)~~ "Office" means the Office of Financial Regulation
288 of the commission.

289 ~~(13)(9)~~ "Federal covered adviser" means a person that ~~who~~
290 is registered or required to be registered under s. 203 of the

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291 Investment Advisers Act of 1940, as amended. The term "~~federal~~
292 ~~covered adviser~~" does not include any person that ~~who~~ is
293 excluded from the definition of investment adviser under
294 subparagraphs (18) (b) 1.-8. ~~(14) (b) 1.-8.~~

295 (14) (10) "Federal covered security" means a ~~any~~ security
296 that is a covered security under s. 18(b) of the Securities Act
297 of 1933, as amended, or rules and regulations adopted
298 thereunder.

299 (15) (11) "Guarantor" means a person that ~~who~~ agrees in
300 writing, or that ~~who~~ holds itself out to the public as agreeing,
301 to pay the indebtedness of another when due, including, without
302 limitation, payments of principal and interest on a bond,
303 debenture, note, or other evidence of indebtedness, without
304 resort by the holder to any other obligor, whether or not such
305 writing expressly states that the person signing is signing as a
306 guarantor. The obligation of a guarantor hereunder shall be a
307 continuing, absolute, and unconditional guaranty of payment,
308 without regard to the validity, regularity, or enforceability of
309 the underlying indebtedness.

310 (16) (12) "Guaranty" means an agreement in ~~a~~ writing in
311 which one party either agrees, or holds itself out to the public
312 as agreeing, to pay the indebtedness of another when due,
313 including, without limitation, payments of principal and
314 interest on a bond, debenture, note, or other evidence of
315 indebtedness, without resort by the holder to any other obligor,
316 whether or not such writing expressly states that the person
317 signing is signing as a guarantor. An agreement that is not
318 specifically denominated as a guaranty shall nevertheless
319 constitute a guaranty if the holder of the underlying

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320 indebtedness or the holder's ~~her or his~~ representative or
321 trustee has the right to sue to enforce the guarantor's
322 obligations under the guaranty. Words of guaranty or equivalent
323 words that ~~which~~ otherwise do not specify guaranty of payment
324 create a presumption that payment, rather than collection, is
325 guaranteed by the guarantor. Any guaranty in writing is
326 enforceable notwithstanding any statute of frauds.

327 (17) ~~(13)~~ "Intermediary" means a natural person residing in
328 this ~~the~~ state or a corporation, trust, partnership, limited
329 liability company, association, or other legal entity registered
330 with the Secretary of State to do business in this ~~the~~ state,
331 which facilitates through its website the offer or sale of
332 securities of an issuer with a principal place of business in
333 this state under s. ~~517.0611~~.

334 (18) (a) ~~(14) (a)~~ "Investment adviser" means a ~~includes any~~
335 person, other than an associated person of an investment adviser
336 or a federal covered adviser, that ~~who~~ receives compensation,
337 directly or indirectly, and engages for all or part of the
338 person's ~~her or his~~ time, directly or indirectly, or through
339 publications or writings, in the business of advising others as
340 to the value of securities or as to the advisability of
341 investments in, purchasing of, or selling of securities, ~~except~~
342 ~~a dealer whose performance of these services is solely~~
343 ~~incidental to the conduct of her or his business as a dealer and~~
344 ~~who receives no special compensation for such services.~~

345 (b) The term ~~"investment adviser"~~ does not include the
346 following:

347 1. A dealer or associated person of a dealer whose
348 performance of services in paragraph (a) is solely incidental to

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349 the conduct of the dealer's or associated person's business as a
350 dealer and who does not receive special compensation for those
351 services.

352 2. A Any licensed practicing attorney or certified public
353 accountant whose performance of such services is solely
354 incidental to the practice of the attorney's or accountant's her
355 or his profession.

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

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

360 4. A Any bank holding company as defined in the Bank
361 Holding Company Act of 1956, as amended, authorized to do
362 business in this state.

363 5. A Any trust company having trust powers, as defined in
364 s. 658.12, which it is authorized to exercise in this the state,
365 which trust company renders or performs investment advisory
366 services in a fiduciary capacity incidental to the exercise of
367 its trust powers.

368 6. A Any person that who renders investment advice
369 exclusively to insurance or investment companies.

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

375 8. A Any person whose transactions in this state are
376 limited to those transactions described in s. 222(d) of the
377 Investment Advisers Act of 1940, as amended. Those clients

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378 listed in subparagraph 6. may not be included when determining
379 the number of clients of an investment adviser for purposes of
380 s. 222(d) of the Investment Advisers Act of 1940, as amended.~~†~~
381 ~~or~~

382 9. A federal covered adviser.

383 ~~(19)~~~~(15)~~ "Issuer" means a ~~any~~ person that ~~who~~ proposes to
384 issue, has issued, or shall hereafter issue any security. A ~~Any~~
385 person that ~~who~~ acts as a promoter for and on behalf of a
386 corporation, trust, or unincorporated association or partnership
387 of any kind to be formed shall be deemed an issuer.

388 (20) "Natural person" means an individual.

389 ~~(21)~~~~(16)~~ "Offer to sell," "offer for sale," or "offer"
390 means an ~~any~~ attempt or offer to dispose of, or solicitation of
391 an offer to buy, a security or interest in a security, or an
392 investment or interest in an investment, for value.

393 ~~(23)~~~~(17)~~ "Predecessor" means a person whose ~~the~~ major
394 portion of ~~whose~~ assets has ~~have~~ been acquired directly or
395 indirectly by an issuer.

396 ~~(24)~~~~(18)~~ "Principal" means an executive officer of a
397 corporation, partner of a partnership, sole proprietor of a sole
398 proprietorship, trustee of a trust, or any other person with
399 similar supervisory functions with respect to any organization,
400 whether incorporated or unincorporated.

401 ~~(25)~~~~(19)~~ "Promoter" includes the following:

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

406 (b) A ~~Any~~ person that ~~who~~, in connection with the founding

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407 or organizing of the business or enterprise of an issuer,
408 directly or indirectly receives in consideration of services or
409 property, or both services and property, 10 percent or more of
410 any class of securities of the issuer or 10 percent or more of
411 the proceeds from the sale of any class of securities. However,
412 a person that ~~who~~ receives such securities or proceeds either
413 solely as underwriting commissions or solely in connection with
414 property shall not be deemed a promoter if such person does not
415 otherwise take part in founding and organizing the enterprise.

416 (26) ~~(20)~~ "Qualified institutional buyer" means a ~~any~~
417 qualified institutional buyer, as defined in ~~United States~~
418 Securities and Exchange Commission Rule 144A, 17 C.F.R. s.
419 230.144A(a), under the Securities Act of 1933, as amended, or
420 any foreign buyer that satisfies the minimum financial
421 requirements set forth in such rule.

422 (27) ~~(21)~~ "Sale" or "sell" means a ~~any~~ contract of sale or
423 disposition of an ~~any~~ investment, security, or interest in a
424 security, for value. With respect to a security or interest in a
425 security, the term ~~defined in this subsection~~ does not include
426 preliminary negotiations or agreements between an issuer or any
427 person on whose behalf an offering is to be made and any
428 underwriter or among underwriters who are or are to be in
429 privity of contract with an issuer. Any security given or
430 delivered with, or as a bonus on account of, any purchase of
431 securities or any other thing shall be conclusively presumed to
432 constitute a part of the subject of such purchase and to have
433 been offered and sold for value. Every sale or offer of a
434 warrant or right to purchase or subscribe to another security of
435 the same or another issuer, as well as every sale or offer of a

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436 security which gives the holder a present or future right or
437 privilege to convert into another security or another issuer, is
438 considered to include an offer of the other security.

439 (28)~~(22)~~ "Security" includes any of the following:

440 (a) A note.

441 (b) A stock.

442 (c) A treasury stock.

443 (d) A bond.

444 (e) A debenture.

445 (f) An evidence of indebtedness.

446 (g) A certificate of deposit.

447 (h) A certificate of deposit for a security.

448 (i) A certificate of interest or participation.

449 (j) A whiskey warehouse receipt or other commodity
450 warehouse receipt.

451 (k) A certificate of interest in a profit-sharing agreement
452 or the right to participate therein.

453 (l) A certificate of interest in an oil, gas, petroleum,
454 mineral, or mining title or lease or the right to participate
455 therein.

456 (m) A collateral trust certificate.

457 (n) A reorganization certificate.

458 (o) A preorganization subscription.

459 (p) A ~~Any~~ transferable share.

460 (q) An investment contract.

461 (r) A beneficial interest in title to property, profits, or
462 earnings.

463 (s) An interest in or under a profit-sharing or
464 participation agreement or scheme.

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

468 (u) Any other instrument commonly known as a security,
469 including an interim or temporary bond, debenture, note, or
470 certificate.

471 (v) A ~~Any~~ receipt for a security, or for subscription to a
472 security, or a ~~any~~ right to subscribe to or purchase any
473 security.

474 (w) A viatical settlement investment.

475 (29) "Target offering amount" means the minimum amount of
476 funds required to accomplish the stated purpose for the use of
477 proceeds as specified in the disclosure statement.

478 (30) "Tier I dealer" means a person, other than an
479 associated person of a dealer, that engages, for all or part of
480 the person's time, directly or indirectly, as agent or principal
481 in the business of offering, buying, selling, or otherwise
482 dealing or trading in securities issued by another person. The
483 term does not include the following:

484 (a) A licensed practicing attorney who renders or performs
485 any such services in connection with the regular practice of the
486 attorney's profession.

487 (b) A bank authorized to do business in this state, except
488 nonbank subsidiaries of a bank.

489 (c) A trust company having trust powers that it is
490 authorized to exercise in this state, which renders or performs
491 services in a fiduciary capacity incidental to the exercise of
492 its trust powers.

493 (d) A wholesaler selling exclusively to dealers.

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494 (e) A person buying and selling for the person's own
495 account exclusively through a registered dealer or stock
496 exchange.

497 (f) A natural person representing an issuer in the
498 purchase, sale, or distribution of the issuer's own securities
499 if such person:

500 1. Is an officer, a director, a limited liability company
501 manager or managing member, or a bona fide employee of the
502 issuer;

503 2. Has not participated in the distribution or sale of
504 securities for any issuer for which such person was, within the
505 preceding 12 months, an officer, a director, a limited liability
506 company manager or managing member, or a bona fide employee;

507 3. Primarily performs, or is intended to perform at the end
508 of the distribution, substantial duties for, or on behalf of,
509 the issuer other than in connection with transactions in
510 securities; and

511 4. Does not receive a commission, compensation, or other
512 consideration for the completed sale of the issuer's securities
513 apart from the compensation received for regular duties to the
514 issuer.

515 (31) "Tier II dealer" means a person, other than an
516 associated person of a Tier II dealer, that, solely for the
517 purpose of a potential offer or sale of securities of the issuer
518 in an issuer transaction in this state, introduces or refers:

519 (a) One or more prospective investors whom the person
520 reasonably believes are accredited investors to an issuer with a
521 principal place of business in this state; or

522 (b) An issuer with a principal place of business in this

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523 state to one or more prospective investors whom the person
524 reasonably believes are accredited investors.

525 (32)~~(23)~~ "Underwriter" means a person that ~~who~~ has
526 purchased from an issuer or an affiliate of an issuer with a
527 view to, or offers or sells for an issuer or an affiliate of an
528 issuer in connection with, the distribution of any security, or
529 participates or has a direct or indirect participation in any
530 such undertaking, or participates or has a participation in the
531 direct or indirect underwriting of any such undertaking; except
532 that a person is ~~shall be~~ presumed not to be an underwriter with
533 respect to any security which it ~~she or he~~ has owned
534 beneficially for at least 1 year; and, further, a dealer is
535 ~~shall not be~~ considered an underwriter with respect to any
536 securities which do not represent part of an unsold allotment to
537 or subscription by the dealer as a participant in the
538 distribution of such securities by the issuer or an affiliate of
539 the issuer; and, further, in the case of securities acquired on
540 the conversion of another security without payment of additional
541 consideration, the length of time such securities have been
542 beneficially owned by a person includes the period during which
543 the convertible security was beneficially owned and the period
544 during which the security acquired on conversion has been
545 beneficially owned.

546 (33)~~(24)~~ "Viatical settlement investment" means an
547 agreement for the purchase, sale, assignment, transfer, devise,
548 or bequest of all or any portion of a legal or equitable
549 interest in a viaticated policy as defined in chapter 626.

550 Section 2. Section 517.061, Florida Statutes, is amended to
551 read:

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552 517.061 Exempt transactions.—Except as otherwise provided
553 in s. 517.0611 for a transaction listed in subsection (21) or
554 subsection (23), the exemption for each transaction listed below
555 is self-executing and does not require any filing with the
556 office before claiming the exemption. Any person who claims
557 entitlement to any of the exemptions bears the burden of proving
558 such entitlement in any proceeding brought under this chapter.
559 The registration provisions of s. 517.07 do not apply to any of
560 the following transactions; however, such transactions are
561 subject to the provisions of ss. 517.301, 517.311, and 517.312:

562 (1) At any judicial, executor's, administrator's,
563 guardian's, or conservator's sale, or at any sale by a receiver
564 or trustee in insolvency or bankruptcy, or any transaction
565 incident to a judicially approved reorganization in which a
566 security is issued in exchange for one or more outstanding
567 securities, claims, or property interests.

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

573 (3) The isolated sale or offer for sale of securities when
574 made by or on behalf of a bona fide owner of such securities,
575 but ~~vendor~~ not the issuer or underwriter of the securities, who
576 ~~being the bona fide owner of such securities,~~ disposes of such
577 securities for the owner's ~~her or his own property for her or~~
578 ~~his~~ own account, and such sale is not made directly or
579 indirectly for the benefit of the issuer or an underwriter of
580 such securities or for the direct or indirect promotion of any

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581 scheme or enterprise with the intent of violating or evading any
582 provision of this chapter. For purposes of this subsection,
583 isolated offers or sales include, but are not limited to, an
584 isolated offer or sale made by or on behalf of a bona fide owner
585 of such ~~vendor~~ of securities, but not the issuer or underwriter
586 of such ~~the~~ securities if:

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

590 (b) The offer or sale of securities is in a transaction
591 exempt under s. 4(a)(1) ~~s. 4(1)~~ of the Securities Act of 1933,
592 as amended, or the rules promulgated by the Securities and
593 Exchange Commission thereunder.

