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1
2 An act relating to regulation of securities;
3 reordering and amending s. 517.021, F.S.; requiring
4 the Financial Services Commission to define the term
5 "accredited investor" by rule; revising definitions;
6 amending s. 517.072, F.S.; authorizing the commission
7 to adopt certain rules relating to viatical settlement
8 investments; making technical changes; amending s.
9 517.081, F.S.; revising requirements for the
10 registration of securities; revising application fees
11 for certain securities registrations; requiring the
12 Office of Financial Regulation to deem an application
13 abandoned under certain circumstances; conforming
14 provisions to changes made by the act; amending s.
15 517.082, F.S.; making technical changes; requiring the
16 office to deem an application for registration by
17 notification abandoned under certain circumstances;
18 amending s. 517.111, F.S.; revising grounds on which
19 the office may revoke, suspend, or deny the
20 registration of securities; specifying the office's
21 powers in investigations of issuers; revising the
22 methods by which the office may enter an order
23 suspending an issuer's right to sell securities;
24 amending s. 517.12, F.S.; revising applicability of
25 registration requirements; revising requirements for
26 applying for registration as a dealer, an associated
27 person of a dealer, or an investment adviser;
28 conforming a cross-reference and provisions to changes
29 made by the act; making technical changes; providing

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30 definitions; providing exemptions from registration
31 requirements for private fund advisers under certain
32 conditions; providing exceptions; providing
33 requirements for certain private fund advisers;
34 providing reporting requirements; creating s.
35 517.1214, F.S.; defining terms; specifying continuing
36 education requirements for associated persons of
37 investment advisers and federal covered advisers;
38 providing that certain education credits satisfy such
39 requirements if certain conditions are met;
40 prohibiting associated persons from carrying forward
41 credits to subsequent reporting periods; specifying a
42 restriction on associated persons who fail to meet
43 such requirements; specifying requirements for certain
44 previously registered associated persons; amending s.
45 517.1217, F.S.; authorizing the commission to
46 establish rules of conduct and prohibited business
47 practices for intermediaries; amending s. 517.161,
48 F.S.; revising grounds on which the office may deny,
49 revoke, restrict, or suspend registrations of dealers,
50 investment advisers, intermediaries, and associated
51 persons; providing causes for denial of applications
52 or revocation of registrations of certain entities and
53 persons under certain circumstances; repealing s.
54 517.181, F.S., relating to escrow agreements; amending
55 s. 517.201, F.S.; conforming a provision to changes
56 made by the act; amending s. 921.0022, F.S.; revising
57 applicability of a criminal penalty for certain
58 registration violations; amending s. 517.1215, F.S.;

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59 making technical changes; amending ss. 517.061,
60 517.0611, 517.075, 517.131, 517.211, 517.315,
61 626.9911, and 744.351, F.S.; conforming cross-
62 references and making technical changes; amending s.
63 517.1205, F.S.; revising legislative intent; providing
64 an effective date.

65

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

67

68 Section 1. Section 517.021, Florida Statutes, is reordered
69 and amended to read:

70 517.021 Definitions.—When used in this chapter, unless the
71 context otherwise indicates, the following terms have the
72 following respective meanings:

73 (1) “Accredited investor” shall be defined by rule of the
74 commission in accordance with the Securities and Exchange
75 Commission Rule 501, 17 C.F.R. s. 230.501.

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

79 (3) ~~(2)~~ “Associated person” means:

80 (a) 1. With respect to a dealer, a natural person who is
81 employed, appointed, or authorized by a dealer and who
82 represents the dealer in effecting or attempting to effect
83 purchases or sales of securities.

84 2. The term does not include the following:

85 a. A dealer.

86 b. A partner, an officer, or a director of a dealer or a
87 person having a similar status or performing similar functions

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88 as a dealer, unless such person is specified in subparagraph 1.

89 c. A dealer's employee whose function is only clerical or
90 ministerial.

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

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

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

101 b. Does any of the following:

102 (I) Makes any recommendation or otherwise gives investment
103 advice regarding securities.

104 (II) Manages accounts or portfolios of clients.

105 (III) Determines which recommendations or advice regarding
106 securities should be given.

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

109 (V) Supervises employees who perform a function under this
110 sub-subparagraph.

111 2. The term does not include the following:

112 a. An investment adviser.

113 b. An employee whose function is only clerical or
114 ministerial ~~or investment adviser, any of the following:~~

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

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117 ~~status or performing similar functions;~~

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

121 ~~3. Any natural person, other than a dealer, employed,~~
122 ~~appointed, or authorized by a dealer, investment adviser, or~~
123 ~~issuer to sell securities in any manner or act as an investment~~
124 ~~adviser as defined in this section.~~

125
126 ~~The partners of a partnership and the executive officers of a~~
127 ~~corporation or other association registered as a dealer, and any~~
128 ~~person whose transactions in this state are limited to those~~
129 ~~transactions described in s. 15(h)(2) of the Securities Exchange~~
130 ~~Act of 1934, are not "associated persons" within the meaning of~~
131 ~~this definition.~~

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

137 ~~(4)(3)~~ "Boiler room" means an enterprise in which two or
138 more persons engage in telephone communications with members of
139 the public using two or more telephones at one location, or at
140 more than one location in a common scheme or enterprise.

141 ~~(5)(4)~~ "Branch office" means any location in this state of
142 a dealer or investment adviser at which one or more associated
143 persons regularly conduct the business of rendering investment
144 advice or effecting any transactions in, or inducing or
145 attempting to induce the purchase or sale of, any security or

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146 any location that is held out as such. The commission may adopt
147 by rule exceptions to this definition for dealers in order to
148 maintain consistency with the definition of a branch office used
149 by self-regulatory organizations authorized by the Securities
150 and Exchange Commission, including, but not limited to, the
151 Financial Industry Regulatory Authority. The commission may
152 adopt by rule exceptions to this definition for investment
153 advisers.

154 (6)~~(7)~~ "Commission" means the Financial Services
155 Commission.

156 (7)~~(5)~~ "Control," including the terms "controlling,"
157 "controlled by," and "under common control with," means the
158 possession, directly or indirectly, of the power to direct or
159 cause the direction of the management or policies of a person,
160 whether through the ownership of voting securities, by contract,
161 or otherwise.

162 (8)~~(6)~~~~(a)~~ "Dealer" includes, unless otherwise specified, a
163 person, other than an associated person of a dealer, that
164 engages, for all or part of the person's time, directly or
165 indirectly, as agent or principal in the business of offering,
166 buying, selling, or otherwise dealing or trading in securities
167 issued by another person ~~any of the following:~~

168 ~~1. Any person, other than an associated person registered~~
169 ~~under this chapter, who engages, either for all or part of her~~
170 ~~or his time, directly or indirectly, as broker or principal in~~
171 ~~the business of offering, buying, selling, or otherwise dealing~~
172 ~~or trading in securities issued by another person.~~

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

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175 ~~or his time, directly or indirectly, in the business of offering~~
176 ~~or selling securities which are issued or are proposed to be~~
177 ~~issued by the issuer.~~

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

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

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

184 (c) A trust company having trust powers that it is
185 authorized to exercise in this state, which renders or performs
186 services in a fiduciary capacity incidental to the exercise of
187 its trust powers.

188 (d) A wholesaler selling exclusively to dealers.

189 (e) A person buying and selling for the person's own
190 account exclusively through a registered dealer or stock
191 exchange.

192 (f) An issuer.

193 (g) A natural person representing an issuer in the
194 purchase, sale, or distribution of the issuer's own securities
195 if such person:

196 1. Is an officer, a director, a limited liability company
197 manager or managing member, or a bona fide employee of the
198 issuer;

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

203 3. Primarily performs, or is intended to perform at the end

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204 of the distribution, substantial duties for, or on behalf of,
205 the issuer other than in connection with transactions in
206 securities; and

207 4. Does not receive a commission, compensation, or other
208 consideration for the completed sale of the issuer's securities
209 apart from the compensation received for regular duties to the
210 issuer.

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

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

216 ~~3. Any trust company having trust powers which it is~~
217 ~~authorized to exercise in this state, which renders or performs~~
218 ~~services in a fiduciary capacity incidental to the exercise of~~
219 ~~its trust powers;~~

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

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

223 ~~6. Pursuant to s. 517.061(11), any person associated with~~
224 ~~an issuer of securities if such person is a bona fide employee~~
225 ~~of the issuer who has not participated in the distribution or~~
226 ~~sale of any securities within the preceding 12 months and who~~
227 ~~primarily performs, or is intended to perform at the end of the~~
228 ~~distribution, substantial duties for, or on behalf of, the~~
229 ~~issuer other than in connection with transactions in securities.~~

230 (9) "Federal covered adviser" means a person that ~~who~~ is
231 registered or required to be registered under s. 203 of the
232 Investment Advisers Act of 1940, as amended. The term "~~federal~~

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233 ~~covered adviser~~ does not include any person that ~~who~~ is
234 excluded from the definition of investment adviser under
235 subparagraphs (14) (b) 1.-8.

236 (10) "Federal covered security" means a ~~any~~ security that
237 is a covered security under s. 18(b) of the Securities Act of
238 1933, as amended, or rules and regulations adopted thereunder.

239 (11) "Guarantor" means a person that ~~who~~ agrees in writing,
240 or that ~~who~~ holds itself out to the public as agreeing, to pay
241 the indebtedness of another when due, including, without
242 limitation, payments of principal and interest on a bond,
243 debenture, note, or other evidence of indebtedness, without
244 resort by the holder to any other obligor, whether or not such
245 writing expressly states that the person signing is signing as a
246 guarantor. The obligation of a guarantor hereunder shall be a
247 continuing, absolute, and unconditional guaranty of payment,
248 without regard to the validity, regularity, or enforceability of
249 the underlying indebtedness.

