

1 A bill to be entitled
2 An act relating to securities transactions; reordering
3 and amending s. 517.021, F.S.; adding and revising
4 definitions; requiring the Financial Services
5 Commission to define the term "accredited investor";
6 amending s. 517.061, F.S.; revising conditions for
7 securities transactions exempt from registration
8 requirements; exempting the offer and sale of an
9 issuer's own securities from registration requirements
10 if certain conditions are met; requiring such issuers
11 to file certain information with the Office of
12 Financial Regulation within a certain timeframe;
13 authorizing the commission to adopt rules; making
14 technical and conforming changes; amending s.
15 517.0611, F.S.; revising federal standards for
16 intrastate crowdfunding securities offers and sales;
17 revising requirements for issuers and intermediaries
18 of such securities; revising the limit on
19 consideration received for sales of such securities;
20 conforming cross-references and provisions to changes
21 made by the act; creating s. 517.065, F.S.;
22 authorizing issuers or their authorized persons to
23 communicate with prospective investors to determine
24 their interest in a contemplated security offering;
25 specifying conditions and restrictions relating to

26 | such preoffering communications; providing that
27 | certain preoffering communications are not subject to
28 | certain requirements and restrictions if certain
29 | conditions are met; providing construction; amending
30 | s. 517.072, F.S.; authorizing the commission to adopt
31 | certain rules relating to viatical settlement
32 | investments; conforming a provision to changes made by
33 | the act; amending s. 517.081, F.S.; revising
34 | requirements for the registration of securities;
35 | deleting a limit on, and the commission's rulemaking
36 | authority to fix, maximum compensation in connection
37 | with the sale or offering of securities; revising
38 | application fees for certain securities registrations;
39 | requiring the office to deem an application abandoned
40 | under certain circumstances; conforming provisions to
41 | changes made by the act; amending s. 517.082, F.S.;
42 | deleting a restriction on securities registration by
43 | notification for specified securities; requiring the
44 | office to deem applications for registration by
45 | notification abandoned under certain circumstances;
46 | making technical changes; amending s. 517.111, F.S.;
47 | revising grounds on which the office may revoke,
48 | suspend, or deny the registration of securities;
49 | specifying the office's powers in investigations of
50 | issuers; revising the methods by which the office may

51 enter an order suspending an issuer's right to sell
52 securities; amending s. 517.12, F.S.; revising
53 prohibited acts of dealers and associated persons of
54 dealers without required registration; revising
55 applicability of registration requirements; revising
56 requirements for applying for registration as a
57 dealer, an associated person of a dealer, or an
58 investment adviser; conforming provisions to changes
59 made by the act; making technical changes; creating s.
60 517.1214, F.S.; defining terms; specifying continuing
61 education requirements for associated persons of
62 investment advisers and federal covered advisers;
63 providing that certain education credits satisfy such
64 requirements if certain conditions are met;
65 prohibiting associated persons from carrying forward
66 credits to subsequent reporting periods; specifying a
67 restriction on associated persons who fail to meet
68 such requirements; specifying requirements for certain
69 previously registered associated persons; amending s.
70 517.1217, F.S.; revising the commission's rulemaking
71 authority as to rules of conduct and prohibited
72 business practices of Tier I dealers, associated
73 persons, and intermediaries; specifying disclosure
74 requirements for Tier II dealers as to prospective
75 investors; specifying prohibited acts of Tier II

76 dealers and associated persons; amending s. 517.161,
 77 F.S.; revising grounds on which the office may deny,
 78 revoke, restrict, or suspend registrations of dealers,
 79 investment advisers, intermediaries, or associated
 80 persons; amending s. 517.1611, F.S.; conforming a
 81 provision to changes made by the act; repealing s.
 82 517.181, F.S., relating to escrow agreements; amending
 83 s. 517.191, F.S.; authorizing the office to recover
 84 its investigation and enforcement costs and attorney
 85 fees in certain civil actions; requiring such moneys
 86 to be deposited into the Anti-Fraud Trust Fund;
 87 specifying the liability of certain control persons;
 88 providing construction; amending s. 517.201, F.S.;
 89 conforming a provision to changes made by the act;
 90 amending s. 921.0022, F.S.; revising applicability of
 91 a criminal penalty for certain registration
 92 violations; amending ss. 517.051 and 517.1215, F.S.;
 93 making technical changes; amending ss. 517.075,
 94 517.131, 517.211, 517.315, 626.9911, and 744.351,
 95 F.S.; conforming cross-references and making technical
 96 changes; providing an effective date.

97

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

99

100 Section 1. Section 517.021, Florida Statutes, is reordered

101 and amended to read:

102 517.021 Definitions.—When used in this chapter, unless the
 103 context otherwise indicates, the following terms have the
 104 following respective meanings:

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

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

114 (3) "Angel investor group" means a group of accredited
 115 investors who hold regular meetings and have defined processes
 116 and procedures for making investment decisions, individually or
 117 among the membership of the group as a whole, and are neither
 118 associated persons nor agents of any dealer or investment
 119 adviser.

120 (4)~~(2)~~ "Associated person" means:

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

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

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

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

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

137 2. The term does not include the following:

138 a. A dealer.

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

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

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

148 (b)1. With respect to an investment adviser, a natural
149 person, including, but not limited to, a partner, officer,
150 director, or branch manager, or a person occupying a similar

151 status or performing similar functions, who:

152 a. Is employed by or associated with, or is subject to the

153 supervision and control of, an investment adviser registered or

154 required to be registered under this chapter; and

155 b. Does any of the following:

156 (I) Makes any recommendation or otherwise gives investment

157 advice regarding securities.

158 (II) Manages accounts or portfolios of clients.

159 (III) Determines which recommendation or advice regarding

160 securities should be given.

161 (IV) Receives compensation to solicit, offer, or negotiate

162 for the sale of investment advisory services.

163 (V) Supervises employees who perform a function under this

164 sub-subparagraph.

165 2. The term does not include the following:

166 a. An investment adviser.

167 b. An employee whose function is only clerical or

168 ministerial

169 ~~1. Any partner, officer, director, or branch manager of a~~

170 ~~dealer or investment adviser or any person occupying a similar~~

171 ~~status or performing similar functions;~~

172 ~~2. Any natural person directly or indirectly controlling~~

173 ~~or controlled by such dealer or investment adviser, other than~~

174 ~~an employee whose function is only clerical or ministerial; or~~

175 ~~3. Any natural person, other than a dealer, employed,~~

176 ~~appointed, or authorized by a dealer, investment adviser, or~~
177 ~~issuer to sell securities in any manner or act as an investment~~
178 ~~adviser as defined in this section.~~

179
180 ~~The partners of a partnership and the executive officers of a~~
181 ~~corporation or other association registered as a dealer, and any~~
182 ~~person whose transactions in this state are limited to those~~
183 ~~transactions described in s. 15(h)(2) of the Securities Exchange~~
184 ~~Act of 1934, are not "associated persons" within the meaning of~~
185 ~~this definition.~~

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

191 (5)~~(3)~~ "Boiler room" means an enterprise in which two or
192 more persons engage in telephone communications with members of
193 the public using two or more telephones at one location, or at
194 more than one location in a common scheme or enterprise.

195 (6)~~(4)~~ "Branch office" means any location in this state of
196 a dealer or investment adviser at which one or more associated
197 persons regularly conduct the business of rendering investment
198 advice or effecting any transactions in, or inducing or
199 attempting to induce the purchase or sale of, any security or
200 any location that is held out as such. The commission may adopt

201 by rule exceptions to this definition for dealers in order to
202 maintain consistency with the definition of a branch office used
203 by self-regulatory organizations authorized by the Securities
204 and Exchange Commission, including, but not limited to, the
205 Financial Industry Regulatory Authority. The commission may
206 adopt by rule exceptions to this definition for investment
207 advisers.

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

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

220 (10)-(5) "Control," ~~including the terms "controlling,"~~
221 ~~"controlled by,"~~ or "under control with" and ~~"under common~~
222 ~~control with,"~~ means the possession, directly or indirectly, of
223 the power to direct or cause the direction of the management or
224 policies of a person, whether through the ownership of voting
225 securities, by contract, or otherwise.

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

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

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

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

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

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

248 (f) For an organization that is a limited liability
249 company, is a manager or is a member that has contributed 25
250 percent or more or that has the right to receive upon

251 dissolution 25 percent or more of the limited liability
 252 company's capital.

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

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

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

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

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

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

271 (c) A trust company having trust powers that it is
 272 authorized to exercise in this state, which renders or performs
 273 services in a fiduciary capacity incidental to the exercise of
 274 its trust powers.

275 (d) A wholesaler selling exclusively to dealers.

276 (e) A person buying and selling for the person's own
277 account exclusively through a registered dealer or stock
278 exchange.

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

282 1. Is an officer, a director, a limited liability company
283 manager or managing member, or a bona fide employee of the
284 issuer;

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

289 3. Primarily performs, or is intended to perform at the
290 end of the distribution, substantial duties for, or on behalf
291 of, the issuer other than in connection with transactions in
292 securities; and

293 4. Does not receive a commission, compensation, or other
294 consideration for the completed sale of the issuer's securities
295 apart from the compensation received for regular duties to the
296 issuer.

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

300 ~~2. Any bank authorized to do business in this state,~~

301 ~~except nonbank subsidiaries of a bank;~~

302 ~~3. Any trust company having trust powers which it is~~
303 ~~authorized to exercise in this state, which renders or performs~~
304 ~~services in a fiduciary capacity incidental to the exercise of~~
305 ~~its trust powers;~~

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

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

310 ~~6. Pursuant to s. 517.061(11), any person associated with~~
311 ~~an issuer of securities if such person is a bona fide employee~~
312 ~~of the issuer who has not participated in the distribution or~~
313 ~~sale of any securities within the preceding 12 months and who~~
314 ~~primarily performs, or is intended to perform at the end of the~~
315 ~~distribution, substantial duties for, or on behalf of, the~~
316 ~~issuer other than in connection with transactions in securities.~~

317 ~~(9)(7)~~ "Commission" means the Financial Services
318 Commission.