594
595 For purposes of this subsection, any person, including, without
596 limitation, a promoter or affiliate of an issuer, shall not be
597 deemed an underwriter, an issuer, or a person acting for the
598 direct or indirect benefit of the issuer or an underwriter with
599 respect to any securities of the issuer which she or he has
600 owned beneficially for at least 1 year.

601 (4) The distribution by a corporation, limited liability
602 company, trust, or partnership, actively engaged in the business
603 authorized by its charter or other organizational articles or
604 agreement, of securities to its stockholders or other equity
605 security holders, partners, or beneficiaries as a stock dividend
606 or other distribution out of earnings or surplus.

607 (5) The issuance of securities to such equity security
608 holders or other creditors of a corporation, limited liability
609 company, trust, or partnership in the process of a

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610 reorganization of such corporation or entity, made in good faith
611 and not for the purpose of avoiding the provisions of this
612 chapter, either in exchange for the securities of such equity
613 security holders or claims of such creditors or partly for cash
614 and partly in exchange for the securities or claims of such
615 equity security holders or creditors.

616 (6) Any transaction involving the distribution of the
617 securities of an issuer exclusively among its own security
618 holders, including any person who at the time of the transaction
619 is a holder of any convertible security, any nontransferable
620 warrant, or any transferable warrant which is exercisable within
621 not more than 90 days after ~~of~~ issuance, when no commission or
622 other remuneration is paid or given directly or indirectly in
623 connection with the sale or distribution of such additional
624 securities.

625 (7) The offer or sale of securities to a bank, trust
626 company, savings institution, insurance company, dealer,
627 investment company as defined by the Investment Company Act of
628 1940, as amended, pension or profit-sharing trust, or qualified
629 institutional buyer as defined by rule of the commission in
630 accordance with Securities and Exchange Commission Rule 144A (17
631 C.F.R. s. 230.144(A)(a)), whether any of such entities is acting
632 in its individual or fiduciary capacity; provided that such
633 offer or sale of securities is not for the direct or indirect
634 promotion of any scheme or enterprise with the intent of
635 violating or evading any provision of this chapter.

636 (8) The sale of securities from one organization
637 ~~corporation~~ to another organization if corporation provided
638 ~~that:~~

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639 (a) The sale price of the securities is \$50,000 or more;
640 and

641 (b) The buyer and seller corporations each have assets of
642 \$500,000 or more.

643 (9) The distribution of the securities of an issuer to the
644 security holders of another person in connection with a merger,
645 consolidation, exchange of securities, sale of assets, or other
646 reorganization to which the issuer, or its parent or subsidiary,
647 and the other person, or its parent or subsidiary, are parties
648 ~~The offer or sale of securities from one corporation to another~~
649 ~~corporation, or to security holders thereof, pursuant to a vote~~
650 ~~or consent of such security holders as may be provided by the~~
651 ~~articles of incorporation and the applicable corporate statutes~~
652 ~~in connection with mergers, share exchanges, consolidations, or~~
653 ~~sale of corporate assets.~~

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

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

661 1. There are no more than 35 purchasers, or the issuer
662 reasonably believes that there are no more than 35 purchasers,
663 of the securities of the issuer in this state during an offering
664 made in reliance upon this subsection or, if such offering
665 continues for a period in excess of 12 months, in any
666 consecutive 12-month period.

667 2. Neither the issuer nor any person acting on behalf of

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668 the issuer offers or sells securities pursuant to this
669 subsection by means of any form of general solicitation or
670 general advertising in this state.

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

674 4. No person defined as a "dealer" in this chapter is paid
675 a commission or compensation for the sale of the issuer's
676 securities unless such person is registered as a dealer under
677 this chapter.

678 5. When sales are made to five or more persons in this
679 state, any sale in this state made pursuant to this subsection
680 is voidable by the purchaser in such sale either within 3 days
681 after the first tender of consideration is made by such
682 purchaser to the issuer, an agent of the issuer, or an escrow
683 agent or within 3 days after the availability of that privilege
684 is communicated to such purchaser, whichever occurs later.

685 (b) The following purchasers are excluded from the
686 calculation of the number of purchasers under subparagraph
687 (a)1.:

688 1. Any relative or spouse, or relative of such spouse, of a
689 purchaser who has the same principal residence as such
690 purchaser.

691 2. Any trust or estate in which a purchaser, any of the
692 persons related to such purchaser specified in subparagraph 1.,
693 and any organization ~~corporation~~ specified in subparagraph 3.
694 collectively have more than 50 percent of the beneficial
695 interest (excluding contingent interest).

696 3. Any corporation or other organization of which a

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697 purchaser, any of the persons related to such purchaser
698 specified in subparagraph 1., and any trust or estate specified
699 in subparagraph 2. collectively are beneficial owners of more
700 than 50 percent of the equity securities or equity interest.

701 4. Any purchaser who makes a bona fide investment of
702 \$100,000 or more, provided such purchaser or the purchaser's
703 representative receives, or has access to, the information
704 required to be disclosed by subparagraph (a)3.

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

708 (c)1. For purposes of determining which offers and sales of
709 securities constitute part of the same offering under this
710 subsection and are therefore deemed to be integrated with one
711 another:

712 a. Offers or sales of securities occurring more than 60
713 calendar days ~~6 months~~ before an offer or sale of securities
714 made pursuant to this subsection shall not be considered part of
715 the same offering, provided there are no offers or sales by or
716 for the issuer of the same or a similar class of securities
717 during such 60-calendar-day ~~6-month~~ period.

718 b. Offers or sales of securities occurring at any time
719 after 60 calendar days ~~6 months~~ from an offer or sale made
720 pursuant to this subsection shall not be considered part of the
721 same offering, provided there are no offers or sales by or for
722 the issuer of the same or a similar class of securities during
723 such 60-calendar-day ~~6-month~~ period.

724 2.a. Offers or sales which do not satisfy the conditions of
725 any of the provisions of subparagraph 1. may or may not be part

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726 of the same offering, depending on the particular facts and
727 circumstances in each case and those factors specified by
728 commission rule.

729 b. The commission may adopt a rule or rules indicating what
730 factors should be considered in determining whether offers and
731 sales not qualifying for the provisions of subparagraph 1. are
732 part of the same offering for purposes of this subsection.

733 (d) Offers or sales of securities made pursuant to, and in
734 compliance with, any other subsection of this section or any
735 subsection of s. 517.051 are ~~shall~~ not ~~be~~ considered part of an
736 offering pursuant to this subsection, regardless of when such
737 offers and sales are made.

738 (12) The sale of securities by a bank or trust company
739 organized or incorporated under the laws of the United States or
740 this state at a profit to such bank or trust company of not more
741 than 2 percent of the total sale price of such securities;
742 provided that there is no solicitation of this business by such
743 bank or trust company where such bank or trust company acts as
744 agent in the purchase or sale of such securities.

745 (13) An unsolicited purchase or sale of securities on order
746 of, and as the agent for, another by a dealer registered
747 pursuant to the provisions of s. 517.12; provided that this
748 exemption applies solely and exclusively to such registered
749 dealers and does not authorize or permit the purchase or sale of
750 securities on order of, and as agent for, another by any person
751 other than a dealer so registered; and provided, further, that
752 such purchase or sale is not directly or indirectly for the
753 benefit of the issuer or an underwriter of such securities or
754 for the direct or indirect promotion of any scheme or enterprise

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755 with the intent of violation or evading any provision of this
756 chapter.

757 (14) The offer or sale of equity interests of an
758 organization ~~shares of a corporation~~ which represent ownership,
759 or entitle the holders of the equity interests ~~shares~~ to
760 possession and occupancy, of specific apartment units in
761 property owned by such organization ~~corporation~~ and organized
762 and operated on a cooperative basis, solely for residential
763 purposes.

764 (15) The offer or sale of securities under a bona fide
765 employer-sponsored stock option, stock purchase, pension,
766 profit-sharing, savings, or other benefit plan when offered only
767 to employees of the sponsoring organization or to employees of
768 its controlled subsidiaries.

769 (16) The sale by or through a registered dealer of any
770 securities option if at the time of the sale of the option all
771 of the following conditions are met:

772 (a) 1. The performance of the terms of the option is
773 guaranteed by any dealer registered under the federal Securities
774 Exchange Act of 1934, as amended, which guaranty and dealer are
775 in compliance with such requirements or rules as may be approved
776 or adopted by the commission; or

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

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

782 ~~(c)~~ (d) The underlying security may be purchased or sold on
783 a ~~recognized~~ securities exchange registered under s. 6 of the

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784 Securities Exchange Act of 1934, as amended. ~~or is quoted on the~~
785 ~~National Association of Securities Dealers Automated Quotation~~
786 ~~System; and~~

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

790 (17) (a) The offer or sale of securities, as agent or
791 principal, by a Tier I dealer registered pursuant to s. 517.12,
792 when such securities are offered or sold at a price reasonably
793 related to the current market price of such securities, provided
794 such securities are:

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

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

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

803 4. Securities, other than any security that is a federal
804 covered security pursuant to s. 18(b)(1) of the Securities Act
805 of 1933, as amended, and is not subject to any registration or
806 filing requirements under this chapter act, which ~~appear in any~~
807 ~~list of securities dealt in on any stock exchange registered~~
808 ~~pursuant to the Securities Exchange Act of 1934, as amended, and~~
809 ~~which~~ securities have been listed or approved for listing upon
810 notice of issuance by a securities exchange registered pursuant
811 to the Securities Exchange Act of 1934, as amended ~~such~~
812 ~~exchange~~, and also all securities senior to any securities so

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813 listed or approved for listing upon notice of issuance, or
814 represented by subscription rights which have been so listed or
815 approved for listing upon notice of issuance, or evidences of
816 indebtedness guaranteed by an issuer with a class of securities
817 ~~companies any stock of which is so~~ listed or approved for
818 listing upon notice of issuance by such securities exchange,
819 such securities to be exempt only so long as such listings or
820 approvals remain in effect. The exemption provided for herein
821 does not apply when the securities are suspended from listing
822 approval for listing or trading.

823 (b) The exemption provided in this subsection does not
824 apply if the sale is made for the direct or indirect benefit of
825 an issuer or a control person ~~controlling persons~~ of such issuer
826 or if such securities constitute the whole or part of an unsold
827 allotment to, or subscription or participation by, a dealer as
828 an underwriter of such securities.

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

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

837 (19) Other transactions defined by rules as transactions
838 exempted from the registration provisions of s. 517.07, which
839 rules the commission may adopt from time to time, but only after
840 a finding by the office that the application of the provisions
841 of s. 517.07 to a particular transaction is not necessary in the

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842 public interest and for the protection of investors because of
843 the small dollar amount of securities involved or the limited
844 character of the offering. In conjunction with its adoption of
845 such rules, the commission may also provide in such rules that
846 persons selling or offering for sale the exempted securities are
847 exempt from the registration requirements of s. 517.12. No rule
848 so adopted may have the effect of narrowing or limiting any
849 exemption provided for by statute in the other subsections of
850 this section.

851 (20) Any nonissuer transaction by a registered associated
852 person of a registered Tier I dealer, and any resale transaction
853 by a sponsor of a unit investment trust registered under the
854 Investment Company Act of 1940, as amended, in a security of a
855 class that has been outstanding in the hands of the public for
856 at least 90 days; provided, at the time of the transaction, all
857 of the following conditions are met:

858 (a) The issuer of the security is actually engaged in
859 business and is not in the organization stage or in bankruptcy
860 or receivership and is not a blank check, blind pool, or shell
861 company whose primary plan of business is to engage in a merger
862 or combination of the business with, or an acquisition of, any
863 unidentified person.†

864 (b) The security is sold at a price reasonably related to
865 the current market price of the security.†

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

869 (d) The security is listed in a nationally recognized
870 securities manual designated by rule of the commission or order

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871 of the office, or a document is filed with the Securities and
872 Exchange Commission which ~~that~~ is publicly available through the
873 Securities and Exchange Commission's electronic data gathering
874 and retrieval system and which contains:

875 1. A description of the business and operations of the
876 issuer;

877 2. The names of the issuer's officers and directors, if
878 any, or, in the case of an issuer not domiciled in the United
879 States, the corporate equivalents of such persons in the
880 issuer's country of domicile;

881 3. An audited balance sheet of the issuer as of a date
882 within 18 months before such transaction or, in the case of a
883 reorganization or merger in which parties to the reorganization
884 or merger had such audited balance sheet, a pro forma balance
885 sheet; and

886 4. An audited income statement for each of the issuer's
887 immediately preceding 2 fiscal years, or for the period of
888 existence of the issuer, if in existence for less than 2 years
889 or, in the case of a reorganization or merger in which the
890 parties to the reorganization or merger had such audited income
891 statement, a pro forma income statement. ~~;~~ and

892 (e) The issuer of the security has a class of equity
893 securities listed on a national securities exchange registered
894 under the Securities Exchange Act of 1934, as amended ~~or~~
895 ~~designated for trading on the National Association of Securities~~
896 ~~Dealers Automated Quotation System~~, unless:

897 1. The issuer of the security is a unit investment trust
898 registered under the Investment Company Act of 1940, as amended;

899 2. The issuer of the security has been engaged in

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900 continuous business, including predecessors, for at least 3
901 years; or

902 3. The issuer of the security has total assets of at least
903 \$2 million based on an audited balance sheet as of a date within
904 18 months before such transaction or, in the case of a
905 reorganization or merger in which parties to the reorganization
906 or merger had such audited balance sheet, a pro forma balance
907 sheet.

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

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

914 (23) The offer or sale, by or on behalf of an issuer, of
915 the issuer's own securities, which offer or sale is part of an
916 offering made in accordance with all of the following:

917 (a) Sales of securities are made only to persons who are,
918 or whom the issuer reasonably believes are, accredited
919 investors.