250 (12) "Guaranty" means an agreement in ~~a~~ writing in which
251 one party either agrees, or holds itself out to the public as
252 agreeing, to pay the indebtedness of another when due,
253 including, without limitation, payments of principal and
254 interest on a bond, debenture, note, or other evidence of
255 indebtedness, without resort by the holder to any other obligor,
256 whether or not such writing expressly states that the person
257 signing is signing as a guarantor. An agreement that is not
258 specifically denominated as a guaranty shall nevertheless
259 constitute a guaranty if the holder of the underlying
260 indebtedness or the holder's ~~her or his~~ representative or
261 trustee has the right to sue to enforce the guarantor's

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262 obligations under the guaranty. Words of guaranty or equivalent
263 words ~~that~~ ~~which~~ otherwise do not specify guaranty of payment
264 create a presumption that payment, rather than collection, is
265 guaranteed by the guarantor. Any guaranty in writing is
266 enforceable notwithstanding any statute of frauds.

267 (13) "Intermediary" means a natural person residing in this
268 ~~the~~ state or a corporation, trust, partnership, limited
269 liability company, association, or other legal entity registered
270 with the Secretary of State to do business in this ~~the~~ state,
271 which facilitates through its website the offer or sale of
272 securities of an issuer with a principal place of business in
273 this state ~~under s. 517.0611.~~

274 (14) (a) "Investment adviser" means a ~~includes any~~ person,
275 other than an associated person of an investment adviser or a
276 federal covered adviser, that ~~who~~ receives compensation,
277 directly or indirectly, and engages for all or part of the
278 person's ~~her or his~~ time, directly or indirectly, or through
279 publications or writings, in the business of advising others as
280 to the value of securities or as to the advisability of
281 investments in, purchasing of, or selling of securities, ~~except~~
282 ~~a dealer whose performance of these services is solely~~
283 ~~incidental to the conduct of her or his business as a dealer and~~
284 ~~who receives no special compensation for such services.~~

285 (b) The term ~~"investment adviser"~~ does not include the
286 following:

287 1. A dealer or an associated person of a dealer whose
288 performance of services in paragraph (a) is solely incidental to
289 the conduct of the dealer's or associated person's business as a
290 dealer and who does not receive special compensation for those

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291 services.

292 2. A Any licensed practicing attorney or certified public
293 accountant whose performance of such services is solely
294 incidental to the practice of the attorney's or accountant's her
295 or his profession.†

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

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

300 4. A Any bank holding company as defined in the Bank
301 Holding Company Act of 1956, as amended, authorized to do
302 business in this state.†

303 5. A Any trust company having trust powers, as defined in
304 s. 658.12, which it is authorized to exercise in this the state,
305 which trust company renders or performs investment advisory
306 services in a fiduciary capacity incidental to the exercise of
307 its trust powers.†

308 6. A Any person that who renders investment advice
309 exclusively to insurance or investment companies.†

310 7. A Any person that who does not hold itself herself or
311 himself out to the general public as an investment adviser and
312 has no more than 15 clients within 12 consecutive months in this
313 state.†

314 8. A Any person whose transactions in this state are
315 limited to those transactions described in s. 222(d) of the
316 Investment Advisers Act of 1940, as amended. Those clients
317 listed in subparagraph 6. may not be included when determining
318 the number of clients of an investment adviser for purposes of
319 s. 222(d) of the Investment Advisers Act of 1940, as amended.†

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320 ~~or~~

321 9. A federal covered adviser.

322 (15) "Issuer" means a any person that ~~who~~ proposes to
323 issue, has issued, or shall hereafter issue any security. A Any
324 person that ~~who~~ acts as a promoter for and on behalf of a
325 corporation, trust, ~~or unincorporated association or~~
326 partnership, limited liability company, association, or other
327 legal entity of any kind to be formed shall be deemed an issuer.

328 (16) "Offer to sell," "offer for sale," or "offer" means an
329 ~~any~~ attempt or offer to dispose of, or solicitation of an offer
330 to buy, a security or interest in a security, or an investment
331 or interest in an investment, for value.

332 ~~(17)(8)~~ "Office" means the Office of Financial Regulation
333 of the commission.

334 ~~(18)(17)~~ "Predecessor" means a person whose ~~the~~ major
335 portion of ~~whose~~ assets has ~~have~~ been acquired directly or
336 indirectly by an issuer.

337 ~~(19)(18)~~ "Principal" means an executive officer of a
338 corporation, partner of a partnership, sole proprietor of a sole
339 proprietorship, trustee of a trust, or any other person with
340 similar supervisory functions with respect to any organization,
341 whether incorporated or unincorporated.

342 ~~(20)(19)~~ "Promoter" includes the following:

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

347 (b) A Any person that ~~who~~, in connection with the founding
348 or organizing of the business or enterprise of an issuer,

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349 directly or indirectly receives in consideration of services or
350 property, or both services and property, 10 percent or more of
351 any class of securities of the issuer or 10 percent or more of
352 the proceeds from the sale of any class of securities. However,
353 a person that ~~who~~ receives such securities or proceeds either
354 solely as underwriting commissions or solely in connection with
355 property shall not be deemed a promoter if such person does not
356 otherwise take part in founding and organizing the enterprise.

357 (21) ~~(20)~~ "Qualified institutional buyer" means a ~~any~~
358 qualified institutional buyer, as defined in ~~United States~~
359 Securities and Exchange Commission Rule 144A, 17 C.F.R. s.
360 230.144A(a), under the Securities Act of 1933, as amended, or
361 any foreign buyer that satisfies the minimum financial
362 requirements set forth in such rule.

363 (22) ~~(21)~~ "Sale" or "sell" means a ~~any~~ contract of sale or
364 disposition of an ~~any~~ investment, security, or interest in a
365 security, for value. With respect to a security or interest in a
366 security, the term ~~defined in this subsection~~ does not include
367 preliminary negotiations or agreements between an issuer or any
368 person on whose behalf an offering is to be made and any
369 underwriter or among underwriters who are or are to be in
370 privity of contract with an issuer. Any security given or
371 delivered with, or as a bonus on account of, any purchase of
372 securities or any other thing shall be conclusively presumed to
373 constitute a part of the subject of such purchase and to have
374 been offered and sold for value. Every sale or offer of a
375 warrant or right to purchase or subscribe to another security of
376 the same or another issuer, as well as every sale or offer of a
377 security which gives the holder a present or future right or

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378 privilege to convert into another security or another issuer, is
379 considered to include an offer of the other security.

380 (23)~~(22)~~ "Security" includes any of the following:

381 (a) A note.

382 (b) A stock.

383 (c) A treasury stock.

384 (d) A bond.

385 (e) A debenture.

386 (f) An evidence of indebtedness.

387 (g) A certificate of deposit.

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

389 (i) A certificate of interest or participation.

390 (j) A whiskey warehouse receipt or other commodity
391 warehouse receipt.

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

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

397 (m) A collateral trust certificate.

398 (n) A reorganization certificate.

399 (o) A preorganization subscription.

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

401 (q) An investment contract.

402 (r) A beneficial interest in title to property, profits, or
403 earnings.

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

406 (t) An ~~Any~~ option contract that ~~which~~ entitles the holder

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407 to purchase or sell a given amount of the underlying security at
408 a fixed price within a specified period of time.

409 (u) Any other instrument commonly known as a security,
410 including an interim or temporary bond, debenture, note, or
411 certificate.

412 (v) A ~~Any~~ receipt for a security, or for subscription to a
413 security, or a ~~any~~ right to subscribe to or purchase any
414 security.

415 (w) A viatical settlement investment.

416 (24) ~~(23)~~ "Underwriter" means a person that ~~who~~ has
417 purchased from an issuer or an affiliate of an issuer with a
418 view to, or offers or sells for an issuer or an affiliate of an
419 issuer in connection with, the distribution of any security, or
420 participates or has a direct or indirect participation in any
421 such undertaking, or participates or has a participation in the
422 direct or indirect underwriting of any such undertaking; except
423 that a person is ~~shall be~~ presumed not to be an underwriter with
424 respect to any security which it ~~she or he~~ has owned
425 beneficially for at least 1 year; and, further, a dealer is
426 ~~shall not be~~ considered an underwriter with respect to any
427 securities which do not represent part of an unsold allotment to
428 or subscription by the dealer as a participant in the
429 distribution of such securities by the issuer or an affiliate of
430 the issuer; and, further, in the case of securities acquired on
431 the conversion of another security without payment of additional
432 consideration, the length of time such securities have been
433 beneficially owned by a person includes the period during which
434 the convertible security was beneficially owned and the period
435 during which the security acquired on conversion has been

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436 beneficially owned.

437 ~~(25)~~(24) "Viatical settlement investment" means an
438 agreement for the purchase, sale, assignment, transfer, devise,
439 or bequest of all or any portion of a legal or equitable
440 interest in a viaticated policy as defined in chapter 626.

441 Section 2. Paragraph (d) of subsection (3) of section
442 517.072, Florida Statutes, is amended, and subsection (4) is
443 added to that section, to read:

444 517.072 Viatical settlement investments.—

445 (3) The registration provisions of ss. 517.07 and 517.12 do
446 not apply to any of the following transactions in viatical
447 settlement investments; however, such transactions in viatical
448 settlement investments are subject to the provisions of ss.
449 517.301, 517.311, and 517.312:

450 (d) The transfer or assignment of a viaticated policy to a
451 bank, trust company, savings institution, insurance company,
452 dealer, investment company as defined in the Investment Company
453 Act of 1940, as amended, pension or profit-sharing trust, ~~or~~
454 ~~qualified institutional buyer as defined in United States~~
455 ~~Securities and Exchange Commission Rule 144A, 17 C.F.R. s.~~
456 ~~230.144A(a), or to an accredited investor as defined by Rule 501~~
457 ~~of Regulation D of the Securities Act Rules~~, provided such
458 transfer or assignment is not for the direct or indirect
459 promotion of any scheme or enterprise with the intent of
460 violating or evading any provision of this chapter.