319 ~~(22)(8)~~ "Office" means the Office of Financial Regulation
320 of the commission.

321 ~~(13)(9)~~ "Federal covered adviser" means a person that ~~who~~
322 is registered or required to be registered under s. 203 of the
323 Investment Advisers Act of 1940, as amended. The term "~~federal~~
324 ~~covered adviser~~" does not include any person that ~~who~~ is
325 excluded from the definition of investment adviser under

326 subparagraphs (18) (b) 1.-8. ~~(14) (b) 1.-8.~~

327 (14) (10) "Federal covered security" means a ~~any~~ security
328 that is a covered security under s. 18(b) of the Securities Act
329 of 1933, as amended, or rules and regulations adopted
330 thereunder.

331 (15) (11) "Guarantor" means a person that ~~who~~ agrees in
332 writing, or that ~~who~~ holds itself out to the public as agreeing,
333 to pay the indebtedness of another when due, including, without
334 limitation, payments of principal and interest on a bond,
335 debenture, note, or other evidence of indebtedness, without
336 resort by the holder to any other obligor, whether or not such
337 writing expressly states that the person signing is signing as a
338 guarantor. The obligation of a guarantor hereunder shall be a
339 continuing, absolute, and unconditional guaranty of payment,
340 without regard to the validity, regularity, or enforceability of
341 the underlying indebtedness.

342 (16) (12) "Guaranty" means an agreement in ~~a~~ writing in
343 which one party either agrees, or holds itself out to the public
344 as agreeing, to pay the indebtedness of another when due,
345 including, without limitation, payments of principal and
346 interest on a bond, debenture, note, or other evidence of
347 indebtedness, without resort by the holder to any other obligor,
348 whether or not such writing expressly states that the person
349 signing is signing as a guarantor. An agreement that is not
350 specifically denominated as a guaranty shall nevertheless

351 constitute a guaranty if the holder of the underlying
352 indebtedness or the holder's ~~her or his~~ representative or
353 trustee has the right to sue to enforce the guarantor's
354 obligations under the guaranty. Words of guaranty or equivalent
355 words that ~~which~~ otherwise do not specify guaranty of payment
356 create a presumption that payment, rather than collection, is
357 guaranteed by the guarantor. Any guaranty in writing is
358 enforceable notwithstanding any statute of frauds.

359 (17) ~~(13)~~ "Intermediary" means a natural person residing in
360 this ~~the~~ state or a corporation, trust, partnership, limited
361 liability company, association, or other legal entity registered
362 with the Secretary of State to do business in this ~~the~~ state,
363 which facilitates through its website the offer or sale of
364 securities of an issuer with a principal place of business in
365 this state under s. 517.0611.

366 (18) (a) ~~(14) (a)~~ "Investment adviser" means a ~~includes any~~
367 person, other than an associated person of an investment adviser
368 or a federal covered adviser, that ~~who~~ receives compensation,
369 directly or indirectly, and engages for all or part of the
370 person's ~~her or his~~ time, directly or indirectly, or through
371 publications or writings, in the business of advising others as
372 to the value of securities or as to the advisability of
373 investments in, purchasing of, or selling of securities, ~~except~~
374 ~~a dealer whose performance of these services is solely~~
375 ~~incidental to the conduct of her or his business as a dealer and~~

376 ~~who receives no special compensation for such services.~~

377 (b) The term ~~"investment adviser"~~ does not include the
 378 following:

379 1. A dealer or associated person of a dealer whose
 380 performance of services in paragraph (a) is solely incidental to
 381 the conduct of the dealer's or associated person's business as a
 382 dealer and who does not receive special compensation for those
 383 services.

384 2. A Any licensed practicing attorney or certified public
 385 accountant whose performance of such services is solely
 386 incidental to the practice of the attorney's or accountant's her
 387 or his profession.†

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

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

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

395 5. A Any trust company having trust powers, as defined in
 396 s. 658.12, which it is authorized to exercise in this the state,
 397 which trust company renders or performs investment advisory
 398 services in a fiduciary capacity incidental to the exercise of
 399 its trust powers.†

400 6. A Any person that who renders investment advice

401 exclusively to insurance or investment companies.†

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

407 8. A Any person whose transactions in this state are
 408 limited to those transactions described in s. 222(d) of the
 409 Investment Advisers Act of 1940, as amended. Those clients
 410 listed in subparagraph 6. may not be included when determining
 411 the number of clients of an investment adviser for purposes of
 412 s. 222(d) of the Investment Advisers Act of 1940, as amended.†

413 ~~or~~

414 9. A federal covered adviser.

415 ~~(19)-(15)~~ "Issuer" means a any person that ~~who~~ proposes to
 416 issue, has issued, or shall hereafter issue any security. A Any
 417 person that ~~who~~ acts as a promoter for and on behalf of a
 418 corporation, trust, ~~or unincorporated association or~~
 419 partnership, limited liability company, association, or other
 420 legal entity of any kind to be formed shall be deemed an issuer.

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

422 ~~(21)-(16)~~ "Offer to sell," "offer for sale," or "offer"
 423 means an any attempt or offer to dispose of, or solicitation of
 424 an offer to buy, a security or interest in a security, or an
 425 investment or interest in an investment, for value.

426 ~~(23)~~~~(17)~~ "Predecessor" means a person whose ~~the~~ major
 427 portion of ~~whose~~ assets has ~~have~~ been acquired directly or
 428 indirectly by an issuer.

429 ~~(24)~~~~(18)~~ "Principal" means an executive officer of a
 430 corporation, partner of a partnership, sole proprietor of a sole
 431 proprietorship, trustee of a trust, or any other person with
 432 similar supervisory functions with respect to any organization,
 433 whether incorporated or unincorporated.

434 ~~(25)~~~~(19)~~ "Promoter" includes the following:

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

439 (b) A ~~Any~~ person that ~~who~~, in connection with the founding
 440 or organizing of the business or enterprise of an issuer,
 441 directly or indirectly receives in consideration of services or
 442 property, or both services and property, 10 percent or more of
 443 any class of securities of the issuer or 10 percent or more of
 444 the proceeds from the sale of any class of securities. However,
 445 a person that ~~who~~ receives such securities or proceeds either
 446 solely as underwriting commissions or solely in connection with
 447 property shall not be deemed a promoter if such person does not
 448 otherwise take part in founding and organizing the enterprise.

449 ~~(26)~~~~(20)~~ "Qualified institutional buyer" means a ~~any~~
 450 qualified institutional buyer, as defined in ~~United States~~

451 Securities and Exchange Commission Rule 144A, 17 C.F.R. s.
452 230.144A(a), under the Securities Act of 1933, as amended, or
453 any foreign buyer that satisfies the minimum financial
454 requirements set forth in such rule.

455 (27)~~(21)~~ "Sale" or "sell" means a ~~any~~ contract of sale or
456 disposition of an ~~any~~ investment, security, or interest in a
457 security, for value. With respect to a security or interest in a
458 security, the term ~~defined in this subsection~~ does not include
459 preliminary negotiations or agreements between an issuer or any
460 person on whose behalf an offering is to be made and any
461 underwriter or among underwriters who are or are to be in
462 privity of contract with an issuer. Any security given or
463 delivered with, or as a bonus on account of, any purchase of
464 securities or any other thing shall be conclusively presumed to
465 constitute a part of the subject of such purchase and to have
466 been offered and sold for value. Every sale or offer of a
467 warrant or right to purchase or subscribe to another security of
468 the same or another issuer, as well as every sale or offer of a
469 security which gives the holder a present or future right or
470 privilege to convert into another security or another issuer, is
471 considered to include an offer of the other security.

472 (28)~~(22)~~ "Security" includes any of the following:

- 473 (a) A note.
474 (b) A stock.
475 (c) A treasury stock.

- 476 (d) A bond.
- 477 (e) A debenture.
- 478 (f) An evidence of indebtedness.
- 479 (g) A certificate of deposit.
- 480 (h) A certificate of deposit for a security.
- 481 (i) A certificate of interest or participation.
- 482 (j) A whiskey warehouse receipt or other commodity
- 483 warehouse receipt.
- 484 (k) A certificate of interest in a profit-sharing
- 485 agreement or the right to participate therein.
- 486 (l) A certificate of interest in an oil, gas, petroleum,
- 487 mineral, or mining title or lease or the right to participate
- 488 therein.
- 489 (m) A collateral trust certificate.
- 490 (n) A reorganization certificate.
- 491 (o) A preorganization subscription.
- 492 (p) A ~~Any~~ transferable share.
- 493 (q) An investment contract.
- 494 (r) A beneficial interest in title to property, profits,
- 495 or earnings.
- 496 (s) An interest in or under a profit-sharing or
- 497 participation agreement or scheme.
- 498 (t) An ~~Any~~ option contract that ~~which~~ entitles the holder
- 499 to purchase or sell a given amount of the underlying security at
- 500 a fixed price within a specified period of time.

501 (u) Any other instrument commonly known as a security,
 502 including an interim or temporary bond, debenture, note, or
 503 certificate.

504 (v) A ~~Any~~ receipt for a security, or for subscription to a
 505 security, or a ~~any~~ right to subscribe to or purchase any
 506 security.

507 (w) A viatical settlement investment.