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

924 (c) The issuer reasonably believes that all purchasers are
925 purchasing for investment and not with the view to resell in
926 connection with a distribution of the security. Any resale of a
927 security sold in reliance on this exemption within 12 months
928 after a sale is presumed to be with a view to distribution and

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929 not for investment, except a resale pursuant to a registration
930 effective under this chapter or the Securities Act of 1933, as
931 amended, or pursuant to an exemption available under this
932 chapter, the Securities Act of 1933, as amended, or the rules
933 and regulations adopted thereunder.

934 (d) Neither the issuer nor any beneficial owner of 10
935 percent or more of any class of the issuer's equity securities;
936 any affiliated issuer; any of the issuer's predecessors,
937 directors, officers, or general partners; any of the issuer's
938 promoters presently connected with the issuer in any capacity;
939 any underwriter of the securities to be offered; or any partner,
940 director, or officer of such underwriter:

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

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

948 3. Is currently subject to a state or federal
949 administrative enforcement order or judgment entered within the
950 last 5 years finding fraud or deceit in connection with the
951 purchase or sale of a security; or

952 4. Is currently subject to an order, judgment, or decree of
953 a court of competent jurisdiction entered within the last 5
954 years temporarily, preliminarily, or permanently restraining or
955 enjoining such party from engaging in, or continuing to engage
956 in, a conduct or practice involving fraud or deceit in
957 connection with the purchase or sale of a security.

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958 (e) The issuer may make or cause the making of a general
959 announcement of the proposed offering, which, if made, must
960 include all of the following information:

961 1. The name, address, and telephone number of the issuer of
962 the securities.

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

965 3. A brief description of the business of the issuer in 25
966 words or fewer.

967 4. The type, number, and aggregate amount of securities
968 offered.

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

971 6. A statement that:

972 a. Sales will be made only to accredited investors who are
973 Florida residents at the time of sale;

974 b. No money or other consideration is being solicited or
975 will be accepted by way of this general announcement; and

976 c. The securities have not been registered with or approved
977 by any state securities agency or the Securities and Exchange
978 Commission and are being offered and sold pursuant to an
979 exemption from registration.

980 (f) The issuer, in connection with an offer, may provide
981 information in addition to the general announcement under
982 paragraph (e) if such information is delivered:

983 1. Electronically to persons who have been prequalified as
984 accredited investors; or

985 2. After the issuer reasonably believes that the
986 prospective investor is an accredited investor.

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

990 (h) Dissemination of the general announcement of the
991 proposed offering to persons who are not accredited investors
992 does not disqualify the issuer from claiming the exemption under
993 this subsection.

994 (i) Within 15 days after the first sale in this state, the
995 issuer shall file with the office a notice of transaction on a
996 form prescribed by commission rule, a consent to service of
997 process similar to that provided in s. 517.101, and a copy of
998 the general announcement. The commission may establish by rule
999 procedures for filing documents by electronic means.

1000 Section 3. Subsections (3) and (4), paragraphs (d), (e),
1001 and (g) of subsection (5), subsections (7), (9), and (10),
1002 paragraphs (b), (c), (f), (g), and (i) of subsection (13), and
1003 subsection (14) of section 517.0611, Florida Statutes, are
1004 amended to read:

1005 517.0611 Intrastate crowdfunding.—

1006 (3) The offer or sale of securities under this section must
1007 be conducted in accordance with the requirements of the federal
1008 exemption for intrastate offerings in:

1009 (a) Section 3(a)(11) ~~s. 3(a)(11)~~ of the Securities Act of
1010 1933, 15 U.S.C. s. 77c(a)(11), as amended, and United States
1011 Securities and Exchange Commission Rule 147, 17 C.F.R. s.
1012 230.147, adopted pursuant to the Securities Act of 1933, as
1013 amended; or

1014 (b) Securities and Exchange Commission Rule 147A, 17 C.F.R.
1015 s. 230.147A.

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1016 (4) An issuer must:

1017 (a) Be a for-profit business entity and ~~formed under the~~
1018 ~~laws of the state, be registered with the Secretary of State,~~
1019 maintain its principal place of business in this ~~the~~ state, ~~and~~
1020 ~~derive its revenues primarily from operations in the state.~~

1021 (b) Conduct transactions for the offering through a Tier I
1022 dealer registered with the office or an intermediary registered
1023 under s. 517.12(19) ~~s. 517.12(20)~~.

1024 (c) Not be, either before or as a result of the offering,
1025 an investment company as defined in s. 3 of the Investment
1026 Company Act of 1940, 15 U.S.C. s. 80a-3, as amended, or subject
1027 to the reporting requirements of s. 13 or s. 15(d) of the
1028 Securities Exchange Act of 1934, 15 U.S.C. s. 78m or s. 78o(d),
1029 as amended.

1030 (d) Not be an organization ~~a company~~ with an undefined
1031 business operation, a company that lacks a business plan, a
1032 company that lacks a stated investment goal for the funds being
1033 raised, or a company that plans to engage in a merger or
1034 acquisition with an unspecified business entity.

1035 (e) Not be subject to a disqualification established by the
1036 commission or office or a disqualification described in s.
1037 517.1611 or United States Securities and Exchange Commission
1038 Rule 506(d), 17 C.F.R. 230.506(d), adopted pursuant to the
1039 Securities Act of 1933, as amended. Each director, officer,
1040 person occupying a similar status or performing a similar
1041 function, or person holding more than 20 percent of the shares
1042 of the issuer, is subject to this requirement.

1043 (f) Through an escrow agreement or a trust account
1044 arrangement entered into with a third party, cause all funds

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1045 received from investors to be deposited in a federally insured
1046 account for benefit of the investors and maintain all such funds
1047 in the account until such time as either the target offering
1048 amount has been reached, the offering has been terminated, or
1049 the offering has expired. All funds must be used in accordance
1050 with the uses of proceeds represented to prospective investors
1051 ~~Execute an escrow agreement with a federally insured financial~~
1052 ~~institution authorized to do business in the state for the~~
1053 ~~deposit of investor funds, and ensure that all offering proceeds~~
1054 ~~are provided to the issuer only when the aggregate capital~~
1055 ~~raised from all investors is equal to or greater than the target~~
1056 ~~offering amount.~~

1057 (g) Allow investors to cancel a commitment to invest within
1058 3 business days before the offering deadline, as stated in the
1059 disclosure statement, and issue refunds to all investors if the
1060 target offering amount is not reached by the offering deadline.

1061 (5) The issuer must file a notice of the offering with the
1062 office, in writing or in electronic form, in a format prescribed
1063 by commission rule, together with a nonrefundable filing fee of
1064 \$200. The filing fee shall be deposited into the Regulatory
1065 Trust Fund of the office. The commission may adopt rules
1066 establishing procedures for the deposit of fees and the filing
1067 of documents by electronic means if the procedures provide the
1068 office with the information and data required by this section. A
1069 notice is effective upon receipt, by the office, of the
1070 completed form, filing fee, and an irrevocable written consent
1071 to service of civil process, similar to that provided for in s.
1072 517.101. The notice may be terminated by filing with the office
1073 a notice of termination. The notice and offering expire 12

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1074 months after filing the notice with the office and are not
1075 eligible for renewal. The notice must:

1076 (d) Identify any predecessors, owners, officers, directors,
1077 and control persons or any person occupying a similar status or
1078 performing a similar function of the issuer, including that
1079 person's:

1080 1. Title;

1081 2. ~~his or her~~ Status as a partner, trustee, or sole
1082 proprietor, or in a similar role; ~~and~~

1083 3. ~~his or her~~ Ownership percentage.

1084 (e) Identify the federally insured financial institution ~~in~~
1085 ~~authorized to do business in the state,~~ in which investor funds
1086 will be deposited~~, in accordance with the escrow agreement~~ or
1087 trust account arrangement.

1088 (g) Include documentation verifying that the issuer is
1089 ~~organized under the laws of the state and~~ authorized to do
1090 business in the state.

1091 (7) The issuer must provide to prospective investors and
1092 the dealer or intermediary, along with a copy to the office at
1093 the time that the notice is filed, and make available to
1094 prospective ~~potential~~ investors through the dealer or
1095 intermediary~~, a disclosure statement containing material~~
1096 information about the issuer and the offering, including all of
1097 the following:

1098 (a) The name, legal status, physical address, and website
1099 address of the issuer.

1100 (b) The names of the directors, officers, and any person
1101 occupying a similar status or performing a similar function, and
1102 the name of each person holding more than 20 percent of the

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1103 shares or interests of the issuer.

1104 (c) A description of the business of the issuer and the
1105 anticipated business plan of the issuer.

1106 (d) A description of the stated purpose and intended use of
1107 the proceeds of the offering.

1108 (e) The target offering amount, the deadline to reach the
1109 target offering amount, and regular updates regarding the
1110 progress of the issuer in meeting the target offering amount.

1111 (f) The price to the public of the securities or the method
1112 for determining the price. However, before the sale, each
1113 investor must receive in writing the final price and all
1114 required disclosures and have an opportunity to rescind the
1115 commitment to purchase the securities.

1116 (g) A description of the ownership and capital structure of
1117 the issuer, including:

1118 1. Terms of the securities being offered and each class of
1119 security of the issuer, including how those terms may be
1120 modified, and a summary of the differences between such
1121 securities, including how the rights of the securities being
1122 offered may be materially limited, diluted, or qualified by
1123 rights of any other class of security of the issuer.

1124 2. A description of how the exercise of the rights held by
1125 the control persons ~~principal shareholders~~ of the issuer could
1126 negatively impact the purchasers of the securities being
1127 offered.

1128 3. The name and ownership level of each existing
1129 shareholder or member who owns more than 20 percent of any class
1130 of the securities of the issuer.

1131 4. How the securities being offered are being valued, and

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1132 examples of methods of how such securities may be valued by the
1133 issuer in the future, including during subsequent corporate
1134 actions.

1135 5. The risks to purchasers of the securities relating to
1136 minority ownership in the issuer, the risks associated with
1137 corporate action, including additional issuances of securities
1138 ~~shares~~, a sale of the issuer or of assets of the issuer, or
1139 transactions with related parties.

1140 (h) A description of the financial condition of the issuer.

1141 1. For offerings that, in combination with all other
1142 offerings of the issuer within the preceding 12-month period,
1143 have target offering amounts of \$100,000 or less, the
1144 description must include the most recent income tax return filed
1145 by the issuer, if any, and a financial statement that must be
1146 certified by the principal executive officer of the issuer as
1147 true and complete in all material respects.

1148 2. For offerings that, in combination with all other
1149 offerings of the issuer within the preceding 12-month period,
1150 have target offering amounts of more than \$100,000, but not more
1151 than \$500,000, the description must include financial statements
1152 prepared in accordance with generally accepted accounting
1153 principles and reviewed by a certified public accountant, as
1154 defined in s. 473.302, who is independent of the issuer, using
1155 professional standards and procedures for such review or
1156 standards and procedures established by the office, by rule, for
1157 such purpose.

1158 3. For offerings that, in combination with all other
1159 offerings of the issuer within the preceding 12-month period,
1160 have target offering amounts of more than \$500,000, the

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1161 description must include audited financial statements prepared
1162 in accordance with generally accepted accounting principles by a
1163 certified public accountant, as defined in s. 473.302, who is
1164 independent of the issuer, and other requirements as the
1165 commission may establish by rule.

1166 (i) The following statement in boldface, conspicuous type
1167 on the front page of the disclosure statement:

1168

1169 These securities are offered under, and will be sold
1170 in reliance upon, an exemption from the registration
1171 requirements of federal and Florida securities laws.
1172 Consequently, neither the Federal Government nor the
1173 State of Florida has reviewed the accuracy or
1174 completeness of any offering materials. In making an
1175 investment decision, investors must rely on their own
1176 examination of the issuer and the terms of the
1177 offering, including the merits and risks involved.

1178 These securities are subject to restrictions on
1179 transferability and resale and may not be transferred
1180 or resold except as specifically authorized by
1181 applicable federal and state securities laws.

1182 Investing in these securities involves a speculative
1183 risk, and investors should be able to bear the loss of
1184 their entire investment.

1185

1186 (9) The sum of all cash and other consideration received
1187 for sales of a security under this section may not exceed \$5 ~~\$1~~
1188 million, less the aggregate amount received for all sales of
1189 securities by the issuer within the 12 months preceding the

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1190 first offer or sale made in reliance upon this exemption. Offers
1191 or sales to a person owning 20 percent or more of the
1192 outstanding equity ownership shares of any class or classes of
1193 securities or to an officer, director, partner, limited
1194 liability company manager or managing member, or trustee, or a
1195 person occupying a similar status, do not count toward this
1196 limitation.

1197 (10) Unless the investor is an accredited investor ~~as~~
1198 ~~defined by Rule 501 of Regulation D, adopted pursuant to the~~
1199 ~~Securities Act of 1933~~, the aggregate amount sold by an issuer
1200 to an investor in transactions exempt from registration
1201 requirements under this subsection in a 12-month period may not
1202 exceed:

1203 (a) The greater of \$2,000 or 5 percent of the annual income
1204 or net worth of such investor, if the annual income or the net
1205 worth of the investor is less than \$100,000.

1206 (b) Ten percent of the annual income or net worth of such
1207 investor, not to exceed a maximum aggregate amount sold of
1208 \$100,000, if either the annual income or net worth of the
1209 investor is equal to or exceeds \$100,000.

1210 (13) An intermediary must:

1211 (b) Provide basic information on its website regarding the
1212 high risk of investment in and limitation on the resale of
1213 exempt securities and the potential for loss of an entire
1214 investment. The basic information must include:

1215 1. A description of the escrow agreement or trust account
1216 arrangement that the issuer has executed and the conditions for
1217 release of such funds to the issuer in accordance with the
1218 agreement and subsection (4).

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1219 2. A description of whether financial information provided
1220 by the issuer has been audited by an independent certified
1221 public accountant, as defined in s. 473.302.

1222 (c) Obtain a zip code or residence address from each
1223 prospective ~~potential~~ investor who seeks to view information
1224 regarding specific investment opportunities, in order to confirm
1225 that the prospective ~~potential~~ investor is a resident of the
1226 state.

1227 (f) Direct the release of investor funds ~~in escrow~~ in
1228 accordance with subsection (4).