461 (4) The commission may establish by rule requirements and
462 standards for disclosures to purchasers of viatical settlement
463 investments and recordkeeping requirements for sellers of
464 viatical settlement investments.

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465 Section 3. Paragraphs (a), (g), and (n) of subsection (3)
466 and subsections (6) and (8) of section 517.081, Florida
467 Statutes, are amended to read:

468 517.081 Registration procedure.—

469 (3) The office may require the applicant to submit to the
470 office the following information concerning the issuer and such
471 other relevant information as the office may in its judgment
472 deem necessary to enable it to ascertain whether such securities
473 shall be registered pursuant to the provisions of this section:

474 (a) The names and addresses of:

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

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

479 3. ~~of~~ All the partners, if the issuer is ~~be~~ a
480 partnership.

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

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

486 2. The commission shall adopt a form for a simplified
487 offering circular ~~to be used solely by corporations~~ to register,
488 under this section, securities ~~of the corporation~~ that are sold
489 in offerings in which the aggregate offering price in any
490 consecutive 12-month period does not exceed the amount provided
491 in s. 3(b) of the Securities Act of 1933, as amended. The
492 following issuers shall not be eligible to submit a simplified
493 offering circular adopted pursuant to this subparagraph:

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494 a. An issuer seeking to register securities for resale by
495 persons other than the issuer.

496 b. An issuer that ~~who~~ is subject to any of the
497 disqualifications described in 17 C.F.R. s. 230.262, adopted
498 pursuant to the Securities Act of 1933, as amended, or that ~~who~~
499 has been or is engaged or is about to engage in an activity that
500 would be grounds for denial, revocation, or suspension under s.
501 517.111. For purposes of this subparagraph, an issuer includes
502 an issuer's director, officer, general partner, manager or
503 managing member, trustee, or equity owner ~~shareholder~~ who owns
504 at least 10 percent of the ownership interests ~~shares~~ of the
505 issuer, promoter, or selling agent of the securities to be
506 offered or any officer, director, ~~or~~ partner, or manager or
507 managing member of such selling agent.

508 c. An issuer that ~~who~~ is a development-stage company that
509 either has no specific business plan or purpose or has indicated
510 that its business plan is to merge with an unidentified company
511 or companies.

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

514 e. Any issuer the office determines is ineligible because
515 ~~if~~ the form does ~~would~~ not provide full and fair disclosure of
516 material information for the type of offering to be registered
517 by the issuer.

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

521
522 As a condition precedent to qualifying for use of the simplified

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523 offering circular, an issuer ~~a corporation~~ shall agree to
524 provide the office with an annual financial report containing a
525 balance sheet as of the end of the issuer's fiscal year and a
526 statement of income for such year, prepared in accordance with
527 United States generally accepted accounting principles and
528 accompanied by an independent accountant's report. If the issuer
529 has more than 100 security holders at the end of a fiscal year,
530 the financial statements must be audited. Annual financial
531 reports must be filed with the office within 90 days after the
532 close of the issuer's fiscal year for each of the first 5 years
533 following the effective date of the registration.

534 (n) If the issuer is a corporation, there shall be filed
535 with the application a copy of its articles of incorporation
536 with all amendments and of its existing bylaws, if not already
537 on file in the office. If the issuer is a limited liability
538 company, there shall be filed with the application a copy of the
539 articles of organization with all the amendments and a copy of
540 the company's operating agreement as may be amended, if not
541 already on file with the office. If the issuer is a trustee,
542 there shall be filed with the application a copy of all
543 instruments by which the trust is created or declared and in
544 which it is accepted and acknowledged. If the issuer is a
545 partnership, unincorporated association, joint-stock company, or
546 any other form of organization whatsoever, there shall be filed
547 with the application a copy of its articles of partnership or
548 association and all other papers pertaining to its organization,
549 if not already on file in the office.

550 (6) An issuer filing an application under this section
551 shall, at the time of filing, pay the office a nonreturnable fee

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552 of \$1,000 per application for each offering that exceeds the
553 amount provided in s. 3(b) of the Securities Act of 1933, as
554 amended, or \$200 per application for each offering that does not
555 exceed the amount provided in s. 3(b) of the Securities Act of
556 1933, as amended.

557 (8) The office shall deem an application to register
558 securities filed with the office abandoned if the issuer or any
559 person acting on behalf of the issuer has failed to timely
560 complete an application specified by commission rule ~~The~~
561 ~~commission may by rule establish requirements and standards for:~~

562 ~~(a) Disclosures to purchasers of viatical settlement~~
563 ~~investments.~~

564 ~~(b) Recordkeeping requirements for sellers of viatical~~
565 ~~settlement investments.~~

566 Section 4. Section 517.082, Florida Statutes, is amended to
567 read:

568 517.082 ~~Notification~~ Registration by notification; federal
569 registration statements.-

570 (1) ~~Except as provided in subsection (3),~~ Securities
571 offered or sold pursuant to a registration statement filed under
572 the Securities Act of 1933, as amended, are ~~shall be~~ entitled to
573 registration by notification in the manner provided in
574 subsection (2), provided that before ~~prior to~~ the offer or sale
575 the registration statement has become effective.

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

579 (a) An application to sell executed by the issuer, any
580 person on whose behalf the offering is made, a dealer registered

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581 under this chapter, or any duly authorized agent of any such
582 person, setting forth the name and address of the applicant, the
583 name and address of the issuer, and the title of the securities
584 to be offered and sold.~~†~~

585 (b) Copies of such documents filed with the Securities and
586 Exchange Commission as the Financial Services Commission may by
587 rule require.~~†~~

588 (c) An irrevocable written consent to service as required
589 by s. 517.101.~~†~~ ~~and~~

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

591
592 A registration under this section becomes effective when the
593 federal registration statement becomes effective or as of the
594 date the application is filed with the office, whichever is
595 later, provided that, in addition to the items listed in
596 paragraphs (a)-(d), the office has received written notification
597 of effective registration under the Securities Act of 1933, as
598 amended, or the Investment Company Act of 1940, as amended,
599 within 10 business days after ~~from~~ the date federal registration
600 is granted. Failure to provide all the information required by
601 this subsection to the office within 60 days after ~~of~~ the date
602 the registration statement becomes effective with the Securities
603 and Exchange Commission shall be a violation of this chapter.

604 (3) Except for units of limited partnership interests or
605 such other securities as the commission describes by rule as
606 exempt from this subsection due to high investment quality, the
607 provisions of this section may not be used to register
608 securities if the offering price at the time of effectiveness
609 with the Securities and Exchange Commission is \$5 or less per

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610 share, unless such securities are listed or designated, or
611 approved for listing or designation upon notice of issuance, on
612 a stock exchange registered pursuant to the Securities Exchange
613 Act of 1934, as amended, or on the National Association of
614 Securities Dealers Automated Quotation (NASDAQ) System, or
615 unless such securities are of the same issuer and of senior or
616 substantially equal rank to securities so listed or designated.

617 (4) In lieu of filing with the office the application,
618 fees, and documents for registration required by subsection (2),
619 the commission may establish, by rule, procedures for depositing
620 fees and filing documents by electronic means, provided such
621 procedures provide the office with the information and data
622 required by this section.

623 (5) If the Securities and Exchange Commission has not
624 declared effective the applicant's federal registration
625 statement within 180 days after the applicant's filing with the
626 office of an application for registration by notification, the
627 office must deem the application abandoned.

628 Section 5. Section 517.111, Florida Statutes, is amended to
629 read:

630 517.111 Revocation or denial of registration of
631 securities.—

632 (1) The office may revoke or suspend the registration of
633 any security, or may deny any application to register
634 securities, if, upon examination or investigation into the
635 affairs of the issuer of such security, the office determines ~~it~~
636 shall appear that:

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

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639 (b) The issuer or any officer, director, manager or
640 managing member, or control person of the issuer has violated
641 any provision of this chapter or any rule made hereunder or any
642 order of the office of which such issuer has notice;

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

646 (d) The issuer or any officer, director, manager or
647 managing member, or control person of the issuer has been found
648 guilty of a fraudulent act in connection with any sale of
649 securities, has engaged, is engaged, or is about to engage, in
650 making a fictitious sale or purchase of any security, or in any
651 practice or sale of any security which is fraudulent or a
652 violation of any law;

653 (e) The issuer or any officer, director, manager or
654 managing member, or control person of the issuer has had a final
655 judgment entered against such issuer or person in a civil action
656 on the grounds of fraud, embezzlement, misrepresentation, or
657 deceit;

658 (f) The issuer or any officer, director, manager or
659 managing member, or control person of the issuer has engaged in
660 any action that would be grounds for revocation, denial, or
661 suspension under s. 517.161(1) ~~demonstrated any evidence of~~
662 unworthiness;

663 (g) The issuer or any officer, director, manager or
664 managing member, or control person of the issuer ~~is in any other~~
665 ~~way dishonest or~~ has made any fraudulent representations or
666 failed to disclose any material information in any prospectus or
667 in any circular or other literature that has been distributed

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668 concerning the issuer or its securities;

669 (h) The security registered or sought to be registered is
670 the subject of an injunction entered by a court of competent
671 jurisdiction or is the subject of an administrative stop-order
672 or similar order prohibiting the offer or sale of the security;
673 or

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

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

681 (2) In making such examination or investigation, the office
682 shall have access to and may compel the production of all the
683 books and papers of such issuer and may administer oaths to and
684 examine the officers of such issuer or any other person
685 connected therewith as to its business and affairs and may also
686 require a balance sheet exhibiting the assets and liabilities of
687 any such issuer or its income statement, or both, to be
688 certified to by a public accountant either of this state or of
689 any other state where the issuer's business is located. Whenever
690 the office deems it necessary, it may also require such balance
691 sheet or income statement, or both, to be made more specific in
692 such particulars as the office may require.