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

511 (30) "Tier I dealer" means a person, other than an
 512 associated person of a dealer, that engages, for all or part of
 513 the person's time, directly or indirectly, as agent or principal
 514 in the business of offering, buying, selling, or otherwise
 515 dealing or trading in securities issued by another person.

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

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

523 (b) An issuer with a principal place of business in this
 524 state to one or more prospective investors who the person
 525 reasonably believes are accredited investors.

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

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

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

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

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

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

574 (3) The isolated sale or offer for sale of securities when
575 made by or on behalf of a bona fide owner of such securities,

576 ~~but vendor~~ not the issuer or underwriter of the securities, who
577 ~~being the bona fide owner of such securities,~~ disposes of such
578 securities for the owner's ~~her or his own property for her or~~
579 ~~his~~ own account, and such sale is not made directly or
580 indirectly for the benefit of the issuer or an underwriter of
581 such securities or for the direct or indirect promotion of any
582 scheme or enterprise with the intent of violating or evading any
583 provision of this chapter. For purposes of this subsection,
584 isolated offers or sales include, but are not limited to, an
585 isolated offer or sale made by or on behalf of a bona fide owner
586 of such ~~vendor of~~ securities, but not the issuer or underwriter
587 of such ~~the~~ securities if:

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

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

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

601 owned beneficially for at least 1 year.

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

608 (5) The issuance of securities to such equity security
609 holders or other creditors of a corporation, limited liability
610 company, trust, or partnership in the process of a
611 reorganization of such corporation or entity, made in good faith
612 and not for the purpose of avoiding the provisions of this
613 chapter, either in exchange for the securities of such equity
614 security holders or claims of such creditors or partly for cash
615 and partly in exchange for the securities or claims of such
616 equity security holders or creditors.

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

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

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

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

642 (b) The buyer and seller corporations each have assets of
643 \$500,000 or more.

644 (9) The distribution of the securities of an issuer to the
645 security holders of another person in connection with a merger,
646 consolidation, exchange of securities, sale of assets, or other
647 reorganization to which the issuer, or its parent or subsidiary,
648 and the other person, or its parent or subsidiary, are parties
649 ~~The offer or sale of securities from one corporation to another~~
650 ~~corporation, or to security holders thereof, pursuant to a vote~~

651 ~~or consent of such security holders as may be provided by the~~
652 ~~articles of incorporation and the applicable corporate statutes~~
653 ~~in connection with mergers, share exchanges, consolidations, or~~
654 ~~sale of corporate assets.~~

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

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

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

669 2. Neither the issuer nor any person acting on behalf of
670 the issuer offers or sells securities pursuant to this
671 subsection by means of any form of general solicitation or
672 general advertising in this state.

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

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

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

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

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

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

698 3. Any corporation or other organization of which a
699 purchaser, any of the persons related to such purchaser
700 specified in subparagraph 1., and any trust or estate specified

701 in subparagraph 2. collectively are beneficial owners of more
702 than 50 percent of the equity securities or equity interest.

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

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

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

714 a. Offers or sales of securities occurring more than 30
715 calendar days ~~6 months~~ before an offer or sale of securities
716 made pursuant to this subsection shall not be considered part of
717 the same offering, provided there are no offers or sales by or
718 for the issuer of the same or a similar class of securities
719 during such 30-calendar-day ~~6-month~~ period.

720 b. Offers or sales of securities occurring at any time
721 after 30 calendar days ~~6 months~~ from an offer or sale made
722 pursuant to this subsection shall not be considered part of the
723 same offering, provided there are no offers or sales by or for
724 the issuer of the same or a similar class of securities during
725 such 30-calendar-day ~~6-month~~ period.

726 2.a. Offers or sales which do not satisfy the conditions
727 of any of the provisions of subparagraph 1. may or may not be
728 part of the same offering, depending on the particular facts and
729 circumstances in each case and those factors specified by
730 commission rule.

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

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

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

747 (13) An unsolicited purchase or sale of securities on
748 order of, and as the agent for, another by a dealer registered
749 pursuant to the provisions of s. 517.12; provided that this
750 exemption applies solely and exclusively to such registered

751 dealers and does not authorize or permit the purchase or sale of
752 securities on order of, and as agent for, another by any person
753 other than a dealer so registered; and provided, further, that
754 such purchase or sale is not directly or indirectly for the
755 benefit of the issuer or an underwriter of such securities or
756 for the direct or indirect promotion of any scheme or enterprise
757 with the intent of violation or evading any provision of this
758 chapter.

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

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

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

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

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

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

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

784 (c)~~(d)~~ The underlying security may be purchased or sold on
785 a ~~recognized~~ securities exchange registered under s. 6 of the
786 Securities Exchange Act of 1934, as amended. ~~or is quoted on the~~
787 ~~National Association of Securities Dealers Automated Quotation~~
788 ~~System;~~ ~~and~~

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

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

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

800 2. Securities of a company registered under the Investment

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801 Company Act of 1940, as amended;

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

805 4. Securities, other than any security that is a federal
806 covered security pursuant to s. 18(b)(1) of the Securities Act
807 of 1933, as amended, and is not subject to any registration or
808 filing requirements under this chapter act, which ~~appear in any~~
809 ~~list of securities dealt in on any stock exchange registered~~
810 ~~pursuant to the Securities Exchange Act of 1934, as amended, and~~
811 ~~which~~ securities have been listed or approved for listing upon
812 notice of issuance by a securities exchange registered pursuant
813 to the Securities Exchange Act of 1934, as amended ~~such~~
814 ~~exchange~~, and also all securities senior to any securities so
815 listed or approved for listing upon notice of issuance, or
816 represented by subscription rights which have been so listed or
817 approved for listing upon notice of issuance, or evidences of
818 indebtedness guaranteed by an issuer with a class of securities
819 ~~companies any stock of which is so~~ listed or approved for
820 listing upon notice of issuance by such securities exchange,
821 such securities to be exempt only so long as such listings or
822 approvals remain in effect. The exemption provided for herein
823 does not apply when the securities are suspended from listing
824 approval for listing or trading.

825 (b) The exemption provided in this subsection does not

826 apply if the sale is made for the direct or indirect benefit of
827 an issuer or a control person ~~controlling persons~~ of such issuer
828 or if such securities constitute the whole or part of an unsold
829 allotment to, or subscription or participation by, a dealer as
830 an underwriter of such securities.

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

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

839 (19) Other transactions defined by rules as transactions
840 exempted from the registration provisions of s. 517.07, which
841 rules the commission may adopt from time to time, but only after
842 a finding by the office that the application of the provisions
843 of s. 517.07 to a particular transaction is not necessary in the
844 public interest and for the protection of investors because of
845 the small dollar amount of securities involved or the limited
846 character of the offering. In conjunction with its adoption of
847 such rules, the commission may also provide in such rules that
848 persons selling or offering for sale the exempted securities are
849 exempt from the registration requirements of s. 517.12. No rule
850 so adopted may have the effect of narrowing or limiting any

851 exemption provided for by statute in the other subsections of
852 this section.

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

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

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

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

871 (d) The security is listed in a nationally recognized
872 securities manual designated by rule of the commission or order
873 of the office, or a document is filed with the Securities and
874 Exchange Commission which ~~that~~ is publicly available through the
875 Securities and Exchange Commission's electronic data gathering

876 and retrieval system and which contains:

877 1. A description of the business and operations of the
878 issuer;

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

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

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

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

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

901 2. The issuer of the security has been engaged in
902 continuous business, including predecessors, for at least 3
903 years; or

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

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

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

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

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

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

925 (c) The issuer reasonably believes that all purchasers are

926 purchasing for investment and not with the view to resell in
927 connection with a distribution of the security. Any resale of a
928 security sold in reliance on this exemption within 12 months
929 after a sale is presumed to be with a view to distribution and
930 not for investment, except a resale pursuant to a registration
931 effective under this chapter or the Securities Act of 1933, as
932 amended, or pursuant to an exemption available under this
933 chapter, the Securities Act of 1933, as amended, or the rules
934 and regulations adopted thereunder.

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

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

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

949 3. Is currently subject to a state or federal
950 administrative enforcement order or judgment entered within the

951 last 5 years finding fraud or deceit in connection with the
952 purchase or sale of a security; or

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

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

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

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

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

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

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

972 6. A statement that:

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

975 b. No money or other consideration is being solicited or

976 will be accepted by way of this general announcement; and

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

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

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

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

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

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

995 (i) Within 15 days after the first sale in this state, the
996 issuer shall file with the office a notice of transaction on a
997 form prescribed by commission rule, a consent to service of
998 process similar to that provided in s. 517.101, and a copy of
999 the general announcement. The commission may establish by rule
1000 procedures for filing documents by electronic means.

1001 Section 3. Subsections (3) and (4), paragraphs (d), (e),
 1002 and (g) of subsection (5), subsections (7), (9), and (10),
 1003 paragraphs (b), (c), (f), (g), and (i) of subsection (13), and
 1004 subsection (14) of section 517.0611, Florida Statutes, are
 1005 amended to read:

1006 517.0611 Intrastate crowdfunding.—

1007 (3) The offer or sale of securities under this section
 1008 must be conducted in accordance with the requirements of the
 1009 federal exemption for intrastate offerings in:

1010 (a) Section 3(a)(11) ~~s. 3(a)(11)~~ of the Securities Act of
 1011 1933, 15 U.S.C. s. 77c(a)(11), as amended, and ~~United States~~
 1012 ~~Securities and Exchange Commission Rule 147, 17 C.F.R. s.~~
 1013 ~~230.147, adopted pursuant to the Securities Act of 1933,~~ as
 1014 amended; or

1015 (b) Securities and Exchange Commission Rule 147A, 17
 1016 C.F.R. s. 230.147A.