1229 (g) Direct investors to transmit funds directly to the
1230 escrow agent or trust account trustee with evidence of the
1231 transmission of funds provided to the intermediary financial
1232 ~~institution designated in the escrow agreement to hold the funds~~
1233 ~~for the benefit of the investor.~~

1234 (i) Require each investor to certify in writing, including
1235 as part of such certification each investor's ~~his or her~~
1236 signature and ~~his or her~~ initials next to each paragraph of the
1237 certification, as follows:

1238
1239 I understand and acknowledge that:

1240
1241 I am investing in a high-risk, speculative business
1242 venture. I may lose all of my investment, and I can
1243 afford the loss of my investment.

1244
1245 This offering has not been reviewed or approved by any
1246 state or federal securities commission or other
1247 regulatory authority and no regulatory authority has

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1248 confirmed the accuracy or determined the adequacy of
1249 any disclosure made to me relating to this offering.

1250
1251 The securities I am acquiring in this offering are
1252 illiquid and are subject to possible dilution. There
1253 is no ready market for the sale of the securities. It
1254 may be difficult or impossible for me to sell or
1255 otherwise dispose of the securities, and I may be
1256 required to hold the securities indefinitely.

1257
1258 I may be subject to tax on my share of the taxable
1259 income and losses of the issuer, whether or not I have
1260 sold or otherwise disposed of my investment or
1261 received any dividends or other distributions from the
1262 issuer.

1263
1264 By entering into this transaction with the issuer, I
1265 am affirmatively representing myself as being a
1266 Florida resident at the time this contract is formed,
1267 and if this representation is subsequently shown to be
1268 false, the contract is void.

1269
1270 If I resell any of the securities I am acquiring in
1271 this offering to a person that is not a Florida
1272 resident within 9 months after the closing of the
1273 offering, my contract with the issuer for the purchase
1274 of these securities is void.

1275
1276 (14) An intermediary not registered as a dealer under s.

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1277 517.12(5) ~~s. 517.12(6)~~ may not:

1278 (a) Offer investment advice or recommendations. A refusal
1279 by an intermediary to post an offering that it deems not
1280 credible or that represents a potential for fraud may not be
1281 construed as an offer of investment advice or recommendation.

1282 (b) Solicit purchases, sales, or offers to buy securities
1283 offered or displayed on its website.

1284 (c) Compensate employees, agents, or other persons for the
1285 solicitation of, or based on the sale of, securities offered or
1286 displayed on its website.

1287 (d) Hold, manage, possess, or otherwise handle investor
1288 funds or securities.

1289 (e) Compensate promoters, finders, or lead generators for
1290 providing the intermediary with the personal identifying
1291 information of any prospective ~~potential~~ investor.

1292 (f) Engage in any other activities set forth by commission
1293 rule.

1294 Section 4. Section 517.065, Florida Statutes, is created to
1295 read:

1296 517.065 Preoffering communications.—

1297 (1) At any time before the formal commencement of an
1298 offering of a security, an issuer or any person authorized to
1299 act on behalf of an issuer may communicate orally or in writing
1300 with prospective investors to determine their interest in the
1301 contemplated security offering. Preoffering communications are
1302 deemed to be an offer for sale of a security for purposes of the
1303 antifraud provisions of ss. 517.301, 517.311, and 517.312. A
1304 solicitation or acceptance of money or other consideration or
1305 any commitment, binding or otherwise, from any person is not

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1306 permitted during the preoffering period until the offering has
1307 formally commenced.

1308 (a) For the preoffering safe harbor to be available to an
1309 issuer, the preoffer communications must state that:

1310 1. No money or other consideration is being solicited and,
1311 if sent in response, will not be accepted.

1312 2. No offer to buy the securities can be accepted and no
1313 part of the purchase price can be received until the offering
1314 has formally commenced, and any such offer may be withdrawn or
1315 revoked, without obligation or commitment of any kind, at any
1316 time before notice of its acceptance is given after the
1317 registration date.

1318 3. A person's indication of interest involves no obligation
1319 or commitment of any kind.

1320 (b) Any written communication under this section may
1321 include a means by which a person may indicate to the issuer
1322 that the person is interested in a potential offering. The
1323 issuer may require the name, address, telephone number, or e-
1324 mail address in any response form included under this paragraph.

1325 (2) A preoffering communication by the potential issuer of
1326 securities is not deemed to be in violation of s. 517.07 and is
1327 not deemed to constitute general solicitation or general
1328 advertising under s. 517.061(11) if made in connection with a
1329 seminar or meeting in which more than one issuer participates
1330 and if the seminar or meeting is sponsored by a college,
1331 university, or other institution of higher education; a state or
1332 local government or instrumentality thereof; a nonprofit
1333 organization; or an angel investor group, business incubator, or
1334 business accelerator, provided that all of the following

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1335 conditions are met:

1336 (a) No advertising for the seminar or meeting references a
1337 specific offering of securities by the issuer.

1338 (b) The sponsor of the seminar or meeting does not do any
1339 of the following:

1340 1. Make investment recommendations or provide investment
1341 advice to event attendees.

1342 2. Engage in any investment negotiations between the issuer
1343 and event attendees.

1344 3. Charge event attendees any fees other than reasonable
1345 administrative fees.

1346 4. Receive any compensation for making introductions
1347 between event attendees and issuers or for investment
1348 negotiations between such parties.

1349 5. Receive any compensation with respect to the event which
1350 would require registration of the sponsor as a dealer,
1351 intermediary, or investment adviser under s. 517.12.

1352 (c) The type of information regarding an offering of
1353 securities by the issuer which is communicated or distributed by
1354 or on behalf of the issuer in connection with the event is
1355 limited to a notification that the issuer is in the process of
1356 offering or planning to offer securities, the type and amount of
1357 securities being offered, the intended use of proceeds of the
1358 offering, and the unsubscribed amount in the offering.

1359 (d) If the event allows attendees to participate virtually
1360 rather than in person, online participation in the event is
1361 limited to:

1362 1. Natural persons who are members of or otherwise
1363 associated with the sponsor organization.

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1364 2. Natural persons whom the sponsor reasonably believes are
1365 accredited investors.

1366 3. Natural persons who have been invited to the event by
1367 the sponsor based on industry or investment-related experience
1368 and have been reasonably selected in good faith.

1369 (e) A sponsor of the seminar or meeting that complies with
1370 paragraphs (b), (c), and (d) is deemed to be exempt from the
1371 registration requirements of s. 517.12.

1372 Section 5. Paragraph (d) of subsection (3) of section
1373 517.072, Florida Statutes, is amended, and subsection (4) is
1374 added to that section, to read:

1375 517.072 Viatical settlement investments.—

1376 (3) The registration provisions of ss. 517.07 and 517.12 do
1377 not apply to any of the following transactions in viatical
1378 settlement investments; however, such transactions in viatical
1379 settlement investments are subject to the provisions of ss.
1380 517.301, 517.311, and 517.312:

1381 (d) The transfer or assignment of a viaticated policy to a
1382 bank, trust company, savings institution, insurance company,
1383 dealer, investment company as defined in the Investment Company
1384 Act of 1940, as amended, pension or profit-sharing trust, or
1385 qualified institutional buyer as defined in ~~United States~~
1386 Securities and Exchange Commission Rule 144A, 17 C.F.R. s.
1387 230.144A(a), or to an accredited investor ~~as defined by Rule 501~~
1388 ~~of Regulation D of the Securities Act Rules~~, provided such
1389 transfer or assignment is not for the direct or indirect
1390 promotion of any scheme or enterprise with the intent of
1391 violating or evading any provision of this chapter.

1392 (4) The commission may establish by rule requirements and

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1393 standards for disclosures to purchasers of viatical settlement
 1394 investments and recordkeeping requirements for sellers of
 1395 viatical settlement investments.

1396 Section 6. Present subsection (7) of section 517.081,
 1397 Florida Statutes, is redesignated as subsection (6), a new
 1398 subsection (7) is added to that section, and paragraphs (a),
 1399 (g), and (n) of subsection (3) and subsections (5), (6), and (8)
 1400 of that section are amended, to read:

1401 517.081 Registration procedure.—

1402 (3) The office may require the applicant to submit to the
 1403 office the following information concerning the issuer and such
 1404 other relevant information as the office may in its judgment
 1405 deem necessary to enable it to ascertain whether such securities
 1406 shall be registered pursuant to the provisions of this section:

1407 (a) The names and addresses of:

1408 1. All the directors, trustees, and officers, if the issuer
 1409 is ~~be~~ a corporation, association, or trust.

1410 2. All the managers or managing members, if the issuer is a
 1411 limited liability company.

1412 3. ~~of~~ All the partners, if the issuer ~~is~~ be a
 1413 partnership.

1414 4. ~~or of~~ The issuer, if the issuer ~~is~~ is a sole
 1415 proprietorship or natural person ~~be an individual~~.

1416 (g)1. A specimen copy of the securities certificate, if
 1417 applicable, ~~security~~ and a copy of any circular, prospectus,
 1418 advertisement, or other description of such securities.

1419 2. The commission shall adopt a form for a simplified
 1420 offering circular ~~to be used solely by corporations~~ to register,
 1421 under this section, securities ~~of the corporation~~ that are sold

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1422 in offerings in which the aggregate offering price in any
1423 consecutive 12-month period does not exceed the amount provided
1424 in s. 3(b) of the Securities Act of 1933, as amended. The
1425 following issuers shall not be eligible to submit a simplified
1426 offering circular adopted pursuant to this subparagraph:

1427 a. An issuer seeking to register securities for resale by
1428 persons other than the issuer.

1429 b. An issuer that ~~who~~ is subject to any of the
1430 disqualifications described in 17 C.F.R. s. 230.262, adopted
1431 pursuant to the Securities Act of 1933, as amended, or that ~~who~~
1432 has been or is engaged or is about to engage in an activity that
1433 would be grounds for denial, revocation, or suspension under s.
1434 517.111. For purposes of this subparagraph, an issuer includes
1435 an issuer's director, officer, manager or managing member, or
1436 equity owner ~~shareholder~~ who owns at least 10 percent of the
1437 ownership interests ~~shares~~ of the issuer, promoter, or selling
1438 agent of the securities to be offered or any officer, director,
1439 or partner of such selling agent.

1440 c. An issuer that ~~who~~ is a development-stage company that
1441 either has no specific business plan or purpose or has indicated
1442 that its business plan is to merge with an unidentified company
1443 or companies.

1444 d. An issuer of offerings in which the specific business or
1445 properties cannot be described.

1446 e. Any issuer the office determines is ineligible because
1447 ~~if~~ the form does ~~would~~ not provide full and fair disclosure of
1448 material information for the type of offering to be registered
1449 by the issuer.

1450 f. Any issuer that ~~corporation which~~ has failed to provide

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1451 the office the reports required for a previous offering
1452 registered pursuant to this subparagraph.

1453

1454 As a condition precedent to qualifying for use of the simplified
1455 offering circular, an issuer ~~a corporation~~ shall agree to
1456 provide the office with an annual financial report containing a
1457 balance sheet as of the end of the issuer's fiscal year and a
1458 statement of income for such year, prepared in accordance with
1459 United States generally accepted accounting principles and
1460 accompanied by an independent accountant's report. If the issuer
1461 has more than 100 security holders at the end of a fiscal year,
1462 the financial statements must be audited. Annual financial
1463 reports must be filed with the office within 90 days after the
1464 close of the issuer's fiscal year for each of the first 5 years
1465 following the effective date of the registration.

1466 (n) If the issuer is a corporation, there shall be filed
1467 with the application a copy of its articles of incorporation
1468 with all amendments and of its existing bylaws, if not already
1469 on file in the office. If the issuer is a limited liability
1470 company, there shall be filed with the application a copy of the
1471 articles of organization with all the amendments and a copy of
1472 the company's operating agreement, if not already on file with
1473 the office. If the issuer is a trustee, there shall be filed
1474 with the application a copy of all instruments by which the
1475 trust is created or declared and in which it is accepted and
1476 acknowledged. If the issuer is a partnership, unincorporated
1477 association, joint-stock company, or any other form of
1478 organization whatsoever, there shall be filed with the
1479 application a copy of its articles of partnership or association

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1480 and all other papers pertaining to its organization, if not
1481 already on file in the office.

1482 ~~(5) The commission may by rule fix the maximum discounts,~~
1483 ~~commissions, expenses, remuneration, and other compensation to~~
1484 ~~be paid in cash or otherwise, not to exceed 20 percent, directly~~
1485 ~~or indirectly, for or in connection with the sale or offering~~
1486 ~~for sale of such securities in this state.~~

1487 ~~(6)~~ An issuer filing an application under this section
1488 shall, at the time of filing, pay the office a nonreturnable fee
1489 of \$1,000 per application for each offering that exceeds the
1490 amount provided in s. 3(b) of the Securities Act of 1933, as
1491 amended, or \$200 per application for each offering that does not
1492 exceed the amount provided in s. 3(b) of the Securities Act of
1493 1933, as amended.

1494 (7) The office shall deem an application to register
1495 securities filed with the office abandoned if the issuer or any
1496 person acting on behalf of the issuer has failed to timely
1497 complete an application as specified by commission rule.

1498 ~~(8) The commission may by rule establish requirements and~~
1499 ~~standards for:~~

1500 ~~(a) Disclosures to purchasers of viatical settlement~~
1501 ~~investments.~~

1502 ~~(b) Recordkeeping requirements for sellers of viatical~~
1503 ~~settlement investments.~~

1504 Section 7. Section 517.082, Florida Statutes, is amended to
1505 read:

1506 517.082 ~~Notification~~ Registration by notification; federal
1507 registration statements.-

1508 (1) ~~Except as provided in subsection (3),~~ Securities

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1509 offered or sold pursuant to a registration statement filed under
1510 the Securities Act of 1933, as amended, ~~are shall be~~ entitled to
1511 registration by notification in the manner provided in
1512 subsection (2), provided that before ~~prior to~~ the offer or sale
1513 the registration statement has become effective.