693 (3) ~~(2)~~ If any issuer refuses ~~shall refuse~~ to permit an
694 examination or investigation to be made by the office, it shall
695 be proper ground for revocation of registration.

696 (4) ~~(3)~~ If the office deems it necessary, it may enter an

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697 order suspending the right to sell securities pending any
698 examination or investigation, provided that the order shall
699 state the office's grounds for taking such action.

700 (5)~~(4)~~ Notice of the entry of such order shall be given
701 personally or by mail, ~~personally, by telephone confirmed in~~
702 ~~writing, or by telegraph~~ to the issuer. Before such order is
703 made final, the issuer ~~applying for registration~~ shall, on
704 application, be entitled to a hearing.

705 (6)~~(5)~~ The office may deny any request to terminate any
706 registration or to withdraw any application for registration if
707 the office believes that an act which would be grounds for
708 denial, suspension, or revocation under this chapter has been
709 committed.

710 Section 6. Subsections (3) through (22) of section 517.12,
711 Florida Statutes, are renumbered as subsections (2) through
712 (21), respectively, subsection (1), present subsections (2) and
713 (3), paragraph (b) of present subsection (6), present
714 subsections (7) and (11), paragraph (b) of present subsection
715 (15), and present subsections (20) and (21) of that section are
716 amended, and a new subsection (22) is added to that section, to
717 read:

718 517.12 Registration of dealers, associated persons,
719 intermediaries, and investment advisers.—

720 (1) No dealer or associated person, ~~or issuer of~~
721 ~~securities~~ shall sell or offer for sale any securities in or
722 from offices in this state, ~~or sell securities to persons in~~
723 this state from offices outside this state, by mail or
724 otherwise, unless the person is ~~has been~~ registered with the
725 office as a dealer or as an associated person of a dealer

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726 pursuant to ~~the provisions of~~ this section. The office shall not
727 register any person as an associated person of a dealer unless
728 the dealer with which the applicant seeks registration is
729 lawfully registered with the office pursuant to this chapter.

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

733 ~~(2)(3) Except as otherwise provided in s. 517.061(11)(a)4.,~~
734 ~~(13), (16), (17), or (19),~~ The registration requirements of this
735 section do not apply in a transaction exempted by s. 517.061(1) -
736 (10) and (12), s. 517.061(1) - (12), (14), and (15).

737 ~~(5)(6)~~ A dealer, associated person, or investment adviser,
738 in order to obtain registration, must file with the office a
739 written application, on a form which the commission may by rule
740 prescribe. The commission may establish, by rule, procedures for
741 depositing fees and filing documents by electronic means
742 provided such procedures provide the office with the information
743 and data required by this section. Each dealer or investment
744 adviser must also file an irrevocable written consent to service
745 of civil process similar to that provided for in s. 517.101. The
746 application shall contain such information as the commission or
747 office may require concerning such matters as:

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

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

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

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

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755 (6)~~(7)~~ The application must also contain such information
756 as the commission or office may require about the applicant; any
757 member, principal, or director of the applicant or any person
758 having a similar status or performing similar functions; any
759 person directly or indirectly controlling the applicant; or any
760 employee of a dealer or of an investment adviser rendering
761 investment advisory services. Each applicant and any direct
762 owners, principals, or indirect owners that are required to be
763 reported on Form BD or Form ADV pursuant to subsection (14) ~~(15)~~
764 shall submit fingerprints for live-scan processing in accordance
765 with rules adopted by the commission. The fingerprints may be
766 submitted through a third-party vendor authorized by the
767 Department of Law Enforcement to provide live-scan
768 fingerprinting. The costs of fingerprint processing shall be
769 borne by the person subject to the background check. The
770 Department of Law Enforcement shall conduct a state criminal
771 history background check, and a federal criminal history
772 background check must be conducted through the Federal Bureau of
773 Investigation. The office shall review the results of the state
774 and federal criminal history background checks and determine
775 whether the applicant meets licensure requirements. The
776 commission may waive, by rule, the requirement that applicants,
777 including any direct owners, principals, or indirect owners that
778 are required to be reported on Form BD or Form ADV pursuant to
779 subsection (14) ~~(15)~~, submit fingerprints or the requirement
780 that such fingerprints be processed by the Department of Law
781 Enforcement or the Federal Bureau of Investigation. The
782 commission or office may require information about any such
783 applicant or person concerning such matters as:

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784 (a) The applicant's or person's ~~His or her~~ full name, and
785 any other names by which the applicant or person ~~he or she~~ may
786 have been known, and the applicant's or person's ~~his or her~~ age,
787 social security number, photograph, qualifications, and
788 educational and business history.

789 (b) Any injunction or administrative order by a state or
790 federal agency, national securities exchange, or national
791 securities association involving a security or any aspect of a
792 dealer's or investment adviser's regulated ~~the securities~~
793 business and any injunction or administrative order by a state
794 or federal agency regulating banking, insurance, finance, or
795 small loan companies, real estate, mortgage brokers, or other
796 related or similar industries, which injunctions or
797 administrative orders relate to such person.

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

802 (d) The names and addresses of other persons of whom the
803 office may inquire as to the applicant's or person's ~~his or her~~
804 character, reputation, and financial responsibility.

805 (10) ~~(a)-(11)-(a)~~ If the office finds that the applicant ~~is of~~
806 ~~good repute and character and~~ has complied with the applicable
807 registration provisions of this chapter and the rules made
808 pursuant hereto, it shall register the applicant unless the
809 applicant is otherwise disqualified for registration pursuant to
810 law. The registration of each dealer, investment adviser, and
811 associated person expires on December 31 of the year the
812 registration became effective unless the registrant has renewed

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813 its ~~his or her~~ registration on or before that date. Registration
814 may be renewed by furnishing such information as the commission
815 may require, together with payment of the fee required in
816 paragraph (9) (a) ~~(10) (a)~~ for dealers, investment advisers, or
817 associated persons and the payment of any amount lawfully due
818 and owing to the office pursuant to any order of the office or
819 pursuant to any agreement with the office. Any dealer,
820 investment adviser, or associated person who has not renewed a
821 registration by the time the current registration expires may
822 request reinstatement of such registration by filing with the
823 office, on or before January 31 of the year following the year
824 of expiration, such information as may be required by the
825 commission, together with payment of the fee required in
826 paragraph (9) (a) ~~(10) (a)~~ for dealers, investment advisers, or
827 associated persons and a late fee equal to the amount of such
828 fee. Any reinstatement of registration granted by the office
829 during the month of January shall be deemed effective
830 retroactive to January 1 of that year.

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

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

836 2. Is or was a member of the United States Armed Forces and
837 served on active duty within the 2 years preceding the
838 expiration date of the registration pursuant to paragraph (a).
839 To qualify for the fee waiver, a registrant who is a former
840 member of the United States Armed Forces who served on active
841 duty within the 2 years preceding the expiration date of the

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842 registration must have received an honorable discharge upon
843 separation or discharge from the United States Armed Forces; or
844 3. Is the surviving spouse of a member of the United States
845 Armed Forces if the member was serving on active duty at the
846 time of death and died within the 2 years preceding the
847 surviving spouse's registration expiration date pursuant to
848 paragraph (a).

849
850 A registrant seeking such fee waiver must submit proof, in a
851 form prescribed by commission rule, that the registrant meets
852 one of the qualifications in this paragraph.

853 ~~(14)~~ ~~(15)~~

854 (b) In lieu of filing with the office the applications
855 specified in subsection (5) ~~(6)~~, the fees required by subsection
856 (9) ~~(10)~~, the renewals required by subsection (10) ~~(11)~~, and the
857 termination notices required by subsection (11) ~~(12)~~, the
858 commission may by rule establish procedures for the deposit of
859 such fees and documents with the Central Registration Depository
860 or the Investment Adviser Registration Depository of the
861 Financial Industry Regulatory Authority, as developed under
862 contract with the North American Securities Administrators
863 Association, Inc.

864 (19) ~~(20)~~ An intermediary may not engage in business in this
865 state unless the intermediary is registered as a dealer or as an
866 intermediary with the office pursuant to this section to
867 facilitate the offer or sale of securities in accordance with s.
868 517.0611. An intermediary, in order to obtain registration, must
869 file with the office a written application on a form prescribed
870 by commission rule and pay a registration fee of \$200. The fees

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871 under this subsection shall be deposited into the Regulatory
872 Trust Fund of the office. The commission may establish by rule
873 procedures for depositing fees and filing documents by
874 electronic means if such procedures provide the office with the
875 information and data required by this section. Each intermediary
876 must also file an irrevocable written consent to service of
877 civil process, as provided in s. 517.101.

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

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

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

884 a. A corporation, a copy of its articles of incorporation
885 and amendments to the articles of incorporation;

886 b. A limited liability company, a copy of its articles of
887 organization and amendments to the articles and a copy of the
888 company's operating agreement as may be amended; or

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

890 3. The website address where securities of the issuer will
891 be offered.