1017 (4) An issuer must:

1018 (a) Be a for-profit business entity and ~~formed under the~~
 1019 ~~laws of the state, be registered with the Secretary of State,~~
 1020 maintain its principal place of business in this ~~the~~ state, ~~and~~
 1021 ~~derive its revenues primarily from operations in the state.~~

1022 (b) Conduct transactions for the offering through a Tier I
 1023 dealer registered with the office or an intermediary registered
 1024 under s. 517.12(19) ~~s. 517.12(20)~~.

1025 (c) Not be, either before or as a result of the offering,

1026 an investment company as defined in s. 3 of the Investment
 1027 Company Act of 1940, 15 U.S.C. s. 80a-3, as amended, or subject
 1028 to the reporting requirements of s. 13 or s. 15(d) of the
 1029 Securities Exchange Act of 1934, 15 U.S.C. s. 78m or s. 78o(d),
 1030 as amended.

1031 (d) Not be an organization ~~a company~~ with an undefined
 1032 business operation, a company that lacks a business plan, a
 1033 company that lacks a stated investment goal for the funds being
 1034 raised, or a company that plans to engage in a merger or
 1035 acquisition with an unspecified business entity.

1036 (e) Not be subject to a disqualification established by
 1037 the commission or office or a disqualification described in s.
 1038 517.1611 or ~~United States~~ Securities and Exchange Commission
 1039 Rule 506(d), 17 C.F.R. 230.506(d), adopted pursuant to the
 1040 Securities Act of 1933, as amended. Each director, officer,
 1041 person occupying a similar status or performing a similar
 1042 function, or person holding more than 20 percent of the shares
 1043 of the issuer, is subject to this requirement.

1044 (f) Through an escrow agreement or a trust account
 1045 arrangement entered into with a third party, cause all funds
 1046 received from investors to be deposited in a federally insured
 1047 account for benefit of the investors and maintain all such funds
 1048 in the account until such time as either the target offering
 1049 amount has been reached, the offering has been terminated, or
 1050 the offering has expired. All funds must be used in accordance

1051 with the uses of proceeds represented to prospective investors
1052 ~~Execute an escrow agreement with a federally insured financial~~
1053 ~~institution authorized to do business in the state for the~~
1054 ~~deposit of investor funds, and ensure that all offering proceeds~~
1055 ~~are provided to the issuer only when the aggregate capital~~
1056 ~~raised from all investors is equal to or greater than the target~~
1057 ~~offering amount.~~

1058 (g) Allow investors to cancel a commitment to invest
1059 within 3 business days before the offering deadline, as stated
1060 in the disclosure statement, and issue refunds to all investors
1061 if the target offering amount is not reached by the offering
1062 deadline.

1063 (5) The issuer must file a notice of the offering with the
1064 office, in writing or in electronic form, in a format prescribed
1065 by commission rule, together with a nonrefundable filing fee of
1066 \$200. The filing fee shall be deposited into the Regulatory
1067 Trust Fund of the office. The commission may adopt rules
1068 establishing procedures for the deposit of fees and the filing
1069 of documents by electronic means if the procedures provide the
1070 office with the information and data required by this section. A
1071 notice is effective upon receipt, by the office, of the
1072 completed form, filing fee, and an irrevocable written consent
1073 to service of civil process, similar to that provided for in s.
1074 517.101. The notice may be terminated by filing with the office
1075 a notice of termination. The notice and offering expire 12

1076 months after filing the notice with the office and are not
1077 eligible for renewal. The notice must:

1078 (d) Identify any predecessors, owners, officers,
1079 directors, and control persons or any person occupying a similar
1080 status or performing a similar function of the issuer, including
1081 that person's:

1082 1. Title;

1083 2. ~~his or her~~ Status as a partner, trustee, or sole
1084 proprietor, or in a similar role; and

1085 3. ~~his or her~~ Ownership percentage.

1086 (e) Identify the federally insured financial institution~~;~~
1087 ~~authorized to do business in the state,~~ in which investor funds
1088 will be deposited~~;~~ in accordance with the escrow agreement or
1089 trust account arrangement.

1090 (g) Include documentation verifying that the issuer is
1091 ~~organized under the laws of the state and~~ authorized to do
1092 business in the state.

1093 (7) The issuer must provide to prospective investors and
1094 the dealer or intermediary, along with a copy to the office at
1095 the time that the notice is filed, and make available to
1096 prospective ~~potential~~ investors through the dealer or
1097 intermediary~~;~~ a disclosure statement containing material
1098 information about the issuer and the offering, including all of
1099 the following:

1100 (a) The name, legal status, physical address, and website

1101 address of the issuer.

1102 (b) The names of the directors, officers, and any person
1103 occupying a similar status or performing a similar function, and
1104 the name of each person holding more than 20 percent of the
1105 shares or interests of the issuer.

1106 (c) A description of the business of the issuer and the
1107 anticipated business plan of the issuer.

1108 (d) A description of the stated purpose and intended use
1109 of the proceeds of the offering.

1110 (e) The target offering amount, the deadline to reach the
1111 target offering amount, and regular updates regarding the
1112 progress of the issuer in meeting the target offering amount.

1113 (f) The price to the public of the securities or the
1114 method for determining the price. However, before the sale, each
1115 investor must receive in writing the final price and all
1116 required disclosures and have an opportunity to rescind the
1117 commitment to purchase the securities.

1118 (g) A description of the ownership and capital structure
1119 of the issuer, including:

1120 1. Terms of the securities being offered and each class of
1121 security of the issuer, including how those terms may be
1122 modified, and a summary of the differences between such
1123 securities, including how the rights of the securities being
1124 offered may be materially limited, diluted, or qualified by
1125 rights of any other class of security of the issuer.

1126 2. A description of how the exercise of the rights held by
1127 the control persons ~~principal shareholders~~ of the issuer could
1128 negatively impact the purchasers of the securities being
1129 offered.

1130 3. The name and ownership level of each existing
1131 shareholder or member who owns more than 20 percent of any class
1132 of the securities of the issuer.

1133 4. How the securities being offered are being valued, and
1134 examples of methods of how such securities may be valued by the
1135 issuer in the future, including during subsequent corporate
1136 actions.

1137 5. The risks to purchasers of the securities relating to
1138 minority ownership in the issuer, the risks associated with
1139 corporate action, including additional issuances of securities
1140 ~~shares~~, a sale of the issuer or of assets of the issuer, or
1141 transactions with related parties.

1142 (h) A description of the financial condition of the
1143 issuer.

1144 1. For offerings that, in combination with all other
1145 offerings of the issuer within the preceding 12-month period,
1146 have target offering amounts of \$100,000 or less, the
1147 description must include the most recent income tax return filed
1148 by the issuer, if any, and a financial statement that must be
1149 certified by the principal executive officer of the issuer as
1150 true and complete in all material respects.

1151 2. For offerings that, in combination with all other
1152 offerings of the issuer within the preceding 12-month period,
1153 have target offering amounts of more than \$100,000, but not more
1154 than \$500,000, the description must include financial statements
1155 prepared in accordance with generally accepted accounting
1156 principles and reviewed by a certified public accountant, as
1157 defined in s. 473.302, who is independent of the issuer, using
1158 professional standards and procedures for such review or
1159 standards and procedures established by the office, by rule, for
1160 such purpose.

1161 3. For offerings that, in combination with all other
1162 offerings of the issuer within the preceding 12-month period,
1163 have target offering amounts of more than \$500,000, the
1164 description must include audited financial statements prepared
1165 in accordance with generally accepted accounting principles by a
1166 certified public accountant, as defined in s. 473.302, who is
1167 independent of the issuer, and other requirements as the
1168 commission may establish by rule.

1169 (i) The following statement in boldface, conspicuous type
1170 on the front page of the disclosure statement:

1171
1172 These securities are offered under, and will be sold
1173 in reliance upon, an exemption from the registration
1174 requirements of federal and Florida securities laws.
1175 Consequently, neither the Federal Government nor the

1176 State of Florida has reviewed the accuracy or
1177 completeness of any offering materials. In making an
1178 investment decision, investors must rely on their own
1179 examination of the issuer and the terms of the
1180 offering, including the merits and risks involved.
1181 These securities are subject to restrictions on
1182 transferability and resale and may not be transferred
1183 or resold except as specifically authorized by
1184 applicable federal and state securities laws.
1185 Investing in these securities involves a speculative
1186 risk, and investors should be able to bear the loss of
1187 their entire investment.

1188
1189 (9) The sum of all cash and other consideration received
1190 for sales of a security under this section may not exceed \$5 ~~\$1~~
1191 million, less the aggregate amount received for all sales of
1192 securities by the issuer within the 12 months preceding the
1193 first offer or sale made in reliance upon this exemption. Offers
1194 or sales to a person owning 20 percent or more of the
1195 outstanding equity ownership ~~shares~~ of any class or classes of
1196 securities or to an officer, director, partner, limited
1197 liability company manager or managing member, or trustee, or a
1198 person occupying a similar status, do not count toward this
1199 limitation.

1200 (10) Unless the investor is an accredited investor ~~as~~

1201 ~~defined by Rule 501 of Regulation D, adopted pursuant to the~~
1202 ~~Securities Act of 1933,~~ the aggregate amount sold by an issuer
1203 to an investor in transactions exempt from registration
1204 requirements under this subsection in a 12-month period may not
1205 exceed:

1206 (a) The greater of \$2,000 or 5 percent of the annual
1207 income or net worth of such investor, if the annual income or
1208 the net worth of the investor is less than \$100,000.