1514 (2) An application for registration by notification shall
1515 be filed with the office, shall contain the following
1516 information, and shall be accompanied by all of the following:

1517 (a) An application to sell executed by the issuer, any
1518 person on whose behalf the offering is made, a dealer registered
1519 under this chapter, or any duly authorized agent of any such
1520 person, setting forth the name and address of the applicant, the
1521 name and address of the issuer, and the title of the securities
1522 to be offered and sold.~~;~~

1523 (b) Copies of such documents filed with the Securities and
1524 Exchange Commission as the Financial Services Commission may by
1525 rule require.~~;~~

1526 (c) An irrevocable written consent to service as required
1527 by s. 517.101.~~;~~ ~~and~~

1528 (d) A nonreturnable fee of \$1,000 per application.

1529
1530 A registration under this section becomes effective when the
1531 federal registration statement becomes effective or as of the
1532 date the application is filed with the office, whichever is
1533 later, provided that, in addition to the items listed in
1534 paragraphs (a)-(d), the office has received written notification
1535 of effective registration under the Securities Act of 1933, as
1536 amended, or the Investment Company Act of 1940, as amended,
1537 within 10 business days after ~~from~~ the date federal registration

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1538 is granted. Failure to provide all the information required by
1539 this subsection to the office within 60 days after ~~of~~ the date
1540 the registration statement becomes effective with the Securities
1541 and Exchange Commission shall be a violation of this chapter.

1542 ~~(3) Except for units of limited partnership interests or~~
1543 ~~such other securities as the commission describes by rule as~~
1544 ~~exempt from this subsection due to high investment quality, the~~
1545 ~~provisions of this section may not be used to register~~
1546 ~~securities if the offering price at the time of effectiveness~~
1547 ~~with the Securities and Exchange Commission is \$5 or less per~~
1548 ~~share, unless such securities are listed or designated, or~~
1549 ~~approved for listing or designation upon notice of issuance, on~~
1550 ~~a stock exchange registered pursuant to the Securities Exchange~~
1551 ~~Act of 1934 or on the National Association of Securities Dealers~~
1552 ~~Automated Quotation (NASDAQ) System, or unless such securities~~
1553 ~~are of the same issuer and of senior or substantially equal rank~~
1554 ~~to securities so listed or designated.~~

1555 ~~(4)~~ In lieu of filing with the office the application,
1556 fees, and documents for registration required by subsection (2),
1557 the commission may establish, by rule, procedures for depositing
1558 fees and filing documents by electronic means, provided such
1559 procedures provide the office with the information and data
1560 required by this section.

1561 (4) If the Securities and Exchange Commission has not
1562 declared effective the applicant's federal registration
1563 statement within 180 days after the applicant's filing with the
1564 office of an application for registration by notification, the
1565 office must deem the application abandoned.

1566 Section 8. Subsections (1) through (4) of section 517.111,

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1567 Florida Statutes, are amended to read:

1568 517.111 Revocation or denial of registration of
1569 securities.—

1570 (1) The office may revoke or suspend the registration of
1571 any security, or may deny any application to register
1572 securities, if, upon examination or investigation into the
1573 affairs of the issuer of such security, it appears ~~shall appear~~
1574 that:

1575 (a) The issuer cannot pay its debts as they become due in
1576 the usual course of business ~~is insolvent~~;

1577 (b) The issuer or any officer, director, manager or
1578 managing member, or control person of the issuer has violated
1579 any provision of this chapter or any rule made hereunder or any
1580 order of the office of which such issuer has notice;

1581 (c) The issuer or any officer, director, manager or
1582 managing member, or control person of the issuer has been or is
1583 engaged or is about to engage in fraudulent transactions;

1584 (d) The issuer or any officer, director, manager or
1585 managing member, or control person of the issuer has been found
1586 guilty of a fraudulent act in connection with any sale of
1587 securities, has engaged, is engaged, or is about to engage, in
1588 making a fictitious sale or purchase of any security, or in any
1589 practice or sale of any security which is fraudulent or a
1590 violation of any law;

1591 (e) The issuer or any officer, director, manager or
1592 managing member, or control person of the issuer has had a final
1593 judgment entered against such issuer or person in a civil action
1594 on the grounds of fraud, embezzlement, misrepresentation, or
1595 deceit;

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1596 (f) The issuer or any officer, director, manager or
1597 managing member, or control person of the issuer has engaged in
1598 any action that would be grounds for revocation, denial, or
1599 suspension under s. 517.161(1) demonstrated any evidence of
1600 unworthiness;

1601 (g) The issuer or any officer, director, manager or
1602 managing member, or control person of the issuer ~~is in any other~~
1603 ~~way dishonest or~~ has made any fraudulent representations or
1604 failed to disclose any material information in any prospectus or
1605 in any circular or other literature that has been distributed
1606 concerning the issuer or its securities;

1607 (h) The security registered or sought to be registered is
1608 the subject of an injunction entered by a court of competent
1609 jurisdiction or is the subject of an administrative stop-order
1610 or similar order prohibiting the offer or sale of the security;
1611 or

1612 (i) For any security for which registration has been
1613 applied pursuant to s. 517.081, the terms of the offer or sale
1614 of such securities would not be fair, just, or equitable; ~~or~~

1615 ~~(j) The issuer or any person acting on behalf of the issuer~~
1616 ~~has failed to timely complete any application for registration~~
1617 ~~filed with the office pursuant to the provisions of s. 517.081~~
1618 ~~or s. 517.082 or any rule adopted under such sections.~~

1619
1620 In making such examination or investigation, the office shall
1621 have access to and may compel the production of all the books
1622 and papers of such issuer and may administer oaths to and
1623 examine the officers of such issuer or any other person
1624 connected therewith as to its business and affairs and may also

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1625 require a balance sheet exhibiting the assets and liabilities of
1626 any such issuer or its income statement, or both, to be
1627 certified to by a public accountant either of this state or of
1628 any other state where the issuer's business is located. Whenever
1629 the office deems it necessary, it may also require such balance
1630 sheet or income statement, or both, to be made more specific in
1631 such particulars as the office may require.

1632 (2) If any issuer refuses ~~shall refuse~~ to permit an
1633 examination or investigation to be made by the office, it shall
1634 be proper ground for revocation of registration.

1635 (3) If the office deems it necessary, it may enter an order
1636 suspending the right to sell securities pending any examination
1637 or investigation, provided that the order shall state the
1638 office's grounds for taking such action.

1639 (4) Notice of the entry of such order shall be given
1640 personally or by mail, ~~personally, by telephone confirmed in~~
1641 ~~writing, or by telegraph~~ to the issuer. Before such order is
1642 made final, the issuer ~~applying for registration~~ shall, on
1643 application, be entitled to a hearing.

1644 Section 9. Subsections (1), (2), and (3), paragraph (b) of
1645 subsection (6), subsections (7) and (11), paragraph (b) of
1646 subsection (15), and subsections (20) and (21) of section
1647 517.12, Florida Statutes, are amended to read:

1648 517.12 Registration of dealers, associated persons,
1649 intermediaries, and investment advisers.—

1650 (1) (a) A person may not ~~No dealer, associated person, or~~
1651 ~~issuer of securities shall~~ sell or offer for sale any securities
1652 in or from offices in this state, ~~or sell securities to persons~~
1653 in this state from offices outside this state, by mail or

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1654 otherwise, unless the person is ~~has been~~ registered with the
1655 office as a Tier I dealer or as an associated person of a Tier I
1656 dealer pursuant to ~~the provisions of~~ this section. ~~The office~~
1657 ~~shall not register any person as an associated person of a~~
1658 ~~dealer unless the dealer with which the applicant seeks~~
1659 ~~registration is lawfully registered with the office pursuant to~~
1660 ~~this chapter.~~

1661 (b) A person may not, for direct or indirect compensation,
1662 introduce or refer one or more accredited investors to an issuer
1663 or introduce or refer an issuer to one or more accredited
1664 investors for the purpose of a potential offer or sale of
1665 securities in an issuer transaction in this state unless the
1666 person is registered with the office as a Tier I dealer or Tier
1667 II dealer or as an associated person of a Tier I dealer or Tier
1668 II dealer pursuant to this section.

1669 (c) The office may not register any person as an associated
1670 person of a dealer unless the dealer with which the applicant
1671 seeks registration is lawfully registered with the office
1672 pursuant to this chapter.

1673 ~~(2) The registration requirements of this section do not~~
1674 ~~apply to the issuers of securities exempted by s. 517.051(1) (8)~~
1675 ~~and (10).~~

1676 ~~(3) Except as otherwise provided in s. 517.061(11)(a)4.,~~
1677 ~~(13), (16), (17), or (19),~~ The registration requirements of this
1678 section do not apply in a transaction exempted by s. 517.061(1)-
1679 (10) and (12) s. 517.061(1) (12), (14), and (15).

1680 (5)(6) A dealer, associated person, or investment adviser,
1681 in order to obtain registration, must file with the office a
1682 written application, on a form which the commission may by rule

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1683 prescribe. The commission may establish, by rule, procedures for
1684 depositing fees and filing documents by electronic means
1685 provided such procedures provide the office with the information
1686 and data required by this section. Each dealer or investment
1687 adviser must also file an irrevocable written consent to service
1688 of civil process similar to that provided for in s. 517.101. The
1689 application shall contain such information as the commission or
1690 office may require concerning such matters as:

1691 (b) The applicant's form and place of organization; and, if
1692 the applicant is:

1693 1. A corporation, a copy of its articles of incorporation
1694 and amendments to the articles of incorporation;

1695 2. A limited liability company, a copy of its articles of
1696 organization with amendments to its articles; or

1697 3. ~~if~~ A partnership, a copy of the partnership agreement.

1698 (6) ~~(7)~~ The application must also contain such information
1699 as the commission or office may require about the applicant; any
1700 member, principal, or director of the applicant or any person
1701 having a similar status or performing similar functions; any
1702 control person of ~~directly or indirectly controlling~~ the
1703 applicant; or any employee of a dealer or of an investment
1704 adviser rendering investment advisory services. Each applicant
1705 and any direct owners, principals, or indirect owners that are
1706 required to be reported on Form BD or Form ADV pursuant to
1707 subsection (14) ~~(15)~~ shall submit fingerprints for live-scan
1708 processing in accordance with rules adopted by the commission.
1709 The fingerprints may be submitted through a third-party vendor
1710 authorized by the Department of Law Enforcement to provide live-
1711 scan fingerprinting. The costs of fingerprint processing shall

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1712 be borne by the person subject to the background check. The
1713 Department of Law Enforcement shall conduct a state criminal
1714 history background check, and a federal criminal history
1715 background check must be conducted through the Federal Bureau of
1716 Investigation. The office shall review the results of the state
1717 and federal criminal history background checks and determine
1718 whether the applicant meets licensure requirements. The
1719 commission may waive, by rule, the requirement that applicants,
1720 including any direct owners, principals, or indirect owners that
1721 are required to be reported on Form BD or Form ADV pursuant to
1722 subsection (14) ~~(15)~~, submit fingerprints or the requirement
1723 that such fingerprints be processed by the Department of Law
1724 Enforcement or the Federal Bureau of Investigation. The
1725 commission or office may require information about any such
1726 applicant or person concerning such matters as:

1727 (a) The applicant's or person's ~~His or her~~ full name, and
1728 any other names by which the applicant or person ~~he or she~~ may
1729 have been known, and the applicant's or person's ~~his or her~~ age,
1730 social security number, photograph, qualifications, and
1731 educational and business history.

1732 (b) Any injunction or administrative order by a state or
1733 federal agency, national securities exchange, or national
1734 securities association involving a security or any aspect of a
1735 dealer's or investment adviser's regulated ~~the securities~~
1736 business and any injunction or administrative order by a state
1737 or federal agency regulating banking, insurance, finance, or
1738 small loan companies, real estate, mortgage brokers, or other
1739 related or similar industries, which injunctions or
1740 administrative orders relate to such person.

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1741 (c) The applicant's or person's ~~His or her~~ conviction of,
1742 or plea of nolo contendere to, a criminal offense or his or her
1743 commission of any acts which would be grounds for refusal of an
1744 application under s. 517.161.

1745 (d) The names and addresses of other persons of whom the
1746 office may inquire as to his or her character, reputation, and
1747 financial responsibility.

1748 (10) (a) ~~(11) (a)~~ If the office finds that the applicant ~~is of~~
1749 ~~good repute and character and~~ has complied with the applicable
1750 registration provisions of this chapter and the rules made
1751 pursuant hereto, it shall register the applicant unless the
1752 applicant is otherwise disqualified for registration pursuant to
1753 law. The registration of each dealer, investment adviser, and
1754 associated person expires on December 31 of the year the
1755 registration became effective unless the registrant has renewed
1756 its ~~his or her~~ registration on or before that date. Registration
1757 may be renewed by furnishing such information as the commission
1758 may require, together with payment of the fee required in
1759 paragraph (9) (a) ~~(10) (a)~~ for dealers, investment advisers, or
1760 associated persons and the payment of any amount lawfully due
1761 and owing to the office pursuant to any order of the office or
1762 pursuant to any agreement with the office. Any dealer,
1763 investment adviser, or associated person who has not renewed a
1764 registration by the time the current registration expires may
1765 request reinstatement of such registration by filing with the
1766 office, on or before January 31 of the year following the year
1767 of expiration, such information as may be required by the
1768 commission, together with payment of the fee required in
1769 paragraph (9) (a) ~~(10) (a)~~ for dealers, investment advisers, or

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1770 associated persons and a late fee equal to the amount of such
1771 fee. Any reinstatement of registration granted by the office
1772 during the month of January shall be deemed effective
1773 retroactive to January 1 of that year.

1774 (b) The office shall waive the \$50 assessment fee for an
1775 associated person required by paragraph (9) (a) ~~(10) (a)~~ for a
1776 registrant renewing his or her registration who:

1777 1. Is an active duty member of the United States Armed
1778 Forces or the spouse of such member;

1779 2. Is or was a member of the United States Armed Forces and
1780 served on active duty within the 2 years preceding the
1781 expiration date of the registration pursuant to paragraph (a).
1782 To qualify for the fee waiver, a registrant who is a former
1783 member of the United States Armed Forces who served on active
1784 duty within the 2 years preceding the expiration date of the
1785 registration must have received an honorable discharge upon
1786 separation or discharge from the United States Armed Forces; or

1787 3. Is the surviving spouse of a member of the United States
1788 Armed Forces if the member was serving on active duty at the
1789 time of death and died within the 2 years preceding the
1790 surviving spouse's registration expiration date pursuant to
1791 paragraph (a).