892 4. Contact information.

893 (b) The application must also contain such information as
894 the commission may require by rule about the applicant; any
895 member, principal, or director of the applicant or any person
896 having a similar status or performing similar functions; or any
897 persons directly or indirectly controlling the applicant. Each
898 applicant and any direct owners, principals, or indirect owners
899 that are required to be reported on a form adopted by commission

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900 rule shall submit fingerprints for live-scan processing in
901 accordance with rules adopted by the commission. The
902 fingerprints may be submitted through a third-party vendor
903 authorized by the Department of Law Enforcement to provide live-
904 scan fingerprinting. The costs of fingerprint processing shall
905 be borne by the person subject to the background check. The
906 Department of Law Enforcement shall conduct a state criminal
907 history background check, and a federal criminal history
908 background check must be conducted through the Federal Bureau of
909 Investigation. The office shall review the results of the state
910 and federal criminal history background checks and determine
911 whether the applicant meets registration requirements. The
912 commission may waive, by rule, the requirement that applicants,
913 including any direct owners, principals, or indirect owners,
914 which are required to be reported on a form adopted by
915 commission rule, submit fingerprints or the requirement that
916 such fingerprints be processed by the Department of Law
917 Enforcement or the Federal Bureau of Investigation. The
918 commission, by rule, or the office may require information about
919 any applicant or person, including:

920 1. The applicant's or person's ~~His or her~~ full name and any
921 other names by which the applicant or person ~~he or she~~ may have
922 been known and the applicant's or person's ~~his or her~~ age,
923 social security number, photograph, qualifications, and
924 educational and business history.

925 2. Any injunction or administrative order by a state or
926 federal agency, national securities exchange, or national
927 securities association involving a security or any aspect of an
928 intermediary's regulated ~~the securities~~ business and any

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929 injunction or administrative order by a state or federal agency
930 regulating banking, insurance, finance, ~~or small loan companies,~~
931 real estate, mortgage brokers, or other related or similar
932 industries, which relate to such person.

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

937 (c) The application must be amended within 30 days if any
938 information contained in the form becomes inaccurate for any
939 reason.

940 (d) An intermediary or persons affiliated with the
941 intermediary are not subject to any disqualification described
942 in s. 517.1611 or ~~United States~~ Securities and Exchange
943 Commission Rule 506(d), 17 C.F.R. 230.506(d), adopted pursuant
944 to the Securities Act of 1933, as amended. Each director,
945 officer, manager or managing member, control person of the
946 issuer, any person occupying a similar status or performing a
947 similar function, and each person holding more than 20 percent
948 of the ownership interests ~~shares~~ of the intermediary is subject
949 to this requirement.

950 (e) If the office finds that the applicant ~~is of good~~
951 ~~repute and character and~~ has complied with the applicable
952 registration provisions of this chapter and the rules adopted
953 thereunder, it shall register the applicant. The registration of
954 each intermediary expires on December 31 of the year the
955 registration became effective unless the registrant renews his
956 or her registration on or before that date. Registration may be
957 renewed by furnishing such information as the commission may

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958 require by rule, together with payment of a \$200 fee and the
959 payment of any amount due to the office pursuant to any order of
960 the office or pursuant to any agreement with the office. An
961 intermediary who has not renewed a registration by the time that
962 the current registration expires may request reinstatement of
963 such registration by filing with the office, on or before
964 January 31 of the year following the year of expiration, such
965 information as required by the commission, together with payment
966 of the \$200 fee and a late fee of \$200. Any reinstatement of
967 registration granted by the office during the month of January
968 is deemed effective retroactive to January 1 of that year.

969 (20) ~~(21)~~ The registration requirements of this section do
970 not apply to any general lines insurance agent or life insurance
971 agent licensed under chapter 626, for the sale of a security as
972 defined in s. 517.021(23)(g) ~~s. 517.021(22)(g)~~, if the
973 individual is directly authorized by the issuer to offer or sell
974 the security on behalf of the issuer and the issuer is a
975 federally chartered savings bank subject to regulation by the
976 Federal Deposit Insurance Corporation. Actions under this
977 subsection shall constitute activity under the insurance agent's
978 license for purposes of ss. 626.611 and 626.621.

979 (22)(a) As used in this subsection, the term:

980 1. "Advisory affiliate" has the same meaning as in the
981 Glossary of Terms to Form ADV, the uniform application for
982 investment adviser registration, 17 C.F.R. s. 279.1.

983 2. "Exempt reporting adviser" has the same meaning as in
984 the Glossary of Terms to Form ADV, the uniform application for
985 investment adviser registration, 17 C.F.R. s. 279.1.

986 3. "Private fund adviser" means an investment adviser who

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987 provides advice to solely one or more qualifying private funds.

988 4. "Qualifying private fund" means:

989 a. A private fund that meets the definition of the term

990 "qualifying private fund" in the Securities and Exchange

991 Commission Rule 203(m)-1, 17 C.F.R. s. 275.203(m)-1;

992 b. A private fund that meets the definition of the term

993 "venture capital fund" in the Securities and Exchange Commission

994 Rule 203(l)-1, 17 C.F.R. s. 275.203(l)-1; or

995 c. A "venture capital operating company" as defined in 29

996 C.F.R. s. 2510.3-101(d) adopted by the United States Department

997 of Labor under the Employee Retirement Income Security Act of

998 1974.

999 5. "3(c)(1) fund" means a qualifying private fund that is

1000 eligible for the exclusion from the definition of the term

1001 "investment company" under s. 3(c)(1) of the Investment Company

1002 Act of 1940, 15 U.S.C. s. 80a-3(c)(1), as amended.

1003 (b) Subject to the additional requirements of paragraph

1004 (c), a private fund adviser is exempt from the registration

1005 requirements of this section if the private fund adviser

1006 satisfies the following conditions:

1007 1. Neither the private fund adviser nor any of its advisory

1008 affiliates are subject to an event that would disqualify an

1009 issuer under Securities and Exchange Commission Rule 506(d)(1)

1010 of Regulation D, 17 C.F.R. s. 230.506(d)(1); and

1011 2. The private fund adviser files with the office each

1012 report and amendment thereto that an exempt reporting adviser is

1013 required to file with the Securities and Exchange Commission

1014 pursuant to the Securities and Exchange Commission Rule 204-4,

1015 17 C.F.R. s. 275.204-4.

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1016 (c) In order to qualify for the exemption from the
1017 registration requirements of this section, a private fund
1018 adviser who advises at least one (3) (c) (1) fund that is not a
1019 venture capital fund shall, in addition to satisfying the
1020 conditions specified in subparagraphs (b)1. and 2., comply with
1021 the following requirements:

1022 1. The private fund adviser shall advise only those 3(c) (1)
1023 funds, other than venture capital funds, whose outstanding
1024 securities, other than short-term paper, are beneficially owned
1025 entirely by accredited investors; and

1026 2. At the time of purchase, the private fund adviser shall
1027 disclose the following in writing to each beneficial owner of a
1028 3(c) (1) fund that is not a venture capital fund:

1029 a. All services, if any, to be provided to individual
1030 beneficial owners;

1031 b. All duties, if any, the investment adviser owes to the
1032 beneficial owners; and

1033 c. Any other material information affecting the rights or
1034 responsibilities of the beneficial owners.

1035 (d) If a private fund adviser is registered with the
1036 Securities and Exchange Commission, the adviser is not eligible
1037 for the exemption from the registration requirements of this
1038 section and shall comply with the notice filing requirements
1039 applicable to federal covered advisers in s. 517.1201.

1040 (e) A person is exempt from the registration requirements
1041 of this section if the person is employed by or associated with
1042 an investment adviser that is exempt from registration and does
1043 not otherwise act as an associated person of an investment
1044 adviser or federal covered adviser.

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1045 (f) The report filings and the amendments thereto described
1046 in subparagraph (b)2. shall be made electronically through the
1047 Investment Adviser Registration Depository of the Financial
1048 Industry Regulatory Authority. A report is deemed filed with the
1049 office when the report has been filed and accepted by the
1050 depository on the office's behalf.

1051 Section 7. Section 517.1214, Florida Statutes, is created
1052 to read:

1053 517.1214 Continuing education requirements for associated
1054 persons of investment advisers and federal covered advisers.—

1055 (1) As used in this section, the term:

1056 (a) "Approved continuing education content" means the
1057 materials, written, oral, or otherwise, which have been approved
1058 by NASAA or its designee and which make up the educational
1059 program provided to an associated person under this section.

1060 (b) "Credit" means a unit designated by NASAA or its
1061 designee as at least 50 minutes of educational instruction.

1062 (c) "Home state" means the state in which an associated
1063 person of an investment adviser or a federal covered adviser has
1064 his or her principal office and place of business.

1065 (d) "NASAA" means the North American Securities
1066 Administrators Association, Inc.

1067 (e) "Reporting period" means one 12-month period beginning
1068 January 1 and ending December 31. An associated person's initial
1069 reporting period with this state commences the first day of the
1070 first full reporting period after the individual is registered
1071 or required to be registered with this state.

1072 (2) By December 31, 2024, and each December 31 thereafter,
1073 each associated person of an investment adviser or a federal

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1074 covered adviser shall complete the following continuing
1075 education content requirements offered by a person that NASAA or
1076 its designee has authorized to provide the continuing education
1077 content required by this section:

1078 (a) Six credits of approved continuing education content
1079 that addresses an associated person's ethical and regulatory
1080 obligations, with at least 3 hours covering the topic of ethics;
1081 and

1082 (b) Six credits of approved continuing education content
1083 that addresses an associated person's skills and knowledge
1084 regarding financial products, investment features, and practices
1085 in the investment advisory industry.