1209 (b) Ten percent of the annual income or net worth of such
1210 investor, not to exceed a maximum aggregate amount sold of
1211 \$100,000, if either the annual income or net worth of the
1212 investor is equal to or exceeds \$100,000.

1213 (13) An intermediary must:

1214 (b) Provide basic information on its website regarding the
1215 high risk of investment in and limitation on the resale of
1216 exempt securities and the potential for loss of an entire
1217 investment. The basic information must include:

1218 1. A description of the escrow agreement or trust account
1219 arrangement that the issuer has executed and the conditions for
1220 release of such funds to the issuer in accordance with the
1221 agreement and subsection (4).

1222 2. A description of whether financial information provided
1223 by the issuer has been audited by an independent certified
1224 public accountant, as defined in s. 473.302.

1225 (c) Obtain a zip code or residence address from each

1226 prospective ~~potential~~ investor who seeks to view information
1227 regarding specific investment opportunities, in order to confirm
1228 that the prospective ~~potential~~ investor is a resident of the
1229 state.

1230 (f) Direct the release of investor funds ~~in escrow~~ in
1231 accordance with subsection (4).

1232 (g) Direct investors to transmit funds directly to the
1233 escrow agent or trust account trustee with evidence of the
1234 transmission of funds provided to the intermediary financial
1235 ~~institution designated in the escrow agreement to hold the funds~~
1236 ~~for the benefit of the investor.~~

1237 (i) Require each investor to certify in writing, including
1238 as part of such certification each investor's ~~his or her~~
1239 signature and ~~his or her~~ initials next to each paragraph of the
1240 certification, as follows:

1241
1242 I understand and acknowledge that:

1243
1244 I am investing in a high-risk, speculative business
1245 venture. I may lose all of my investment, and I can
1246 afford the loss of my investment.

1247
1248 This offering has not been reviewed or approved by any
1249 state or federal securities commission or other
1250 regulatory authority and no regulatory authority has

1251 confirmed the accuracy or determined the adequacy of
1252 any disclosure made to me relating to this offering.
1253

1254 The securities I am acquiring in this offering are
1255 illiquid and are subject to possible dilution. There
1256 is no ready market for the sale of the securities. It
1257 may be difficult or impossible for me to sell or
1258 otherwise dispose of the securities, and I may be
1259 required to hold the securities indefinitely.
1260

1261 I may be subject to tax on my share of the taxable
1262 income and losses of the issuer, whether or not I have
1263 sold or otherwise disposed of my investment or
1264 received any dividends or other distributions from the
1265 issuer.
1266

1267 By entering into this transaction with the issuer, I
1268 am affirmatively representing myself as being a
1269 Florida resident at the time this contract is formed,
1270 and if this representation is subsequently shown to be
1271 false, the contract is void.
1272

1273 If I resell any of the securities I am acquiring in
1274 this offering to a person that is not a Florida
1275 resident within 9 months after the closing of the

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1276 offering, my contract with the issuer for the purchase
1277 of these securities is void.

1278

1279 (14) An intermediary not registered as a dealer under s.
1280 517.12(5) ~~s. 517.12(6)~~ may not:

1281 (a) Offer investment advice or recommendations. A refusal
1282 by an intermediary to post an offering that it deems not
1283 credible or that represents a potential for fraud may not be
1284 construed as an offer of investment advice or recommendation.

1285 (b) Solicit purchases, sales, or offers to buy securities
1286 offered or displayed on its website.

1287 (c) Compensate employees, agents, or other persons for the
1288 solicitation of, or based on the sale of, securities offered or
1289 displayed on its website.

1290 (d) Hold, manage, possess, or otherwise handle investor
1291 funds or securities.

1292 (e) Compensate promoters, Tier II dealers ~~finders~~, or lead
1293 generators for providing the intermediary with the personal
1294 identifying information of any prospective ~~potential~~ investor.

1295 (f) Engage in any other activities set forth by commission
1296 rule.

1297 Section 4. Section 517.065, Florida Statutes, is created
1298 to read:

1299 517.065 Preoffering communications.-

1300 (1) At any time before the formal commencement of an

1301 offering of a security, an issuer or any person authorized to
1302 act on behalf of an issuer may communicate orally or in writing
1303 with prospective investors to determine their interest in the
1304 contemplated security offering. Preoffering communications are
1305 deemed to be an offer for sale of a security for purposes of the
1306 antifraud provisions of ss. 517.301, 517.311, and 517.312. A
1307 solicitation or acceptance of money or other consideration or
1308 any commitment, binding or otherwise, from any person is not
1309 permitted during the preoffering period until the offering has
1310 formally commenced.

1311 (a) For the preoffering safe harbor to be available to an
1312 issuer, the preoffering communications must state that:

1313 1. No money or other consideration is being solicited and,
1314 if sent in response, will not be accepted.

1315 2. No offer to buy the securities can be accepted and no
1316 part of the purchase price can be received until the offering
1317 has formally commenced, and any such offer may be withdrawn or
1318 revoked, without obligation or commitment of any kind, at any
1319 time before notice of its acceptance is given after the
1320 registration date.

1321 3. A person's indication of interest involves no
1322 obligation or commitment of any kind.

1323 (b) Any written communication under this section may
1324 include a means by which a person may indicate to the issuer
1325 that the person is interested in a potential offering. The

1326 issuer may require the name, address, telephone number, or e-
1327 mail address in any response form included under this paragraph.

1328 (2) A preoffering communication by the potential issuer of
1329 securities is not deemed to be in violation of s. 517.07 and is
1330 not deemed to constitute general solicitation or general
1331 advertising under s. 517.061(11) if made in connection with a
1332 seminar or meeting in which more than one issuer participates
1333 and if the seminar or meeting is sponsored by a college,
1334 university, or other institution of higher education; a state or
1335 local government or instrumentality thereof; a nonprofit
1336 organization; or an angel investor group, business incubator, or
1337 business accelerator, provided that all of the following
1338 conditions are met:

1339 (a) No advertising for the seminar or meeting references a
1340 specific offering of securities by the issuer.

1341 (b) The sponsor of the seminar or meeting does not do any
1342 of the following:

1343 1. Make investment recommendations or provide investment
1344 advice to event attendees.

1345 2. Engage in any investment negotiations between the
1346 issuer and event attendees.

1347 3. Charge event attendees any fees other than reasonable
1348 administrative fees.

1349 4. Receive any compensation for making introductions
1350 between event attendees and issuers or for investment

1351 negotiations between such parties.

1352 5. Receive any compensation with respect to the event
1353 which would require registration of the sponsor as a dealer,
1354 intermediary, or investment adviser under s. 517.12.

1355 (c) The type of information regarding an offering of
1356 securities by the issuer which is communicated or distributed by
1357 or on behalf of the issuer in connection with the event is
1358 limited to a notification that the issuer is in the process of
1359 offering or planning to offer securities, the type and amount of
1360 securities being offered, the intended use of proceeds of the
1361 offering, and the unsubscribed amount in the offering.

1362 (d) If the event allows attendees to participate virtually
1363 rather than in person, online participation in the event is
1364 limited to:

1365 1. Natural persons who are members of or otherwise
1366 associated with the sponsor organization.

1367 2. Natural persons who the sponsor reasonably believes are
1368 accredited investors.

1369 3. Natural persons who have been invited to the event by
1370 the sponsor based on industry or investment-related experience
1371 and have been reasonably selected in good faith.

1372 (e) A sponsor of the seminar or meeting that complies with
1373 paragraphs (b), (c), and (d) is deemed to be exempt from the
1374 registration requirements of s. 517.12.

1375 Section 5. Paragraph (d) of subsection (3) of section

1376 517.072, Florida Statutes, is amended, and subsection (4) is
 1377 added to that section, to read:

1378 517.072 Viatical settlement investments.—

1379 (3) The registration provisions of ss. 517.07 and 517.12
 1380 do not apply to any of the following transactions in viatical
 1381 settlement investments; however, such transactions in viatical
 1382 settlement investments are subject to the provisions of ss.
 1383 517.301, 517.311, and 517.312:

1384 (d) The transfer or assignment of a viaticated policy to a
 1385 bank, trust company, savings institution, insurance company,
 1386 dealer, investment company as defined in the Investment Company
 1387 Act of 1940, as amended, pension or profit-sharing trust, or
 1388 qualified institutional buyer as defined in ~~United States~~
 1389 Securities and Exchange Commission Rule 144A, 17 C.F.R. s.
 1390 230.144A(a), or to an accredited investor ~~as defined by Rule 501~~
 1391 ~~of Regulation D of the Securities Act Rules~~, provided such
 1392 transfer or assignment is not for the direct or indirect
 1393 promotion of any scheme or enterprise with the intent of
 1394 violating or evading any provision of this chapter.

1395 (4) The commission may establish by rule requirements and
 1396 standards for disclosures to purchasers of viatical settlement
 1397 investments and recordkeeping requirements for sellers of
 1398 viatical settlement investments.

1399 Section 6. Paragraphs (a), (g), and (n) of subsection (3)
 1400 and subsections (5), (6), and (8) of section 517.081, Florida

1401 Statutes, are amended, and a new subsection (7) is added to that
 1402 section, to read:

1403 517.081 Registration procedure.—

1404 (3) The office may require the applicant to submit to the
 1405 office the following information concerning the issuer and such
 1406 other relevant information as the office may in its judgment
 1407 deem necessary to enable it to ascertain whether such securities
 1408 shall be registered pursuant to the provisions of this section:

1409 (a) The names and addresses of:

1410 1. All the directors, trustees, and officers, if the
 1411 issuer is ~~be~~ a corporation, association, or trust.

1412 2. All the managers or managing members, if the issuer is
 1413 a limited liability company.