1792
1793 A registrant seeking such fee waiver must submit proof, in a
1794 form prescribed by commission rule, that the registrant meets
1795 one of the qualifications in this paragraph.

1796 (14) ~~(15)~~

1797 (b) In lieu of filing with the office the applications
1798 specified in subsection (5) ~~(6)~~, the fees required by subsection

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1799 (9) ~~(10)~~, the renewals required by subsection (10) ~~(11)~~, and the
1800 termination notices required by subsection (11) ~~(12)~~, the
1801 commission may by rule establish procedures for the deposit of
1802 such fees and documents with the Central Registration Depository
1803 or the Investment Adviser Registration Depository of the
1804 Financial Industry Regulatory Authority, as developed under
1805 contract with the North American Securities Administrators
1806 Association, Inc.

1807 (19) ~~(20)~~ An intermediary may not engage in business in this
1808 state unless the intermediary is registered as a dealer or as an
1809 intermediary with the office pursuant to this section to
1810 facilitate the offer or sale of securities in accordance with s.
1811 517.0611. An intermediary, in order to obtain registration, must
1812 file with the office a written application on a form prescribed
1813 by commission rule and pay a registration fee of \$200. The fees
1814 under this subsection shall be deposited into the Regulatory
1815 Trust Fund of the office. The commission may establish by rule
1816 procedures for depositing fees and filing documents by
1817 electronic means if such procedures provide the office with the
1818 information and data required by this section. Each intermediary
1819 must also file an irrevocable written consent to service of
1820 civil process, as provided in s. 517.101.

1821 (a) The application must contain such information as the
1822 commission or office may require concerning:

1823 1. The name of the applicant and address of its principal
1824 office and each office in this state.

1825 2. The applicant's form and place of organization; and, if
1826 the applicant is:

1827 a. A corporation, a copy of its articles of incorporation

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1828 and amendments to the articles of incorporation;

1829 b. A limited liability company, a copy of its articles of
1830 organization and amendments to the articles and a copy of the
1831 company's operating agreement; or

1832 c. ~~if~~ A partnership, a copy of the partnership agreement.

1833 3. The website address where securities of the issuer will
1834 be offered.

1835 4. Contact information.

1836 (b) The application must also contain such information as
1837 the commission may require by rule about the applicant; any
1838 member, principal, or director of the applicant or any person
1839 having a similar status or performing similar functions; or any
1840 control person of persons directly or indirectly controlling the
1841 applicant. Each applicant and any direct owners, principals, or
1842 indirect owners that are required to be reported on a form
1843 adopted by commission rule shall submit fingerprints for live-
1844 scan processing in accordance with rules adopted by the
1845 commission. The fingerprints may be submitted through a third-
1846 party vendor authorized by the Department of Law Enforcement to
1847 provide live-scan fingerprinting. The costs of fingerprint
1848 processing shall be borne by the person subject to the
1849 background check. The Department of Law Enforcement shall
1850 conduct a state criminal history background check, and a federal
1851 criminal history background check must be conducted through the
1852 Federal Bureau of Investigation. The office shall review the
1853 results of the state and federal criminal history background
1854 checks and determine whether the applicant meets registration
1855 requirements. The commission may waive, by rule, the requirement
1856 that applicants, including any direct owners, principals, or

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1857 indirect owners, which are required to be reported on a form
1858 adopted by commission rule, submit fingerprints or the
1859 requirement that such fingerprints be processed by the
1860 Department of Law Enforcement or the Federal Bureau of
1861 Investigation. The commission, by rule, or the office may
1862 require information about any applicant or person, including:

1863 1. The applicant's or person's ~~His or her~~ full name and any
1864 other names by which the applicant or person ~~he or she~~ may have
1865 been known and the applicant's or person's ~~his or her~~ age,
1866 social security number, photograph, qualifications, and
1867 educational and business history.

1868 2. Any injunction or administrative order by a state or
1869 federal agency, national securities exchange, or national
1870 securities association involving a security or any aspect of an
1871 intermediary's regulated ~~the securities~~ business and any
1872 injunction or administrative order by a state or federal agency
1873 regulating banking, insurance, finance, ~~or small loan companies,~~
1874 real estate, mortgage brokers, or other related or similar
1875 industries, which relate to such person.

1876 3. The applicant's or person's ~~His or her~~ conviction of, or
1877 plea of nolo contendere to, a criminal offense or the
1878 applicant's or person's ~~his or her~~ commission of any acts that
1879 would be grounds for refusal of an application under s. 517.161.

1880 (c) The application must be amended within 30 days if any
1881 information contained in the form becomes inaccurate for any
1882 reason.

1883 (d) An intermediary or persons affiliated with the
1884 intermediary are not subject to any disqualification described
1885 in s. 517.1611 or ~~United States~~ Securities and Exchange

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1886 Commission Rule 506(d), 17 C.F.R. 230.506(d), adopted pursuant
1887 to the Securities Act of 1933, as amended. Each director,
1888 officer, manager or managing member, control person of the
1889 issuer, any person occupying a similar status or performing a
1890 similar function, and each person holding more than 20 percent
1891 of the ownership interests ~~shares~~ of the intermediary is subject
1892 to this requirement.

1893 (e) If the office finds that the applicant ~~is of good~~
1894 ~~repute and character and~~ has complied with the applicable
1895 registration provisions of this chapter and the rules adopted
1896 thereunder, it shall register the applicant. The registration of
1897 each intermediary expires on December 31 of the year the
1898 registration became effective unless the registrant renews his
1899 or her registration on or before that date. Registration may be
1900 renewed by furnishing such information as the commission may
1901 require by rule, together with payment of a \$200 fee and the
1902 payment of any amount due to the office pursuant to any order of
1903 the office or pursuant to any agreement with the office. An
1904 intermediary who has not renewed a registration by the time that
1905 the current registration expires may request reinstatement of
1906 such registration by filing with the office, on or before
1907 January 31 of the year following the year of expiration, such
1908 information as required by the commission, together with payment
1909 of the \$200 fee and a late fee of \$200. Any reinstatement of
1910 registration granted by the office during the month of January
1911 is deemed effective retroactive to January 1 of that year.

1912 (20) ~~(21)~~ The registration requirements of this section do
1913 not apply to any general lines insurance agent or life insurance
1914 agent licensed under chapter 626, for the sale of a security as

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1915 defined in s. 517.021(28)(g) ~~s. 517.021(22)(g)~~, if the
1916 individual is directly authorized by the issuer to offer or sell
1917 the security on behalf of the issuer and the issuer is a
1918 federally chartered savings bank subject to regulation by the
1919 Federal Deposit Insurance Corporation. Actions under this
1920 subsection shall constitute activity under the insurance agent's
1921 license for purposes of ss. 626.611 and 626.621.

1922 Section 10. Section 517.1214, Florida Statutes, is created
1923 to read:

1924 517.1214 Continuing education requirements for associated
1925 persons of investment advisers and federal covered advisers.—

1926 (1) As used in this section, the term:

1927 (a) "Approved continuing education content" means the
1928 materials, written, oral, or otherwise, which have been approved
1929 by NASAA or its designee and which make up the educational
1930 program provided to an associated person under this section.

1931 (b) "Credit" means a unit designated by NASAA or its
1932 designee as at least 50 minutes of educational instruction.

1933 (c) "Home state" means the state in which an associated
1934 person of an investment adviser or a federal covered adviser has
1935 his or her principal office and place of business.

1936 (d) "NASAA" means the North American Securities
1937 Administrators Association, Inc.

1938 (e) "Reporting period" means one 12-month period beginning
1939 January 1 and ending December 31. An associated person's initial
1940 reporting period with this state commences the first day of the
1941 first full reporting period after the individual is registered
1942 or required to be registered with this state.

1943 (2) By December 31, 2024, and each December 31 thereafter,

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1944 each associated person of an investment adviser or a federal
1945 covered adviser shall complete the following continuing
1946 education content requirements offered by a person that NASAA or
1947 its designee has authorized to provide the continuing education
1948 content required by this section:

1949 (a) Six credits of approved continuing education content
1950 that addresses an associated person's ethical and regulatory
1951 obligations, with at least 3 hours covering the topic of ethics;
1952 and

1953 (b) Six credits of approved continuing education content
1954 that addresses an associated person's skills and knowledge
1955 regarding financial products, investment features, and practices
1956 in the investment advisory industry.

1957 (3) An associated person of an investment adviser or
1958 federal covered adviser who is also registered as an associated
1959 person of a Financial Industry Regulatory Authority (FINRA)
1960 member dealer and who complies with FINRA's continuing education
1961 requirements is considered to be in compliance with this
1962 section's products and practice requirement for each applicable
1963 reporting period, provided that the FINRA continuing education
1964 content is approved continuing education content.

1965 (4) Credits of continuing education completed by an
1966 associated person who was awarded and currently holds a
1967 credential that qualifies for examination waiver by passing any
1968 tests as prescribed in s. 15(b)(7) of the Securities Exchange
1969 Act of 1934, as amended, comply with paragraphs (2)(a) and (b),
1970 provided all of the following conditions are met:

1971 (a) The associated person completes the credits of
1972 continuing education as a condition of maintaining the

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1973 credential for the relevant reporting period.

1974 (b) The credits of continuing education completed during
1975 the relevant reporting period by the associated person are
1976 mandatory to maintain the credential.

1977 (c) The continuing education content provided by the
1978 credentialing organization during the relevant reporting period
1979 is approved continuing education content.

1980 (5) Each associated person is responsible for ensuring that
1981 the authorized provider reports the associated person's
1982 completion of the applicable continuing education requirements.

1983 (6) An associated person who completes credits of
1984 continuing education in excess of the amount required for the
1985 reporting period may not carry forward excess credits to a
1986 subsequent reporting period.

1987 (7) An associated person who fails to comply with this
1988 section by the end of a reporting period shall renew as "CE
1989 inactive" at the close of the calendar year in this state until
1990 the associated person completes and reports all required
1991 continuing education credits for all reporting periods as
1992 required by this section. An associated person who is CE
1993 inactive at the close of the next calendar year is not eligible
1994 for associated person registration or renewal of associated
1995 person registration.

1996 (8) An associated person registered or required to be
1997 registered in this state who is registered as an associated
1998 person of an investment adviser or federal covered adviser in
1999 the individual's home state is considered to be in compliance
2000 with this section if:

2001 (a) The associated person's home state has a continuing

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2002 education requirement of at least 12 hours annually; and

2003 (b) The associated person is in compliance with the home
2004 state's associated person of an investment adviser or federal
2005 covered adviser continuing education requirements.

2006 (9) An associated person who was previously registered
2007 under s. 517.12 and became unregistered must complete continuing
2008 education for all reporting periods that occurred between the
2009 time that the associated person became unregistered and when the
2010 person became registered again under s. 517.12, unless the
2011 associated person takes and passes the required examinations or
2012 the examination requirements are waived in connection with the
2013 subsequent application for registration.

2014 Section 11. Section 517.1217, Florida Statutes, is amended
2015 to read:

2016 517.1217 Rules of conduct and prohibited business practices
2017 for dealers and their associated persons and for
2018 intermediaries.-

2019 (1) The commission by rule may establish rules of conduct
2020 and prohibited business practices for Tier I dealers and their
2021 associated persons and for intermediaries. In adopting the
2022 rules, the commission shall consider general industry standards
2023 as expressed in the rules and regulations of the various federal
2024 and self-regulatory agencies and regulatory associations,
2025 including, but not limited to, the ~~United States~~ Securities and
2026 Exchange Commission, the Financial Industry Regulatory
2027 Authority, and the North American Securities Administrators
2028 Association, Inc.

2029 (2) Concurrently with each introduction, a Tier II dealer
2030 shall obtain the informed consent of each prospective investor

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2031 introduced or referred by the Tier II dealer to an issuer in a
2032 written agreement signed by the Tier II dealer, the issuer, and
2033 the prospective investor and initialed by the prospective
2034 investor next to each paragraph, disclosing all of the
2035 following:

2036 (a) The type and amount of compensation that has been or
2037 will be paid to the Tier II dealer in connection with the
2038 introduction or referral and the conditions for payment of that
2039 compensation.

2040 (b) That neither the Tier II dealer nor its associated
2041 persons are providing advice to the issuer or the prospective
2042 investor as to the value of the securities being offered or sold
2043 or as to the advisability of investing in, purchasing, or
2044 selling the securities being offered or sold.

2045 (c) Whether the Tier II dealer or any of its associated
2046 persons are also owners, directly or indirectly, of the
2047 securities being offered or sold.

2048 (d) Any actual or potential conflict of interest in
2049 connection with the Tier II dealer's or associated person's
2050 activities related to the issuer transaction.

2051 (e) That the parties to the agreement have the right to
2052 pursue any available remedies at law or otherwise for any breach
2053 of the agreement.

2054
2055 To satisfy the requirements of this subsection, the agreement
2056 must also include a representation by the prospective investor
2057 that the prospective investor is an accredited investor and that
2058 the prospective investor knowingly consents to the payment of
2059 the compensation described in the agreement.

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- 2060 (3) A Tier II dealer or associated person may not:
- 2061 (a) Introduce or refer an accredited investor to an issuer
2062 or introduce or refer an issuer to an accredited investor unless
2063 the issuer's principal place of business is in this state.
- 2064 (b) Participate in negotiating any of the terms of the
2065 offer or sale of the securities being offered or sold.
- 2066 (c) Advise any party to the transaction regarding the value
2067 of the securities being offered or sold or the advisability of
2068 investing in, purchasing, or selling the securities being
2069 offered or sold.
- 2070 (d) Conduct any due diligence on the part of any party to
2071 the transaction.
- 2072 (e) Sell or offer for sale, in connection with the issuer
2073 transaction, any securities of the issuer which are owned,
2074 directly or indirectly, by the Tier II dealer or associated
2075 person.
- 2076 (f) Receive, directly or indirectly, possession or custody
2077 of any funds in connection with the issuer transaction.
- 2078 (g) Knowingly receive compensation in connection with any
2079 offer or sale of securities unless the security is exempt under
2080 s. 517.051, is sold in a transaction exempt under s. 517.061, is
2081 a federal covered security, or is registered under this chapter.
- 2082 (h) Make any disclosure to a prospective investor other
2083 than the following:
- 2084 1. The name and address of, and the contact information
2085 for, the issuer or a dealer representing the issuer.
- 2086 2. The name, type, price, and aggregate amount of any
2087 securities being offered in the issuer transaction.
- 2088 3. The issuer's industry, location, and number of years in

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2089 business.