1086 (3) An associated person of an investment adviser or
1087 federal covered adviser who is also registered as an associated
1088 person of a Financial Industry Regulatory Authority (FINRA)
1089 member dealer and who complies with FINRA's continuing education
1090 requirements is considered to be in compliance with this
1091 section's products and practice requirement for each applicable
1092 reporting period, provided that the FINRA continuing education
1093 content is approved continuing education content.

1094 (4) Credits of continuing education completed by an
1095 associated person who was awarded and currently holds a
1096 credential that qualifies for examination waiver by passing any
1097 tests as prescribed in s. 15(b)(7) of the Securities Exchange
1098 Act of 1934, as amended, comply with paragraphs (2)(a) and (b),
1099 provided all of the following conditions are met:

1100 (a) The associated person completes the credits of
1101 continuing education as a condition of maintaining the
1102 credential for the relevant reporting period.

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1103 (b) The credits of continuing education completed during
1104 the relevant reporting period by the associated person are
1105 mandatory to maintain the credential.

1106 (c) The continuing education content provided by the
1107 credentialing organization during the relevant reporting period
1108 is approved continuing education content.

1109 (5) Each associated person is responsible for ensuring that
1110 the authorized provider reports the associated person's
1111 completion of the applicable continuing education requirements.

1112 (6) An associated person who completes credits of
1113 continuing education in excess of the credits required for the
1114 reporting period may not carry forward excess credits to a
1115 subsequent reporting period.

1116 (7) An associated person who fails to comply with this
1117 section by the end of a reporting period shall renew as "CE
1118 inactive" at the close of the calendar year in this state until
1119 the associated person completes and reports all required
1120 continuing education credits for all reporting periods as
1121 required by this section. An associated person who is "CE
1122 inactive" at the close of the next calendar year is not eligible
1123 for associated person registration or renewal of associated
1124 person registration.

1125 (8) An associated person registered or required to be
1126 registered in this state who is registered as an associated
1127 person of an investment adviser or federal covered adviser in
1128 the individual's home state is considered to be in compliance
1129 with this section if:

1130 (a) The associated person's home state has a continuing
1131 education requirement of at least 12 hours annually; and

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1132 (b) The associated person is in compliance with the home
1133 state's associated person of an investment adviser or federal
1134 covered adviser continuing education requirements.

1135 (9) An associated person who was previously registered
1136 under s. 517.12 and became unregistered must complete continuing
1137 education for all reporting periods that occurred between the
1138 time that the associated person became unregistered and when the
1139 person became registered again under s. 517.12, unless the
1140 associated person takes and passes the required examinations or
1141 the examination requirements are waived in connection with the
1142 subsequent application for registration.

1143 Section 8. Section 517.1217, Florida Statutes, is amended
1144 to read:

1145 517.1217 Rules of conduct and prohibited business practices
1146 for dealers and their associated persons and for
1147 intermediaries.—The commission by rule may establish rules of
1148 conduct and prohibited business practices for dealers and their
1149 associated persons and for intermediaries. In adopting the
1150 rules, the commission shall consider general industry standards
1151 as expressed in the rules and regulations of the various federal
1152 and self-regulatory agencies and regulatory associations,
1153 including, but not limited to, the ~~United States~~ Securities and
1154 Exchange Commission, the Financial Industry Regulatory
1155 Authority, and the North American Securities Administrators
1156 Association, Inc.

1157 Section 9. Subsections (1), (4), and (5) of section
1158 517.161, Florida Statutes, are amended to read:

1159 517.161 Revocation, denial, or suspension of registration
1160 of dealer, investment adviser, intermediary, or associated

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1161 person.—

1162 (1) Registration under s. 517.12 may be denied or any
1163 registration granted may be revoked, restricted, or suspended by
1164 the office if the office determines that such applicant or
1165 registrant; any member, principal, or director of the applicant
1166 or registrant or any person having a similar status or
1167 performing similar functions; or any person directly or
1168 indirectly controlling the applicant or registrant:

1169 (a) Has violated any provision of this chapter or any rule
1170 or order made under this chapter;

1171 (b) Has made a material false statement in the application
1172 for registration;

1173 (c) Has been guilty of a fraudulent act in connection with
1174 rendering investment advice or in connection with any sale of
1175 securities, has been or is engaged or is about to engage in
1176 making fictitious or pretended sales or purchases of any such
1177 securities or in any practice involving the rendering of
1178 investment advice or the sale of securities which is fraudulent
1179 or in violation of the law;

1180 (d) Has made a misrepresentation or false statement to, or
1181 concealed any essential or material fact from, any person in the
1182 rendering of investment advice or the sale of a security to such
1183 person;

1184 (e) Has failed to account to persons interested for all
1185 money and property received;

1186 (f) Has not delivered, after a reasonable time, to persons
1187 entitled thereto securities held or agreed to be delivered by
1188 the dealer, ~~broker,~~ or investment adviser, as and when paid for,
1189 and due to be delivered;

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1190 (g) Is rendering investment advice or selling or offering
1191 for sale securities through any associated person not registered
1192 in compliance with ~~the provisions of~~ this chapter;

1193 (h) ~~Has demonstrated unworthiness to transact the business~~
1194 ~~of dealer, investment adviser, intermediary, or associated~~
1195 ~~person;~~

1196 ~~(i)~~ Has exercised management or policy control over or
1197 owned 10 percent or more of the securities of any dealer,
1198 intermediary, or investment adviser that has been declared
1199 bankrupt, or had a trustee appointed under the Securities
1200 Investor Protection Act; or is, in the case of a dealer,
1201 intermediary, or investment adviser, unable to pay its debts as
1202 they become due in the usual course of business ~~insolvent;~~

1203 (i) ~~(j)~~ Has been convicted of, or has entered a plea of
1204 guilty or nolo contendere to, regardless of whether adjudication
1205 was withheld, a crime against the laws of this state or any
1206 other state or of the United States or of any other country or
1207 government which relates to registration as a dealer, investment
1208 adviser, issuer of securities, intermediary, or associated
1209 person; which relates to the application for such registration;
1210 or which involves moral turpitude or fraudulent or dishonest
1211 dealing;

1212 (j) ~~(k)~~ Has had a final judgment entered against her or him
1213 in a civil action upon grounds of fraud, embezzlement,
1214 misrepresentation, or deceit;

1215 ~~(l) Is of bad business repute;~~

1216 (k) ~~(m)~~ Has been the subject of any decision, finding,
1217 injunction, suspension, prohibition, revocation, denial,
1218 judgment, or administrative order by any court of competent

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1219 jurisdiction, administrative law judge, or by any state or
1220 federal agency, national securities, commodities, or option
1221 exchange, or national securities, commodities, or option
1222 association, involving a violation of any federal or state
1223 securities or commodities law or any rule or regulation
1224 promulgated thereunder, or any rule or regulation of any
1225 national securities, commodities, or options exchange or
1226 national securities, commodities, or options association, or has
1227 been the subject of any injunction or adverse administrative
1228 order by a state or federal agency regulating banking,
1229 insurance, finance ~~or small loan companies~~, real estate,
1230 mortgage brokers or lenders, money transmitters, or other
1231 related or similar industries. For purposes of this subsection,
1232 the office may not deny registration to any applicant who has
1233 been continuously registered with the office for 5 years after
1234 the date of entry of such decision, finding, injunction,
1235 suspension, prohibition, revocation, denial, judgment, or
1236 administrative order provided such decision, finding,
1237 injunction, suspension, prohibition, revocation, denial,
1238 judgment, or administrative order has been timely reported to
1239 the office pursuant to the commission's rules; ~~or~~

1240 (l) ~~(n)~~ Made payment to the office for a registration with a
1241 check or electronic transmission of funds that is dishonored by
1242 the applicant's or registrant's financial institution;

1243 (m) Failed to pay and fully satisfy any final judgment or
1244 arbitration award resulting from an investment-related, client-
1245 or customer-initiated arbitration or court proceeding, unless
1246 alternative payment arrangements are agreed to in writing
1247 between the client or customer and the investment adviser,

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1248 dealer, or associated person and the investment adviser, dealer,
1249 or associated person complies with the terms of the alternative
1250 payment arrangement;

1251 (n) Attempted to avoid payment of any final judgment or
1252 arbitration award resulting from an investment-related, client-
1253 or customer-initiated arbitration or court proceeding, unless
1254 alternative payment arrangements are agreed to in writing
1255 between the client or customer and the investment adviser,
1256 dealer, or associated person and the investment adviser, dealer,
1257 or associated person complies with the terms of the alternative
1258 payment arrangements; or

1259 (o) Failed to pay and fully satisfy any fine, civil
1260 penalty, order of restitution, order of disgorgement, or similar
1261 monetary payment obligation imposed upon the investment adviser,
1262 dealer, or associated person by the Securities and Exchange
1263 Commission, the securities regulator or other financial services
1264 regulator of any state or province, or any securities industry
1265 self-regulatory organization.

1266 (4) It shall be sufficient cause for denial of an
1267 application or revocation of registration, in the case of a
1268 partnership, corporation, limited liability company, or
1269 unincorporated association, if any member of the partnership,
1270 any manager or managing member of the limited liability company,
1271 or any officer, director, or ultimate equitable owner of the
1272 corporation or association has committed any act or omission
1273 which would be cause for denying, revoking, restricting, or
1274 suspending the registration of an individual dealer, investment
1275 adviser, intermediary, or associated person. As used in this
1276 subsection, the term "ultimate equitable owner" means a natural

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1277 person who directly or indirectly owns or controls an ownership
1278 interest in the corporation, partnership, association, or other
1279 legal entity however organized, regardless of whether such
1280 natural person owns or controls such ownership interest through
1281 one or more proxies, powers of attorney, nominees, corporations,
1282 associations, partnerships, trusts, joint stock companies, or
1283 other entities or devices, or any combination thereof.