1414 3. ~~;~~ All the partners, if the issuer is ~~be~~ a
 1415 partnership.

1416 4. ~~;~~ The issuer, if the issuer is a sole
 1417 proprietorship or natural person ~~be an individual.~~

1418 (g)1. A specimen copy of the securities certificate, if
 1419 applicable, ~~security~~ and a copy of any circular, prospectus,
 1420 advertisement, or other description of such securities.

1421 2. The commission shall adopt a form for a simplified
 1422 offering circular ~~to be used solely by corporations~~ to register,
 1423 under this section, securities ~~of the corporation~~ that are sold
 1424 in offerings in which the aggregate offering price in any
 1425 consecutive 12-month period does not exceed the amount provided

1426 in s. 3(b) of the Securities Act of 1933, as amended. The
1427 following issuers shall not be eligible to submit a simplified
1428 offering circular adopted pursuant to this subparagraph:

1429 a. An issuer seeking to register securities for resale by
1430 persons other than the issuer.

1431 b. An issuer that ~~who~~ is subject to any of the
1432 disqualifications described in 17 C.F.R. s. 230.262, adopted
1433 pursuant to the Securities Act of 1933, as amended, or that ~~who~~
1434 has been or is engaged or is about to engage in an activity that
1435 would be grounds for denial, revocation, or suspension under s.
1436 517.111. For purposes of this subparagraph, an issuer includes
1437 an issuer's director, officer, manager or managing member, or
1438 equity owner ~~shareholder~~ who owns at least 10 percent of the
1439 ownership interests ~~shares~~ of the issuer, promoter, or selling
1440 agent of the securities to be offered or any officer, director,
1441 or partner of such selling agent.

1442 c. An issuer that ~~who~~ is a development-stage company that
1443 either has no specific business plan or purpose or has indicated
1444 that its business plan is to merge with an unidentified company
1445 or companies.

1446 d. An issuer of offerings in which the specific business
1447 or properties cannot be described.

1448 e. Any issuer the office determines is ineligible because
1449 ~~if~~ the form does ~~would~~ not provide full and fair disclosure of
1450 material information for the type of offering to be registered

1451 by the issuer.

1452 f. Any issuer that ~~corporation which~~ has failed to provide
1453 the office the reports required for a previous offering
1454 registered pursuant to this subparagraph.

1455

1456 As a condition precedent to qualifying for use of the simplified
1457 offering circular, an issuer ~~a corporation~~ shall agree to
1458 provide the office with an annual financial report containing a
1459 balance sheet as of the end of the issuer's fiscal year and a
1460 statement of income for such year, prepared in accordance with
1461 United States generally accepted accounting principles and
1462 accompanied by an independent accountant's report. If the issuer
1463 has more than 100 security holders at the end of a fiscal year,
1464 the financial statements must be audited. Annual financial
1465 reports must be filed with the office within 90 days after the
1466 close of the issuer's fiscal year for each of the first 5 years
1467 following the effective date of the registration.

1468 (n) If the issuer is a corporation, there shall be filed
1469 with the application a copy of its articles of incorporation
1470 with all amendments and of its existing bylaws, if not already
1471 on file in the office. If the issuer is a limited liability
1472 company, there shall be filed with the application a copy of the
1473 articles of organization with all the amendments and a copy of
1474 the company's operating agreement, if not already on file with
1475 the office. If the issuer is a trustee, there shall be filed

1476 with the application a copy of all instruments by which the
1477 trust is created or declared and in which it is accepted and
1478 acknowledged. If the issuer is a partnership, unincorporated
1479 association, joint-stock company, or any other form of
1480 organization whatsoever, there shall be filed with the
1481 application a copy of its articles of partnership or association
1482 and all other papers pertaining to its organization, if not
1483 already on file in the office.

1484 ~~(5) The commission may by rule fix the maximum discounts,~~
1485 ~~commissions, expenses, remuneration, and other compensation to~~
1486 ~~be paid in cash or otherwise, not to exceed 20 percent, directly~~
1487 ~~or indirectly, for or in connection with the sale or offering~~
1488 ~~for sale of such securities in this state.~~

1489 ~~(6)~~ An issuer filing an application under this section
1490 shall, at the time of filing, pay the office a nonreturnable fee
1491 of \$1,000 per application for each offering that exceeds the
1492 amount provided in s. 3(b) of the Securities Act of 1933, as
1493 amended, or \$200 per application for each offering that does not
1494 exceed the amount provided in s. 3(b) of the Securities Act of
1495 1933, as amended.

1496 (7) The office shall deem an application to register
1497 securities filed with the office abandoned if the issuer or any
1498 person acting on behalf of the issuer has failed to timely
1499 complete an application as specified by commission rule.

1500 ~~(8) The commission may by rule establish requirements and~~

1501 ~~standards for:~~

1502 ~~(a) Disclosures to purchasers of viatical settlement~~
 1503 ~~investments.~~

1504 ~~(b) Recordkeeping requirements for sellers of viatical~~
 1505 ~~settlement investments.~~

1506 Section 7. Section 517.082, Florida Statutes, is amended
 1507 to read:

1508 517.082 ~~Notification~~ Registration by notification; federal
 1509 registration statements.-

1510 (1) ~~Except as provided in subsection (3),~~ Securities
 1511 offered or sold pursuant to a registration statement filed under
 1512 the Securities Act of 1933, as amended, are ~~shall be~~ entitled to
 1513 registration by notification in the manner provided in
 1514 subsection (2), provided that before ~~prior to~~ the offer or sale
 1515 the registration statement has become effective.

1516 (2) An application for registration by notification shall
 1517 be filed with the office, shall contain the following
 1518 information, and shall be accompanied by all of the following:

1519 (a) An application to sell executed by the issuer, any
 1520 person on whose behalf the offering is made, a dealer registered
 1521 under this chapter, or any duly authorized agent of any such
 1522 person, setting forth the name and address of the applicant, the
 1523 name and address of the issuer, and the title of the securities
 1524 to be offered and sold.;

1525 (b) Copies of such documents filed with the Securities and

1526 Exchange Commission as the Financial Services Commission may by
 1527 rule require.~~;~~

1528 (c) An irrevocable written consent to service as required
 1529 by s. 517.101.~~;~~ and

1530 (d) A nonreturnable fee of \$1,000 per application.

1531
 1532 A registration under this section becomes effective when the
 1533 federal registration statement becomes effective or as of the
 1534 date the application is filed with the office, whichever is
 1535 later, provided that, in addition to the items listed in
 1536 paragraphs (a)-(d), the office has received written notification
 1537 of effective registration under the Securities Act of 1933, as
 1538 amended, or the Investment Company Act of 1940, as amended,
 1539 within 10 business days after ~~from~~ the date federal registration
 1540 is granted. Failure to provide all the information required by
 1541 this subsection to the office within 60 days after ~~of~~ the date
 1542 the registration statement becomes effective with the Securities
 1543 and Exchange Commission shall be a violation of this chapter.

1544 (3) ~~Except for units of limited partnership interests or~~
 1545 ~~such other securities as the commission describes by rule as~~
 1546 ~~exempt from this subsection due to high investment quality, the~~
 1547 ~~provisions of this section may not be used to register~~
 1548 ~~securities if the offering price at the time of effectiveness~~
 1549 ~~with the Securities and Exchange Commission is \$5 or less per~~
 1550 ~~share, unless such securities are listed or designated, or~~

1551 ~~approved for listing or designation upon notice of issuance, on~~
 1552 ~~a stock exchange registered pursuant to the Securities Exchange~~
 1553 ~~Act of 1934 or on the National Association of Securities Dealers~~
 1554 ~~Automated Quotation (NASDAQ) System, or unless such securities~~
 1555 ~~are of the same issuer and of senior or substantially equal rank~~
 1556 ~~to securities so listed or designated.~~

1557 ~~(4)~~ In lieu of filing with the office the application,
 1558 fees, and documents for registration required by subsection (2),
 1559 the commission may establish, by rule, procedures for depositing
 1560 fees and filing documents by electronic means, provided such
 1561 procedures provide the office with the information and data
 1562 required by this section.

1563 (4) If the Securities and Exchange Commission has not
 1564 declared effective the applicant's federal registration
 1565 statement within 180 days after the applicant's filing with the
 1566 office of an application for registration by notification, the
 1567 office must deem the application abandoned.