2090 4. Written disclosure documents obtained from the issuer.

2091 (4) The commission may by rule establish rules of conduct
2092 and prohibited business practices for Tier II dealers and their
2093 associated persons. In adopting the rules, the commission shall
2094 consider general industry standards as expressed in the rules
2095 and regulations of the various federal and self-regulatory
2096 agencies and regulatory associations, including, but not limited
2097 to, the Securities and Exchange Commission, the Financial
2098 Industry Regulatory Authority, and the North American Securities
2099 Administrators Association, Inc.

2100 Section 12. Subsections (1), (4), and (5) of section
2101 517.161, Florida Statutes, are amended to read:

2102 517.161 Revocation, denial, or suspension of registration
2103 of dealer, investment adviser, intermediary, or associated
2104 person.—

2105 (1) Registration under s. 517.12 may be denied or any
2106 registration granted may be revoked, restricted, or suspended by
2107 the office if the office determines that such applicant or
2108 registrant; any member, principal, or director of the applicant
2109 or registrant or any person having a similar status or
2110 performing similar functions; or any control person of directly
2111 ~~or indirectly controlling~~ the applicant or registrant:

2112 (a) Has violated any provision of this chapter or any rule
2113 or order made under this chapter;

2114 (b) Has made a material false statement in the application
2115 for registration;

2116 (c) Has been guilty of a fraudulent act in connection with
2117 rendering investment advice or in connection with any sale of

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2118 securities, has been or is engaged or is about to engage in
2119 making fictitious or pretended sales or purchases of any such
2120 securities or in any practice involving the rendering of
2121 investment advice or the sale of securities which is fraudulent
2122 or in violation of the law;

2123 (d) Has made a misrepresentation or false statement to, or
2124 concealed any essential or material fact from, any person in the
2125 rendering of investment advice or the sale of a security to such
2126 person;

2127 (e) Has failed to account to persons interested for all
2128 money and property received;

2129 (f) Has not delivered, after a reasonable time, to persons
2130 entitled thereto securities held or agreed to be delivered by
2131 the dealer, ~~broker,~~ or investment adviser, as and when paid for,
2132 and due to be delivered;

2133 (g) Is rendering investment advice or selling or offering
2134 for sale securities through any associated person not registered
2135 in compliance with ~~the provisions of~~ this chapter;

2136 (h) ~~Has demonstrated unworthiness to transact the business~~
2137 ~~of dealer, investment adviser, intermediary, or associated~~
2138 ~~person;~~

2139 ~~(i)~~ Has exercised management or policy control over or
2140 owned 10 percent or more of the securities of any dealer,
2141 intermediary, or investment adviser that has been declared
2142 bankrupt, or had a trustee appointed under the Securities
2143 Investor Protection Act; or is, in the case of a dealer,
2144 intermediary, or investment adviser, unable to pay its debts as
2145 they become due in the usual course of business ~~insolvent;~~

2146 (i) ~~(j)~~ Has been convicted of, or has entered a plea of

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2147 guilty or nolo contendere to, regardless of whether adjudication
2148 was withheld, a crime against the laws of this state or any
2149 other state or of the United States or of any other country or
2150 government which relates to registration as a dealer, investment
2151 adviser, issuer of securities, intermediary, or associated
2152 person; which relates to the application for such registration;
2153 or which involves moral turpitude or fraudulent or dishonest
2154 dealing;

2155 (j)~~(k)~~ Has had a final judgment entered against her or him
2156 in a civil action upon grounds of fraud, embezzlement,
2157 misrepresentation, or deceit;

2158 ~~(l) Is of bad business repute;~~

2159 (k)~~(m)~~ Has been the subject of any decision, finding,
2160 injunction, suspension, prohibition, revocation, denial,
2161 judgment, or administrative order by any court of competent
2162 jurisdiction, administrative law judge, or by any state or
2163 federal agency, national securities, commodities, or option
2164 exchange, or national securities, commodities, or option
2165 association, involving a violation of any federal or state
2166 securities or commodities law or any rule or regulation
2167 promulgated thereunder, or any rule or regulation of any
2168 national securities, commodities, or options exchange or
2169 national securities, commodities, or options association, or has
2170 been the subject of any injunction or adverse administrative
2171 order by a state or federal agency regulating banking,
2172 insurance, finance ~~or small loan companies~~, real estate,
2173 mortgage brokers or lenders, money transmitters, or other
2174 related or similar industries. For purposes of this subsection,
2175 the office may not deny registration to any applicant who has

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2176 been continuously registered with the office for 5 years after
2177 the date of entry of such decision, finding, injunction,
2178 suspension, prohibition, revocation, denial, judgment, or
2179 administrative order provided such decision, finding,
2180 injunction, suspension, prohibition, revocation, denial,
2181 judgment, or administrative order has been timely reported to
2182 the office pursuant to the commission's rules; ~~or~~

2183 (l) ~~(n)~~ Made payment to the office for a registration with a
2184 check or electronic transmission of funds that is dishonored by
2185 the applicant's or registrant's financial institution;

2186 (m) Failed to pay and fully satisfy any final judgment or
2187 arbitration award resulting from an investment-related, client-
2188 or customer-initiated arbitration or court proceeding, unless
2189 alternative payment arrangements are agreed to in writing
2190 between the client or customer and the investment adviser,
2191 dealer, or associated person and the investment adviser, dealer,
2192 or associated person complies with the terms of the alternative
2193 payment arrangements;

2194 (n) Attempted to avoid payment of any final judgment or
2195 arbitration award resulting from an investment-related, client-
2196 or customer-initiated arbitration or court proceeding, unless
2197 alternative payment arrangements are agreed to in writing
2198 between the client or customer and the investment adviser,
2199 dealer, or associated person and the investment adviser, dealer,
2200 or associated person complies with the terms of the alternative
2201 payment arrangements; or

2202 (o) Failed to pay and fully satisfy any fine, civil
2203 penalty, order of restitution, order of disgorgement, or similar
2204 monetary payment obligation imposed upon the investment adviser,

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2205 dealer, or associated person by the Securities and Exchange
2206 Commission, the securities regulator or other financial services
2207 regulator of any state or province, or any securities industry
2208 self-regulatory organization.

2209 (4) It shall be sufficient cause for denial of an
2210 application or revocation of registration, in the case of a
2211 partnership, corporation, limited liability company, or
2212 unincorporated association, if any member of the partnership,
2213 any manager or managing member of the limited liability company,
2214 or any officer, director, or ultimate equitable owner of the
2215 corporation or association has committed any act or omission
2216 which would be cause for denying, revoking, restricting, or
2217 suspending the registration of an individual dealer, investment
2218 adviser, intermediary, or associated person. As used in this
2219 subsection, the term "ultimate equitable owner" means a natural
2220 person who directly or indirectly owns or controls an ownership
2221 interest in the corporation, partnership, association, or other
2222 legal entity however organized, regardless of whether such
2223 natural person owns or controls such ownership interest through
2224 one or more proxies, powers of attorney, nominees, corporations,
2225 associations, partnerships, trusts, joint stock companies, or
2226 other entities or devices, or any combination thereof.

2227 (5) The office may deny any request to terminate or
2228 withdraw any application or registration if the office believes
2229 that an act that ~~which~~ would be a ground for denial, suspension,
2230 restriction, or revocation under this chapter has been
2231 committed.

2232 Section 13. Subsection (2) of section 517.1611, Florida
2233 Statutes, is amended to read:

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2234 517.1611 Guidelines.—

2235 (2) The commission shall adopt by rule disqualifying
2236 periods pursuant to which an applicant will be disqualified from
2237 eligibility for registration based upon criminal convictions,
2238 pleas of nolo contendere, or pleas of guilt, regardless of
2239 whether adjudication was withheld, by the applicant; any
2240 partner, member, officer, or director of the applicant or any
2241 person having a similar status or performing similar functions;
2242 or any control person of ~~directly or indirectly controlling~~ the
2243 applicant.

2244 (a) The disqualifying periods shall be 15 years for a
2245 felony and 5 years for a misdemeanor.

2246 (b) The disqualifying periods shall be related to crimes
2247 involving registration as a dealer, investment adviser, issuer
2248 of securities, or associated person or the application for such
2249 registration or involving moral turpitude or fraudulent or
2250 dishonest dealing.

2251 (c) The rules may also address mitigating factors, an
2252 additional waiting period based upon dates of imprisonment or
2253 community supervision, an additional waiting period based upon
2254 commitment of multiple crimes, and other factors reasonably
2255 related to the consideration of an applicant's criminal history.

2256 (d) An applicant is not eligible for registration until the
2257 expiration of the disqualifying period set by rule. Section
2258 112.011 does not apply to the registration provisions under this
2259 chapter. Nothing in this section changes or amends the grounds
2260 for denial under s. 517.161.

2261 Section 14. Section 517.181, Florida Statutes, is repealed.

2262 Section 15. Subsection (4) of section 517.191, Florida

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2263 Statutes, is amended to read:

2264 517.191 Injunction to restrain violations; civil penalties;
2265 enforcement by Attorney General.—

2266 (4) (a) In addition to any other remedies provided by this
2267 chapter, the office may apply to the court hearing the matter
2268 for, and the court shall have jurisdiction to impose, a civil
2269 penalty against any person found to have violated any provision
2270 of this chapter, any rule or order adopted by the commission or
2271 office, or any written agreement entered into with the office in
2272 an amount not to exceed \$10,000 for a natural person or \$25,000
2273 for any other person, or the gross amount of any pecuniary gain
2274 to such defendant for each such violation other than a violation
2275 of s. 517.301 plus \$50,000 for a natural person or \$250,000 for
2276 any other person, or the gross amount of any pecuniary gain to
2277 such defendant for each violation of s. 517.301. All civil
2278 penalties collected pursuant to this subsection shall be
2279 deposited into the Anti-Fraud Trust Fund. The office may recover
2280 any costs and attorney fees related to the office's
2281 investigation or enforcement of this section. Notwithstanding
2282 any other law, moneys recovered by the office for costs and
2283 attorney fees collected pursuant to this subsection must be
2284 deposited into the Anti-Fraud Trust Fund.

2285 (b) A control person of a controlled person found to have
2286 violated any provision of this chapter or any rule adopted under
2287 any provision of this chapter is jointly and severally liable
2288 with, and to the same extent as, such controlled person in any
2289 action brought by the office under this section unless the
2290 control person can establish by a preponderance of the evidence
2291 that he or she acted in good faith and did not directly or

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2292 indirectly induce the act that constitutes the violation or
2293 cause of action. For purposes of any action brought by the
2294 office under this section, a person who knowingly or recklessly
2295 provides substantial assistance to another person in violation
2296 of a provision of this chapter or of any rule adopted under any
2297 provision of this chapter is deemed to violate the provision or
2298 the rule to the same extent as the person to whom such
2299 assistance is provided.

2300 Section 16. Paragraph (a) of subsection (4) of section
2301 517.201, Florida Statutes, is amended to read:

2302 517.201 Investigations; examinations; subpoenas; hearings;
2303 witnesses.—

2304 (4) (a) In the event of substantial noncompliance with a
2305 subpoena or subpoena duces tecum issued or caused to be issued
2306 by the office pursuant to this section, the office may petition
2307 the circuit court of the county in which the person subpoenaed
2308 resides or has its principal place of business for an order
2309 requiring the subpoenaed person to appear and testify and to
2310 produce such books, records, and documents as are specified in
2311 such subpoena duces tecum. The court may grant injunctive relief
2312 restraining the issuance, sale or offer for sale, purchase or
2313 offer to purchase, promotion, negotiation, advertisement, or
2314 distribution ~~in or from offices in this state~~ of securities or
2315 investments in or from this state by the noncompliant a person
2316 or its agent, employee, broker, partner, officer, director,
2317 manager, managing member, control person, or equity holder
2318 ~~stockholder thereof~~, and may grant such other relief, including,
2319 but not limited to, the restraint, by injunction or appointment
2320 of a receiver, of any transfer, pledge, assignment, or other

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2321 disposition of such person's assets or any concealment,
 2322 alteration, destruction, or other disposition of subpoenaed
 2323 books, records, or documents, as the court deems appropriate,
 2324 until such person has fully complied with such subpoena or
 2325 subpoena duces tecum and the office has completed its
 2326 investigation or examination. The office is entitled to the
 2327 summary procedure provided in s. 51.011, and the court shall
 2328 advance the cause on its calendar. Costs incurred by the office
 2329 to obtain an order granting, in whole or in part, such petition
 2330 for enforcement of a subpoena or subpoena duces tecum shall be
 2331 taxed against the subpoenaed person, and failure to comply with
 2332 such order shall be a contempt of court.

2333 Section 17. Paragraph (d) of subsection (3) of section
 2334 921.0022, Florida Statutes, is amended to read:

2335 921.0022 Criminal Punishment Code; offense severity ranking
 2336 chart.—

2337 (3) OFFENSE SEVERITY RANKING CHART

2338 (d) LEVEL 4

2339

| Florida Statute | Felony Degree | Description |
|--------------------|------------------|--|
| 316.1935 (3) (a) | 2nd | Driving at high speed or with wanton disregard for safety while fleeing or attempting to elude law enforcement officer who is in a patrol vehicle with siren and |

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2341

499.0051(1)

3rd

lights activated.

Failure to maintain or deliver transaction history, transaction information, or transaction statements.

2342

499.0051(5)

2nd

Knowing sale or delivery, or possession with intent to sell, contraband prescription drugs.

2343

517.07(1)

3rd

Failure to register securities.

2344

517.12(1)

3rd

Failure of dealer or associated person of a dealer, ~~or issuer~~ of securities to register.

2345

784.07(2)(b)

3rd

Battery of law enforcement officer, firefighter, etc.