1284 (5) The office may deny any request to terminate or
1285 withdraw any application or registration if the office believes
1286 that an act that ~~which~~ would be a ground for denial, suspension,
1287 restriction, or revocation under this chapter has been
1288 committed.

1289 Section 10. Section 517.181, Florida Statutes, is repealed.

1290 Section 11. Paragraph (a) of subsection (4) of section
1291 517.201, Florida Statutes, is amended to read:

1292 517.201 Investigations; examinations; subpoenas; hearings;
1293 witnesses.—

1294 (4) (a) In the event of substantial noncompliance with a
1295 subpoena or subpoena duces tecum issued or caused to be issued
1296 by the office pursuant to this section, the office may petition
1297 the circuit court of the county in which the person subpoenaed
1298 resides or has its principal place of business for an order
1299 requiring the subpoenaed person to appear and testify and to
1300 produce such books, records, and documents as are specified in
1301 such subpoena duces tecum. The court may grant injunctive relief
1302 restraining the issuance, sale or offer for sale, purchase or
1303 offer to purchase, promotion, negotiation, advertisement, or
1304 distribution ~~in or from offices in this state~~ of securities or
1305 investments in or from this state by the noncompliant ~~a~~ person

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1306 or its agent, employee, broker, partner, officer, director,
1307 manager, managing member, equity holder, or any person directly
1308 or indirectly controlling the noncompliant person ~~stockholder~~
1309 ~~thereof~~, and may grant such other relief, including, but not
1310 limited to, the restraint, by injunction or appointment of a
1311 receiver, of any transfer, pledge, assignment, or other
1312 disposition of such person's assets or any concealment,
1313 alteration, destruction, or other disposition of subpoenaed
1314 books, records, or documents, as the court deems appropriate,
1315 until such person has fully complied with such subpoena or
1316 subpoena duces tecum and the office has completed its
1317 investigation or examination. The office is entitled to the
1318 summary procedure provided in s. 51.011, and the court shall
1319 advance the cause on its calendar. Costs incurred by the office
1320 to obtain an order granting, in whole or in part, such petition
1321 for enforcement of a subpoena or subpoena duces tecum shall be
1322 taxed against the subpoenaed person, and failure to comply with
1323 such order shall be a contempt of court.

1324 Section 12. Paragraph (d) of subsection (3) of section
1325 921.0022, Florida Statutes, is amended to read:

1326 921.0022 Criminal Punishment Code; offense severity ranking
1327 chart.—

1328 (3) OFFENSE SEVERITY RANKING CHART

1329 (d) LEVEL 4

1330

1331

Florida	Felony	Description
Statute	Degree	

1332

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1333	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 lights activated.
1334	499.0051 (1)	3rd	Failure to maintain or deliver transaction history, transaction information, or transaction statements.
1335	499.0051 (5)	2nd	Knowing sale or delivery, or possession with intent to sell, contraband prescription drugs.
1336	517.07 (1)	3rd	Failure to register securities.
1337	517.12 (1)	3rd	Failure of dealer <u>or</u> associated person <u>of a dealer</u> or issuer of securities to register.
1338	784.07 (2) (b)	3rd	Battery of law enforcement officer, firefighter, etc.
1339	784.074 (1) (c)	3rd	Battery of sexually violent predators facility staff.

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1340	784.075	3rd	Battery on detention or commitment facility staff.
1341	784.078	3rd	Battery of facility employee by throwing, tossing, or expelling certain fluids or materials.
1342	784.08 (2) (c)	3rd	Battery on a person 65 years of age or older.
1343	784.081 (3)	3rd	Battery on specified official or employee.
1344	784.082 (3)	3rd	Battery by detained person on visitor or other detainee.
1345	784.083 (3)	3rd	Battery on code inspector.
1346	784.085	3rd	Battery of child by throwing, tossing, projecting, or expelling certain fluids or materials.
1347	787.03 (1)	3rd	Interference with custody; wrongly takes minor from appointed guardian.
	787.04 (2)	3rd	Take, entice, or remove child beyond state limits with

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			criminal intent pending custody proceedings.
1348	787.04 (3)	3rd	Carrying child beyond state lines with criminal intent to avoid producing child at custody hearing or delivering to designated person.
1349	787.07	3rd	Human smuggling.
1350	790.115 (1)	3rd	Exhibiting firearm or weapon within 1,000 feet of a school.
1351	790.115 (2) (b)	3rd	Possessing electric weapon or device, destructive device, or other weapon on school property.
1352	790.115 (2) (c)	3rd	Possessing firearm on school property.
1353	794.051 (1)	3rd	Indecent, lewd, or lascivious touching of certain minors.
1354	800.04 (7) (c)	3rd	Lewd or lascivious exhibition; offender less than 18 years.
1355	806.135	2nd	Destroying or demolishing a

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			memorial or historic property.
1356	810.02 (4) (a)	3rd	Burglary, or attempted burglary, of an unoccupied structure; unarmed; no assault or battery.
1357	810.02 (4) (b)	3rd	Burglary, or attempted burglary, of an unoccupied conveyance; unarmed; no assault or battery.
1358	810.06	3rd	Burglary; possession of tools.
1359	810.08 (2) (c)	3rd	Trespass on property, armed with firearm or dangerous weapon.
1360	812.014 (2) (c) 3.	3rd	Grand theft, 3rd degree \$10,000 or more but less than \$20,000.
1361	812.014 (2) (c) 4.-10.	3rd	Grand theft, 3rd degree; specified items.
1362	812.0195 (2)	3rd	Dealing in stolen property by use of the Internet; property stolen \$300 or more.
1363	817.505 (4) (a)	3rd	Patient brokering.

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1364	817.563(1)	3rd	Sell or deliver substance other than controlled substance agreed upon, excluding s. 893.03(5) drugs.
1365	817.568(2)(a)	3rd	Fraudulent use of personal identification information.
1366	817.625(2)(a)	3rd	Fraudulent use of scanning device, skimming device, or reencoder.
1367	817.625(2)(c)	3rd	Possess, sell, or deliver skimming device.
1368	828.125(1)	2nd	Kill, maim, or cause great bodily harm or permanent breeding disability to any registered horse or cattle.
1369	836.14(2)	3rd	Person who commits theft of a sexually explicit image with intent to promote it.
1370	836.14(3)	3rd	Person who willfully possesses a sexually explicit image with certain knowledge, intent, and purpose.

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1371	837.02 (1)	3rd	Perjury in official proceedings.
1372	837.021 (1)	3rd	Make contradictory statements in official proceedings.
1373	838.022	3rd	Official misconduct.
1374	839.13 (2) (a)	3rd	Falsifying records of an individual in the care and custody of a state agency.
1375	839.13 (2) (c)	3rd	Falsifying records of the Department of Children and Families.
1376	843.021	3rd	Possession of a concealed handcuff key by a person in custody.
1377	843.025	3rd	Deprive law enforcement, correctional, or correctional probation officer of means of protection or communication.
1378	843.15 (1) (a)	3rd	Failure to appear while on bail for felony (bond estreature or bond jumping).

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1379	847.0135 (5) (c)	3rd	Lewd or lascivious exhibition using computer; offender less than 18 years.
1380	870.01 (3)	2nd	Aggravated rioting.
1381	870.01 (5)	2nd	Aggravated inciting a riot.
1382	874.05 (1) (a)	3rd	Encouraging or recruiting another to join a criminal gang.
1383	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).
1384	914.14 (2)	3rd	Witnesses accepting bribes.
1385	914.22 (1)	3rd	Force, threaten, etc., witness, victim, or informant.
1386	914.23 (2)	3rd	Retaliation against a witness, victim, or informant, no bodily injury.
1387	916.1085 (2) (c) 1.	3rd	Introduction of specified contraband into certain DCF

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1388

facilities.

918.12

3rd

Tampering with jurors.

1389

934.215

3rd

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

1390

944.47(1)(a)6.

3rd

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

1391

951.22(1)(h),
(j) & (k)

3rd

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

1392

1393 Section 13. Section 517.1215, Florida Statutes, is amended
1394 to read:

1395 517.1215 Requirements, rules of conduct, and prohibited
1396 business practices for investment advisers ~~advisors~~ and their
1397 associated persons.—

1398 (1) The commission shall specify by rule requirements for
1399 investment advisers ~~advisors~~ deemed to have custody of client
1400 funds which concern the following:

1401 (a) Notification of custody of, maintenance of, and

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1402 safeguards for client funds.

1403 (b) Communications with clients and independent
1404 representatives.

1405 (c) Requirements for investment advisers who have custody
1406 of pooled investments.

1407 (d) Exceptions to the custody requirements.

1408

1409 In adopting the rules, the commission shall consider the rules
1410 and regulations of the federal regulatory authority and the
1411 North American Securities Administrators Association, Inc.

1412 (2) The commission shall by rule establish rules of conduct
1413 and prohibited business practices for investment advisers and
1414 their associated persons. In adopting the rules, the commission
1415 shall consider general industry standards as expressed in the
1416 rules and regulations of the various federal and self-regulatory
1417 agencies and regulatory associations, including, but not limited
1418 to, the ~~United States~~ Securities and Exchange Commission, the
1419 Financial Industry Regulatory Authority, and the North American
1420 Securities Administrators Association, Inc.