1568 Section 8. Subsections (1) through (4) of section 517.111,
 1569 Florida Statutes, are amended to read:

1570 517.111 Revocation or denial of registration of
 1571 securities.—

1572 (1) The office may revoke or suspend the registration of
 1573 any security, or may deny any application to register
 1574 securities, if, upon examination or investigation into the
 1575 affairs of the issuer of such security, it appears ~~shall appear~~

1576 that:

1577 (a) The issuer cannot pay its debts as they become due in
1578 the usual course of business ~~is insolvent~~;

1579 (b) The issuer or any officer, director, manager or
1580 managing member, or control person of the issuer has violated
1581 any provision of this chapter or any rule made hereunder or any
1582 order of the office of which such issuer has notice;

1583 (c) The issuer or any officer, director, manager or
1584 managing member, or control person of the issuer has been or is
1585 engaged or is about to engage in fraudulent transactions;

1586 (d) The issuer or any officer, director, manager or
1587 managing member, or control person of the issuer has been found
1588 guilty of a fraudulent act in connection with any sale of
1589 securities, has engaged, is engaged, or is about to engage, in
1590 making a fictitious sale or purchase of any security, or in any
1591 practice or sale of any security which is fraudulent or a
1592 violation of any law;

1593 (e) The issuer or any officer, director, manager or
1594 managing member, or control person of the issuer has had a final
1595 judgment entered against such issuer or person in a civil action
1596 on the grounds of fraud, embezzlement, misrepresentation, or
1597 deceit;

1598 (f) The issuer or any officer, director, manager or
1599 managing member, or control person of the issuer has engaged in
1600 any action that would be grounds for revocation, denial, or

1601 suspension under s. 517.161(1) ~~demonstrated any evidence of~~
1602 ~~unworthiness;~~

1603 (g) The issuer or any officer, director, manager or
1604 managing member, or control person of the issuer ~~is in any other~~
1605 ~~way dishonest or~~ has made any fraudulent representations or
1606 failed to disclose any material information in any prospectus or
1607 in any circular or other literature that has been distributed
1608 concerning the issuer or its securities;

1609 (h) The security registered or sought to be registered is
1610 the subject of an injunction entered by a court of competent
1611 jurisdiction or is the subject of an administrative stop-order
1612 or similar order prohibiting the offer or sale of the security;
1613 or

1614 (i) For any security for which registration has been
1615 applied pursuant to s. 517.081, the terms of the offer or sale
1616 of such securities would not be fair, just, or equitable; ~~or~~

1617 ~~(j) The issuer or any person acting on behalf of the~~
1618 ~~issuer has failed to timely complete any application for~~
1619 ~~registration filed with the office pursuant to the provisions of~~
1620 ~~s. 517.081 or s. 517.082 or any rule adopted under such~~
1621 ~~sections.~~

1622
1623 In making such examination or investigation, the office shall
1624 have access to and may compel the production of all the books
1625 and papers of such issuer and may administer oaths to and

1626 examine the officers of such issuer or any other person
1627 connected therewith as to its business and affairs and may also
1628 require a balance sheet exhibiting the assets and liabilities of
1629 any such issuer or its income statement, or both, to be
1630 certified to by a public accountant either of this state or of
1631 any other state where the issuer's business is located. Whenever
1632 the office deems it necessary, it may also require such balance
1633 sheet or income statement, or both, to be made more specific in
1634 such particulars as the office may require.

1635 (2) If any issuer refuses ~~shall refuse~~ to permit an
1636 examination or investigation to be made by the office, it shall
1637 be proper ground for revocation of registration.

1638 (3) If the office deems it necessary, it may enter an
1639 order suspending the right to sell securities pending any
1640 examination or investigation, provided that the order shall
1641 state the office's grounds for taking such action.

1642 (4) Notice of the entry of such order shall be given
1643 personally or by mail, ~~personally, by telephone confirmed in~~
1644 ~~writing, or by telegraph~~ to the issuer. Before such order is
1645 made final, the issuer ~~applying for registration~~ shall, on
1646 application, be entitled to a hearing.

1647 Section 9. Subsections (1), (2), and (3), paragraph (b) of
1648 subsection (6), subsections (7) and (11), paragraph (b) of
1649 subsection (15), and subsections (20) and (21) of section
1650 517.12, Florida Statutes, are amended to read:

1651 517.12 Registration of dealers, associated persons,
1652 intermediaries, and investment advisers.—

1653 (1) (a) A person may not ~~No dealer, associated person, or~~
1654 ~~issuer of securities shall~~ sell or offer for sale any securities
1655 in or from offices in this state, ~~or sell securities to persons~~
1656 in this state from offices outside this state, by mail or
1657 otherwise, unless the person is ~~has been~~ registered with the
1658 office as a Tier I dealer or as an associated person of a Tier I
1659 dealer pursuant to ~~the provisions of this section. The office~~
1660 ~~shall not register any person as an associated person of a~~
1661 ~~dealer unless the dealer with which the applicant seeks~~
1662 ~~registration is lawfully registered with the office pursuant to~~
1663 ~~this chapter.~~

1664 (b) A person may not, for direct or indirect compensation,
1665 introduce or refer one or more accredited investors to an issuer
1666 or introduce or refer an issuer to one or more accredited
1667 investors for the purpose of a potential offer or sale of
1668 securities in an issuer transaction in this state unless the
1669 person is registered with the office as a Tier I dealer or Tier
1670 II dealer or as an associated person of a Tier I dealer or Tier
1671 II dealer pursuant to this section.

1672 (c) The office may not register any person as an
1673 associated person of a dealer unless the dealer with which the
1674 applicant seeks registration is lawfully registered with the
1675 office pursuant to this chapter.

1676 (2) ~~The registration requirements of this section do not~~
1677 ~~apply to the issuers of securities exempted by s. 517.051(1) - (8)~~
1678 ~~and (10).~~

1679 ~~(3) Except as otherwise provided in s. 517.061(11)(a)4.,~~
1680 ~~(13), (16), (17), or (19),~~ The registration requirements of this
1681 section do not apply in a transaction exempted by s. 517.061(1) -
1682 (10) and (12) ~~s. 517.061(1) - (12), (14), and (15).~~

1683 (5)~~(6)~~ A dealer, associated person, or investment adviser,
1684 in order to obtain registration, must file with the office a
1685 written application, on a form which the commission may by rule
1686 prescribe. The commission may establish, by rule, procedures for
1687 depositing fees and filing documents by electronic means
1688 provided such procedures provide the office with the information
1689 and data required by this section. Each dealer or investment
1690 adviser must also file an irrevocable written consent to service
1691 of civil process similar to that provided for in s. 517.101. The
1692 application shall contain such information as the commission or
1693 office may require concerning such matters as:

1694 (b) The applicant's form and place of organization; and,
1695 if the applicant is:

1696 1. A corporation, a copy of its articles of incorporation
1697 and amendments to the articles of incorporation;

1698 2. A limited liability company, a copy of its articles of
1699 organization with amendments to its articles; or

1700 3. ~~if~~ A partnership, a copy of the partnership

1701 agreement.

1702 (6)~~(7)~~ The application must also contain such information
1703 as the commission or office may require about the applicant; any
1704 member, principal, or director of the applicant or any person
1705 having a similar status or performing similar functions; any
1706 control person of ~~directly or indirectly controlling~~ the
1707 applicant; or any employee of a dealer or of an investment
1708 adviser rendering investment advisory services. Each applicant
1709 and any direct owners, principals, or indirect owners that are
1710 required to be reported on Form BD or Form ADV pursuant to
1711 subsection (14) ~~(15)~~ shall submit fingerprints for live-scan
1712 processing in accordance with rules adopted by the commission.
1713 The fingerprints may be submitted through a third-party vendor
1714 authorized by the Department of Law Enforcement to provide live-
1715 scan fingerprinting. The costs of fingerprint processing shall
1716 be borne by the person subject to the background check. The
1717 Department of Law Enforcement shall conduct a state criminal
1718 history background check, and a federal criminal history
1719 background check must be conducted through the Federal Bureau of
1720 Investigation. The office shall review the results of the state
1721 and federal criminal history background checks and determine
1722 whether the applicant meets licensure requirements. The
1723 commission may waive, by rule, the requirement that applicants,
1724 including any direct owners, principals, or indirect owners that
1725 are required to be reported on Form BD or Form ADV pursuant to

1726 subsection (14) ~~(15)~~, submit fingerprints or the requirement
1727 that such fingerprints be processed by the Department of Law
1728 Enforcement or the Federal Bureau of Investigation. The
1729 commission or office may require information about any such
1730 applicant or person concerning such matters as:

1731 (a) The applicant's or person's ~~His or her~~ full name, and
1732 any other names by which the applicant or person ~~he or she~~ may
1733 have been known, and the applicant's or person's ~~his or her~~ age,
1734 social security number, photograph, qualifications, and
1735 educational and business history.

1736 (b) Any injunction or administrative order by a state or
1737 federal agency, national securities exchange, or national
1738 securities association involving a security or any aspect of a
1739 dealer's or investment adviser's regulated ~~the securities~~
1740 business and any injunction or administrative order by a state
1741 or federal agency regulating banking, insurance, finance, or
1742 small loan companies, real estate, mortgage brokers, or other
1743 related or similar industries, which injunctions or
1744 administrative orders relate to such person.

1745 (c) The applicant's or person's ~~His or her~~ conviction of,
1746 or plea of nolo contendere to, a criminal offense or his or her
1747 commission of any acts which would be grounds for refusal of an
1748 application under s. 517.161.

1749 (d) The names and addresses of other persons of whom the
1750 office may inquire as to his or her character, reputation, and

1751 financial responsibility.

1752 (10) (a) ~~(11) (a)~~ If the office finds that the applicant ~~is~~
1753 ~~of good repute and character and~~ has complied with the
1754 applicable registration provisions of this chapter and the rules
1755 made pursuant hereto, it shall register the applicant unless the
1756 applicant is otherwise disqualified for registration pursuant to
1757 law. The registration of each dealer, investment adviser, and
1758 associated person expires on December 31 of the year the
1759 registration became effective unless the registrant has renewed
1760 its ~~his or her~~ registration on or before that date. Registration
1761 may be renewed by furnishing such information as the commission
1762 may require, together with payment of the fee required in
1763 paragraph (9) (a) ~~(10) (a)~~ for dealers, investment advisers, or
1764 associated persons and the payment of any amount lawfully due
1765 and owing to the office pursuant to any order of the office or
1766 pursuant to any agreement with the office. Any dealer,
1767 investment adviser, or associated person who has not renewed a
1768 registration by the time the current registration expires may
1769 request reinstatement of such registration by filing with the
1770 office, on or before January 31 of the year following the year
1771 of expiration, such information as may be required by the
1772 commission, together with payment of the fee required in
1773 paragraph (9) (a) ~~(10) (a)~~ for dealers, investment advisers, or
1774 associated persons and a late fee equal to the amount of such
1775 fee. Any reinstatement of registration granted by the office

1776 during the month of January shall be deemed effective
1777 retroactive to January 1 of that year.