2346

784.074(1)(c)

3rd

Battery of sexually violent predators facility staff.

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2347

784.075 3rd Battery on detention or
commitment facility
staff.

2348

784.078 3rd Battery of facility
employee by throwing,
tossing, or expelling
certain fluids or
materials.

2349

784.08 (2) (c) 3rd Battery on a person 65
years of age or older.

2350

784.081 (3) 3rd Battery on specified
official or employee.

2351

784.082 (3) 3rd Battery by detained
person on visitor or
other detainee.

2352

784.083 (3) 3rd Battery on code
inspector.

2353

784.085 3rd Battery of child by
throwing, tossing,
projecting, or expelling
certain fluids or
materials.

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2354

787.03 (1)

3rd

Interference with custody; wrongly takes minor from appointed guardian.

2355

787.04 (2)

3rd

Take, entice, or remove child beyond state limits with criminal intent pending custody proceedings.

2356

787.04 (3)

3rd

Carrying child beyond state lines with criminal intent to avoid producing child at custody hearing or delivering to designated person.

2357

787.07

3rd

Human smuggling.

2358

790.115 (1)

3rd

Exhibiting firearm or weapon within 1,000 feet of a school.

2359

790.115 (2) (b)

3rd

Possessing electric weapon or device, destructive device, or

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| | | | |
|------|-----------------|-----|---|
| 2360 | 790.115 (2) (c) | 3rd | other weapon on school property. |
| 2361 | 794.051 (1) | 3rd | Possessing firearm on school property. |
| 2362 | 800.04 (7) (c) | 3rd | Indecent, lewd, or lascivious touching of certain minors. |
| 2363 | 806.135 | 2nd | Lewd or lascivious exhibition; offender less than 18 years. |
| 2364 | 810.02 (4) (a) | 3rd | Destroying or demolishing a memorial or historic property. |
| 2365 | 810.02 (4) (b) | 3rd | Burglary, or attempted burglary, of an unoccupied structure; unarmed; no assault or battery. |
| | | | Burglary, or attempted burglary, of an unoccupied conveyance; unarmed; no assault or battery. |

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|---------------------------|-----|--|
| 810.06 | 3rd | Burglary; possession of tools. |
| 810.08 (2) (c) | 3rd | Trespass on property, armed with firearm or dangerous weapon. |
| 812.014 (2) (c) 3. | 3rd | Grand theft, 3rd degree \$10,000 or more but less than \$20,000. |
| 812.014 (2) (c) 4.-10. | 3rd | Grand theft, 3rd degree; specified items. |
| 812.0195 (2) | 3rd | Dealing in stolen property by use of the Internet; property stolen \$300 or more. |
| 817.505 (4) (a) | 3rd | Patient brokering. |
| 817.563 (1) | 3rd | Sell or deliver substance other than controlled substance agreed upon, excluding s. 893.03(5) drugs. |
| 817.568 (2) (a) | 3rd | Fraudulent use of |

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817.625 (2) (a)

3rd

personal identification
information.

Fraudulent use of
scanning device,
skimming device, or
reencoder.

817.625 (2) (c)

3rd

Possess, sell, or
deliver skimming device.

828.125 (1)

2nd

Kill, maim, or cause
great bodily harm or
permanent breeding
disability to any
registered horse or
cattle.

836.14 (2)

3rd

Person who commits theft
of a sexually explicit
image with intent to
promote it.

836.14 (3)

3rd

Person who willfully
possesses a sexually
explicit image with
certain knowledge,
intent, and purpose.

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837.02 (1)

3rd

Perjury in official proceedings.

837.021 (1)

3rd

Make contradictory statements in official proceedings.

838.022

3rd

Official misconduct.

839.13 (2) (a)

3rd

Falsifying records of an individual in the care and custody of a state agency.

839.13 (2) (c)

3rd

Falsifying records of the Department of Children and Families.

843.021

3rd

Possession of a concealed handcuff key by a person in custody.

843.025

3rd

Deprive law enforcement, correctional, or correctional probation officer of means of protection or communication.

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|------|-------------------|-----|--|
| 2387 | 843.15 (1) (a) | 3rd | Failure to appear while on bail for felony (bond estreature or bond jumping). |
| 2388 | 847.0135 (5) (c) | 3rd | Lewd or lascivious exhibition using computer; offender less than 18 years. |
| 2389 | 870.01 (3) | 2nd | Aggravated rioting. |
| 2390 | 870.01 (5) | 2nd | Aggravated inciting a riot. |
| 2391 | 874.05 (1) (a) | 3rd | Encouraging or recruiting another to join a criminal gang. |
| 2392 | 893.13 (2) (a) 1. | 2nd | Purchase of cocaine (or other s. 893.03(1) (a), (b), or (d), (2) (a), (2) (b), or (2) (c) 5. drugs). |
| 2393 | 914.14 (2) | 3rd | Witnesses accepting bribes. |
| | 914.22 (1) | 3rd | Force, threaten, etc., |

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witness, victim, or informant.

914.23(2)

3rd

Retaliation against a witness, victim, or informant, no bodily injury.

2395

916.1085
(2)(c)1.

3rd

Introduction of specified contraband into certain DCF facilities.

2396

918.12

3rd

Tampering with jurors.

2397

934.215

3rd

Use of two-way communications device to facilitate commission of a crime.

2398

944.47(1)(a)6.

3rd

Introduction of contraband (cellular telephone or other portable communication device) into correctional institution.

2399

951.22(1)(h),

3rd

Intoxicating drug,

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(j) & (k)

instrumentality or other device to aid escape, or cellular telephone or other portable communication device introduced into county detention facility.

2400

2401 Section 18. Subsection (9) of section 517.051, Florida
 2402 Statutes, is amended to read:

2403 517.051 Exempt securities.—The exemptions provided herein
 2404 from the registration requirements of s. 517.07 are self-
 2405 executing and do not require any filing with the office prior to
 2406 claiming such exemption. Any person who claims entitlement to
 2407 any of these exemptions bears the burden of proving such
 2408 entitlement in any proceeding brought under this chapter. The
 2409 registration provisions of s. 517.07 do not apply to any of the
 2410 following securities:

2411 (9) A security issued by a corporation organized and
 2412 operated exclusively for religious, educational, benevolent,
 2413 fraternal, charitable, or reformatory purposes and not for
 2414 pecuniary profit, no part of the net earnings of which
 2415 corporation inures to the benefit of any private stockholder or
 2416 individual, or any security of a fund that is excluded from the
 2417 definition of an investment company under s. 3(c)(10)(B) of the
 2418 Investment Company Act of 1940, as amended; provided that no
 2419 person shall directly or indirectly offer or sell securities
 2420 under this subsection except by an offering circular containing
 2421 full and fair disclosure, as prescribed by the rules of the

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2422 commission, of all material information, including, but not
2423 limited to, a description of the securities offered and terms of
2424 the offering, a description of the nature of the issuer's
2425 business, a statement of the purpose of the offering and the
2426 intended application by the issuer of the proceeds thereof, and
2427 financial statements of the issuer prepared in conformance with
2428 United States generally accepted accounting principles. Section
2429 6(c) of the Philanthropy Protection Act of 1995, Pub. L. No.
2430 104-62, shall not preempt any provision of this chapter.

2431 Section 19. Section 517.1215, Florida Statutes, is amended
2432 to read:

2433 517.1215 Requirements, rules of conduct, and prohibited
2434 business practices for investment advisers ~~advisors~~ and their
2435 associated persons.—

2436 (1) The commission shall specify by rule requirements for
2437 investment advisers ~~advisors~~ deemed to have custody of client
2438 funds which concern the following:

2439 (a) Notification of custody of, maintenance of, and
2440 safeguards for client funds.

2441 (b) Communications with clients and independent
2442 representatives.

2443 (c) Requirements for investment advisers who have custody
2444 of pooled investments.

2445 (d) Exceptions to the custody requirements.

2446

2447 In adopting the rules, the commission shall consider the rules
2448 and regulations of the federal regulatory authority and the
2449 North American Securities Administrators Association, Inc.

2450 (2) The commission shall by rule establish rules of conduct

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2451 and prohibited business practices for investment advisers and
2452 their associated persons. In adopting the rules, the commission
2453 shall consider general industry standards as expressed in the
2454 rules and regulations of the various federal and self-regulatory
2455 agencies and regulatory associations, including, but not limited
2456 to, the United States Securities and Exchange Commission, the
2457 Financial Industry Regulatory Authority, and the North American
2458 Securities Administrators Association, Inc.

2459 Section 20. Subsection (1) of section 517.075, Florida
2460 Statutes, is amended to read:

2461 517.075 Cuba, prospectus disclosure of doing business with,
2462 required.—

2463 (1) Any issuer of securities that will be sold in this
2464 state pursuant to a prospectus must disclose in the prospectus
2465 if the issuer or any affiliate thereof, ~~as defined in s.~~
2466 ~~517.021(1)~~, does business with the government of Cuba or with
2467 any person or affiliate located in Cuba. The prospectus
2468 disclosure required by this subsection does not apply with
2469 respect to prospectuses prepared before April 10, 1992.

2470 Section 21. Paragraph (a) of subsection (1) of section
2471 517.131, Florida Statutes, is amended to read:

2472 517.131 Securities Guaranty Fund.—

2473 (1) (a) The Chief Financial Officer shall establish a
2474 Securities Guaranty Fund. An amount not exceeding 20 percent of
2475 all revenues received as assessment fees pursuant to s.
2476 517.12(9) and (10) ~~s. 517.12(10) and (11)~~ for dealers and
2477 investment advisers or s. 517.1201 for federal covered advisers
2478 and an amount not exceeding 10 percent of all revenues received
2479 as assessment fees pursuant to s. 517.12(9) and (10) ~~s.~~

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2480 ~~517.12(10) and (11)~~ for associated persons shall be part of the
2481 regular license fee and shall be transferred to or deposited in
2482 the Securities Guaranty Fund.

2483 Section 22. Subsection (1) of section 517.211, Florida
2484 Statutes, is amended to read:

2485 517.211 Remedies available in cases of unlawful sale.—

2486 (1) Every sale made in violation of either s. 517.07 or s.
2487 517.12(1), (3), (4), (8), (10), (12), (15), or (17) ~~(4), (5),~~
2488 ~~(9), (11), (13), (16), or (18)~~ may be rescinded at the election
2489 of the purchaser, except a sale made in violation of the
2490 provisions of s. 517.1202(3) relating to a renewal of a branch
2491 office notification shall not be subject to this section, and a
2492 sale made in violation of the provisions of s. 517.12(12) ~~s.~~
2493 ~~517.12(13)~~ relating to filing a change of address amendment
2494 shall not be subject to this section. Each person making the
2495 sale and every director, officer, partner, or agent of or for
2496 the seller, if the director, officer, partner, or agent has
2497 personally participated or aided in making the sale, is jointly
2498 and severally liable to the purchaser in an action for
2499 rescission, if the purchaser still owns the security, or for
2500 damages, if the purchaser has sold the security. No purchaser
2501 otherwise entitled will have the benefit of this subsection who
2502 has refused or failed, within 30 days of receipt, to accept an
2503 offer made in writing by the seller, if the purchaser has not
2504 sold the security, to take back the security in question and to
2505 refund the full amount paid by the purchaser or, if the
2506 purchaser has sold the security, to pay the purchaser an amount
2507 equal to the difference between the amount paid for the security
2508 and the amount received by the purchaser on the sale of the

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2509 security, together, in either case, with interest on the full
 2510 amount paid for the security by the purchaser at the legal rate,
 2511 pursuant to s. 55.03, for the period from the date of payment by
 2512 the purchaser to the date of repayment, less the amount of any
 2513 income received by the purchaser on the security.

2514 Section 23. Section 517.315, Florida Statutes, is amended
 2515 to read:

2516 517.315 Fees.—All fees of any nature collected by the
 2517 office pursuant to this chapter shall be disbursed as follows:

2518 (1) The office shall transfer the amount of fees required
 2519 to be deposited into the Securities Guaranty Fund pursuant to s.
 2520 517.131.~~7~~

2521 (2) After the transfer required in subsection (1), the
 2522 office shall transfer the \$50 assessment fee collected from each
 2523 associated person under s. 517.12(9) and (10) ~~s. 517.12(10) and~~
 2524 ~~(11)~~ and 30.44 percent of the \$100 assessment fee paid by
 2525 dealers and investment advisers ~~advisors~~ for each office in the
 2526 state under s. 517.12(9) and (10) ~~s. 517.12(10) and (11)~~ to the
 2527 Regulatory Trust Fund.~~7~~ ~~and~~

2528 (3) All remaining fees shall be deposited into the General
 2529 Revenue Fund.

2530 Section 24. Subsection (5) of section 626.9911, Florida
 2531 Statutes, is amended to read:

2532 626.9911 Definitions.—As used in this act, the term:

2533 (5) "Life expectancy provider" means a person who
 2534 determines, or holds himself or herself out as determining, life
 2535 expectancies or mortality ratings used to determine life
 2536 expectancies:

2537 (a) On behalf of a viatical settlement provider, viatical

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2538 settlement broker, life agent, or person engaged in the business
2539 of viatical settlements;

2540 (b) In connection with a viatical settlement investment as
2541 defined in s. 517.021, ~~pursuant to s. 517.021(24)~~; or

2542 (c) On residents of this state in connection with a
2543 viatical settlement contract or viatical settlement investment.

2544 Section 25. Subsection (6) of section 744.351, Florida
2545 Statutes, is amended to read:

2546 744.351 Bond of guardian.—

2547 (6) When it is expedient in the judgment of any court
2548 having jurisdiction of any guardianship property, because the
2549 size of the bond required of the guardian is burdensome, or for
2550 other cause, the court may order, in lieu of a bond or in
2551 addition to a lesser bond, that the guardian place all or part
2552 of the property of the ward in a designated financial
2553 institution under the same conditions and limitations as are
2554 contained in s. 69.031. A designated financial institution shall
2555 also include a dealer~~7~~ as defined in s. 517.021 ~~s. 517.021(6)~~,
2556 if the dealer is a member of the Security Investment Protection
2557 Corporation and is doing business in the state.

2558 Section 26. This act shall take effect October 1, 2023.