1421 Section 14. Subsections (18) and (22) of section 517.061,
1422 Florida Statutes, are amended to read:

1423 517.061 Exempt transactions.—Except as otherwise provided
1424 in s. 517.0611 for a transaction listed in subsection (21), the
1425 exemption for each transaction listed below is self-executing
1426 and does not require any filing with the office before claiming
1427 the exemption. Any person who claims entitlement to any of the
1428 exemptions bears the burden of proving such entitlement in any
1429 proceeding brought under this chapter. The registration
1430 provisions of s. 517.07 do not apply to any of the following

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1431 transactions; however, such transactions are subject to the
1432 provisions of ss. 517.301, 517.311, and 517.312:

1433 (18) The offer or sale of any security effected by or
1434 through a person in compliance with s. 517.12(16) ~~s. 517.12(17)~~.

1435 (22) The offer or sale of securities, solely in connection
1436 with the transfer of ownership of an eligible privately held
1437 company, through a merger and acquisition broker in accordance
1438 with s. 517.12(21) ~~s. 517.12(22)~~.

1439 Section 15. Paragraph (b) of subsection (4) and subsection
1440 (14) of section 517.0611, Florida Statutes, are amended to read:
1441 517.0611 Intrastate crowdfunding.—

1442 (4) An issuer must:

1443 (b) Conduct transactions for the offering through a dealer
1444 registered with the office or an intermediary registered under
1445 s. 517.12(19) ~~s. 517.12(20)~~.

1446 (14) An intermediary not registered as a dealer under s.
1447 517.12(5) ~~s. 517.12(6)~~ may not:

1448 (a) Offer investment advice or recommendations. A refusal
1449 by an intermediary to post an offering that it deems not
1450 credible or that represents a potential for fraud may not be
1451 construed as an offer of investment advice or recommendation.

1452 (b) Solicit purchases, sales, or offers to buy securities
1453 offered or displayed on its website.

1454 (c) Compensate employees, agents, or other persons for the
1455 solicitation of, or based on the sale of, securities offered or
1456 displayed on its website.

1457 (d) Hold, manage, possess, or otherwise handle investor
1458 funds or securities.

1459 (e) Compensate promoters, finders, or lead generators for

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1460 providing the intermediary with the personal identifying
1461 information of any potential investor.

1462 (f) Engage in any other activities set forth by commission
1463 rule.

1464 Section 16. Subsection (1) of section 517.075, Florida
1465 Statutes, is amended to read:

1466 517.075 Cuba, prospectus disclosure of doing business with,
1467 required.—

1468 (1) Any issuer of securities that will be sold in this
1469 state pursuant to a prospectus must disclose in the prospectus
1470 if the issuer or any affiliate thereof, ~~as defined in s.~~
1471 ~~517.021(1)~~, does business with the government of Cuba or with
1472 any person or affiliate located in Cuba. The prospectus
1473 disclosure required by this subsection does not apply with
1474 respect to prospectuses prepared before April 10, 1992.

1475 Section 17. Paragraph (a) of subsection (1) of section
1476 517.131, Florida Statutes, is amended to read:

1477 517.131 Securities Guaranty Fund.—

1478 (1) (a) The Chief Financial Officer shall establish a
1479 Securities Guaranty Fund. An amount not exceeding 20 percent of
1480 all revenues received as assessment fees pursuant to s.
1481 517.12(9) and (10) ~~s. 517.12(10) and (11)~~ for dealers and
1482 investment advisers or s. 517.1201 for federal covered advisers
1483 and an amount not exceeding 10 percent of all revenues received
1484 as assessment fees pursuant to s. 517.12(9) and (10) ~~s.~~
1485 ~~517.12(10) and (11)~~ for associated persons shall be part of the
1486 regular license fee and shall be transferred to or deposited in
1487 the Securities Guaranty Fund.

1488 Section 18. Subsection (1) of section 517.211, Florida

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1489 Statutes, is amended to read:

1490 517.211 Remedies available in cases of unlawful sale.—

1491 (1) Every sale made in violation of either s. 517.07 or s.
1492 517.12(1), (3), (4), (8), (10), (12), (15), or (17) ~~(4), (5),~~
1493 ~~(9), (11), (13), (16), or (18)~~ may be rescinded at the election
1494 of the purchaser, except a sale made in violation of the
1495 provisions of s. 517.1202(3) relating to a renewal of a branch
1496 office notification shall not be subject to this section, and a
1497 sale made in violation of the provisions of s. 517.12(12) ~~s.~~
1498 ~~517.12(13)~~ relating to filing a change of address amendment
1499 shall not be subject to this section. Each person making the
1500 sale and every director, officer, partner, or agent of or for
1501 the seller, if the director, officer, partner, or agent has
1502 personally participated or aided in making the sale, is jointly
1503 and severally liable to the purchaser in an action for
1504 rescission, if the purchaser still owns the security, or for
1505 damages, if the purchaser has sold the security. No purchaser
1506 otherwise entitled will have the benefit of this subsection who
1507 has refused or failed, within 30 days of receipt, to accept an
1508 offer made in writing by the seller, if the purchaser has not
1509 sold the security, to take back the security in question and to
1510 refund the full amount paid by the purchaser or, if the
1511 purchaser has sold the security, to pay the purchaser an amount
1512 equal to the difference between the amount paid for the security
1513 and the amount received by the purchaser on the sale of the
1514 security, together, in either case, with interest on the full
1515 amount paid for the security by the purchaser at the legal rate,
1516 pursuant to s. 55.03, for the period from the date of payment by
1517 the purchaser to the date of repayment, less the amount of any

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1518 income received by the purchaser on the security.

1519 Section 19. Section 517.315, Florida Statutes, is amended
1520 to read:

1521 517.315 Fees.—All fees of any nature collected by the
1522 office pursuant to this chapter shall be disbursed as follows:

1523 (1) The office shall transfer the amount of fees required
1524 to be deposited into the Securities Guaranty Fund pursuant to s.
1525 517.131.~~7~~

1526 (2) After the transfer required in subsection (1), the
1527 office shall transfer the \$50 assessment fee collected from each
1528 associated person under s. 517.12(9) and (10) ~~s. 517.12(10) and~~
1529 ~~(11)~~ and 30.44 percent of the \$100 assessment fee paid by
1530 dealers and investment advisers ~~advisors~~ for each office in the
1531 state under s. 517.12(9) and (10) ~~s. 517.12(10) and (11)~~ to the
1532 Regulatory Trust Fund.~~7~~ ~~and~~

1533 (3) All remaining fees shall be deposited into the General
1534 Revenue Fund.

1535 Section 20. Subsection (5) of section 626.9911, Florida
1536 Statutes, is amended to read:

1537 626.9911 Definitions.—As used in this act, the term:

1538 (5) "Life expectancy provider" means a person who
1539 determines, or holds himself or herself out as determining, life
1540 expectancies or mortality ratings used to determine life
1541 expectancies:

1542 (a) On behalf of a viatical settlement provider, viatical
1543 settlement broker, life agent, or person engaged in the business
1544 of viatical settlements;

1545 (b) In connection with a viatical settlement investment as
1546 defined in s. 517.021, ~~pursuant to s. 517.021(24);~~ or

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1547 (c) On residents of this state in connection with a
1548 viatical settlement contract or viatical settlement investment.

1549 Section 21. Subsection (6) of section 744.351, Florida
1550 Statutes, is amended to read:

1551 744.351 Bond of guardian.—

1552 (6) When it is expedient in the judgment of any court
1553 having jurisdiction of any guardianship property, because the
1554 size of the bond required of the guardian is burdensome, or for
1555 other cause, the court may order, in lieu of a bond or in
1556 addition to a lesser bond, that the guardian place all or part
1557 of the property of the ward in a designated financial
1558 institution under the same conditions and limitations as are
1559 contained in s. 69.031. A designated financial institution shall
1560 also include a dealer, as defined in s. 517.021 ~~s. 517.021(6)~~,
1561 if the dealer is a member of the Security Investment Protection
1562 Corporation and is doing business in the state.

1563 Section 22. Section 517.1205, Florida Statutes, is amended
1564 to read:

1565 517.1205 Registration of associated persons specific as to
1566 securities dealer, investment adviser, or federal covered
1567 adviser identified at time of registration approval.—Inasmuch as
1568 this chapter is intended to protect investors in securities
1569 offerings and other investment transactions regulated by that
1570 chapter, its provisions are to be construed to require full and
1571 fair disclosure of all, but only, those matters material to the
1572 investor's evaluation of the offering or other transaction. It
1573 should, furthermore, be construed to impose the standards
1574 provided by law on all those seeking to participate in the
1575 state's securities industry through registration as a securities

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1576 dealer, investment adviser, or associated person. To this end,
1577 it is declared to be the intent of the Legislature that the
1578 registration of associated persons required by law is specific
1579 to the securities dealer, investment adviser, or federal covered
1580 adviser identified at the time such registration is approved.
1581 Notwithstanding any interpretation of law to the contrary, the
1582 historical practice of the Department of Banking and Finance,
1583 reflected in its rules, that requires a new application for
1584 registration from a previously registered associated person when
1585 that person seeks to be associated with a new securities dealer
1586 or investment adviser is hereby ratified and approved as
1587 consistent with legislative intent. It is, finally, declared to
1588 be the intent of the Legislature that while approval of an
1589 application for registration of a securities dealer, investment
1590 adviser, or associated person requires a finding of compliance
1591 with the applicable registration provisions of this chapter and
1592 applicable rules ~~the applicant's good repute and character~~, such
1593 finding is precluded by a determination that the applicant may
1594 be denied registration on grounds provided by law.

1595 Section 23. This act shall take effect October 1, 2023.