1778 (b) The office shall waive the \$50 assessment fee for an
1779 associated person required by paragraph (9) (a) ~~(10) (a)~~ for a
1780 registrant renewing his or her registration who:

1781 1. Is an active duty member of the United States Armed
1782 Forces or the spouse of such member;

1783 2. Is or was a member of the United States Armed Forces
1784 and served on active duty within the 2 years preceding the
1785 expiration date of the registration pursuant to paragraph (a).
1786 To qualify for the fee waiver, a registrant who is a former
1787 member of the United States Armed Forces who served on active
1788 duty within the 2 years preceding the expiration date of the
1789 registration must have received an honorable discharge upon
1790 separation or discharge from the United States Armed Forces; or

1791 3. Is the surviving spouse of a member of the United
1792 States Armed Forces if the member was serving on active duty at
1793 the time of death and died within the 2 years preceding the
1794 surviving spouse's registration expiration date pursuant to
1795 paragraph (a).

1796
1797 A registrant seeking such fee waiver must submit proof, in a
1798 form prescribed by commission rule, that the registrant meets
1799 one of the qualifications in this paragraph.

1800 (14) ~~(15)~~

1801 (b) In lieu of filing with the office the applications
1802 specified in subsection (5) ~~(6)~~, the fees required by subsection
1803 (9) ~~(10)~~, the renewals required by subsection (10) ~~(11)~~, and the
1804 termination notices required by subsection (11) ~~(12)~~, the
1805 commission may by rule establish procedures for the deposit of
1806 such fees and documents with the Central Registration Depository
1807 or the Investment Adviser Registration Depository of the
1808 Financial Industry Regulatory Authority, as developed under
1809 contract with the North American Securities Administrators
1810 Association, Inc.

1811 ~~(19)~~~~(20)~~ An intermediary may not engage in business in
1812 this state unless the intermediary is registered as a Tier I
1813 dealer or as an intermediary with the office pursuant to this
1814 section to facilitate the offer or sale of securities in
1815 accordance with s. 517.0611. An intermediary, in order to obtain
1816 registration, must file with the office a written application on
1817 a form prescribed by commission rule and pay a registration fee
1818 of \$200. The fees under this subsection shall be deposited into
1819 the Regulatory Trust Fund of the office. The commission may
1820 establish by rule procedures for depositing fees and filing
1821 documents by electronic means if such procedures provide the
1822 office with the information and data required by this section.
1823 Each intermediary must also file an irrevocable written consent
1824 to service of civil process, as provided in s. 517.101.

1825 (a) The application must contain such information as the

1826 | commission or office may require concerning:

1827 | 1. The name of the applicant and address of its principal
1828 | office and each office in this state.

1829 | 2. The applicant's form and place of organization; and, if
1830 | the applicant is:

1831 | a. A corporation, a copy of its articles of incorporation
1832 | and amendments to the articles of incorporation;

1833 | b. A limited liability company, a copy of its articles of
1834 | organization and amendments to the articles and a copy of the
1835 | company's operating agreement; or

1836 | c. ~~if~~ A partnership, a copy of the partnership
1837 | agreement.

1838 | 3. The website address where securities of the issuer will
1839 | be offered.

1840 | 4. Contact information.

1841 | (b) The application must also contain such information as
1842 | the commission may require by rule about the applicant; any
1843 | member, principal, or director of the applicant or any person
1844 | having a similar status or performing similar functions; or any
1845 | control person of ~~persons directly or indirectly controlling~~ the
1846 | applicant. Each applicant and any direct owners, principals, or
1847 | indirect owners that are required to be reported on a form
1848 | adopted by commission rule shall submit fingerprints for live-
1849 | scan processing in accordance with rules adopted by the
1850 | commission. The fingerprints may be submitted through a third-

1851 party vendor authorized by the Department of Law Enforcement to
1852 provide live-scan fingerprinting. The costs of fingerprint
1853 processing shall be borne by the person subject to the
1854 background check. The Department of Law Enforcement shall
1855 conduct a state criminal history background check, and a federal
1856 criminal history background check must be conducted through the
1857 Federal Bureau of Investigation. The office shall review the
1858 results of the state and federal criminal history background
1859 checks and determine whether the applicant meets registration
1860 requirements. The commission may waive, by rule, the requirement
1861 that applicants, including any direct owners, principals, or
1862 indirect owners, which are required to be reported on a form
1863 adopted by commission rule, submit fingerprints or the
1864 requirement that such fingerprints be processed by the
1865 Department of Law Enforcement or the Federal Bureau of
1866 Investigation. The commission, by rule, or the office may
1867 require information about any applicant or person, including:
1868 1. The applicant's or person's ~~His or her~~ full name and
1869 any other names by which the applicant or person ~~he or she~~ may
1870 have been known and the applicant's or person's ~~his or her~~ age,
1871 social security number, photograph, qualifications, and
1872 educational and business history.
1873 2. Any injunction or administrative order by a state or
1874 federal agency, national securities exchange, or national
1875 securities association involving a security or any aspect of an

1876 intermediary's regulated ~~the securities~~ business and any
1877 injunction or administrative order by a state or federal agency
1878 regulating banking, insurance, finance, ~~or small loan companies,~~
1879 real estate, mortgage brokers, or other related or similar
1880 industries, which relate to such person.

1881 3. The applicant's or person's ~~His or her~~ conviction of,
1882 or plea of nolo contendere to, a criminal offense or the
1883 applicant's or person's ~~his or her~~ commission of any acts that
1884 would be grounds for refusal of an application under s. 517.161.

1885 (c) The application must be amended within 30 days if any
1886 information contained in the form becomes inaccurate for any
1887 reason.

1888 (d) An intermediary or persons affiliated with the
1889 intermediary are not subject to any disqualification described
1890 in s. 517.1611 or ~~United States~~ Securities and Exchange
1891 Commission Rule 506(d), 17 C.F.R. 230.506(d), adopted pursuant
1892 to the Securities Act of 1933, as amended. Each director,
1893 officer, manager or managing member, control person of the
1894 issuer, any person occupying a similar status or performing a
1895 similar function, and each person holding more than 20 percent
1896 of the ownership interests ~~shares~~ of the intermediary is subject
1897 to this requirement.

1898 (e) If the office finds that the applicant ~~is of good~~
1899 ~~repute and character~~ and has complied with the applicable
1900 registration provisions of this chapter and the rules adopted

1901 thereunder, it shall register the applicant. The registration of
1902 each intermediary expires on December 31 of the year the
1903 registration became effective unless the registrant renews his
1904 or her registration on or before that date. Registration may be
1905 renewed by furnishing such information as the commission may
1906 require by rule, together with payment of a \$200 fee and the
1907 payment of any amount due to the office pursuant to any order of
1908 the office or pursuant to any agreement with the office. An
1909 intermediary who has not renewed a registration by the time that
1910 the current registration expires may request reinstatement of
1911 such registration by filing with the office, on or before
1912 January 31 of the year following the year of expiration, such
1913 information as required by the commission, together with payment
1914 of the \$200 fee and a late fee of \$200. Any reinstatement of
1915 registration granted by the office during the month of January
1916 is deemed effective retroactive to January 1 of that year.

1917 (20)~~(21)~~ The registration requirements of this section do
1918 not apply to any general lines insurance agent or life insurance
1919 agent licensed under chapter 626, for the sale of a security as
1920 defined in s. 517.021(28)(g) ~~s. 517.021(22)(g)~~, if the
1921 individual is directly authorized by the issuer to offer or sell
1922 the security on behalf of the issuer and the issuer is a
1923 federally chartered savings bank subject to regulation by the
1924 Federal Deposit Insurance Corporation. Actions under this
1925 subsection shall constitute activity under the insurance agent's

1926 license for purposes of ss. 626.611 and 626.621.

1927 Section 10. Section 517.1214, Florida Statutes, is created
1928 to read:

1929 517.1214 Continuing education requirements for associated
1930 persons of investment advisers and federal covered advisers.-

1931 (1) As used in this section, the term:

1932 (a) "Approved continuing education content" means the
1933 materials, written, oral, or otherwise, which have been approved
1934 by NASAA or its designee and which make up the educational
1935 program provided to an associated person under this section.

1936 (b) "Credit" means a unit designated by NASAA or its
1937 designee as at least 50 minutes of educational instruction.

1938 (c) "Home state" means the state in which an associated
1939 person of an investment adviser or a federal covered adviser has
1940 his or her principal office and place of business.

1941 (d) "NASAA" means the North American Securities
1942 Administrators Association, Inc.

1943 (e) "Reporting period" means one 12-month period beginning
1944 January 1 and ending December 31. An associated person's initial
1945 reporting period with this state commences the first day of the
1946 first full reporting period after the individual is registered
1947 or required to be registered with this state.

1948 (2) By December 31, 2024, and each December 31 thereafter,
1949 each associated person of an investment adviser or a federal
1950 covered adviser shall complete the following continuing

1951 education content requirements offered by a person that NASAA or
1952 its designee has authorized to provide the continuing education
1953 content required by this section:

1954 (a) Six credits of approved continuing education content
1955 that addresses an associated person's ethical and regulatory
1956 obligations, with at least 3 hours covering the topic of ethics;
1957 and

1958 (b) Six credits of approved continuing education content
1959 that addresses an associated person's skills and knowledge
1960 regarding financial products, investment features, and practices
1961 in the investment advisory industry.

1962 (3) An associated person of an investment adviser or
1963 federal covered adviser who is also registered as an associated
1964 person of a Financial Industry Regulatory Authority (FINRA)
1965 member dealer and who complies with FINRA's continuing education
1966 requirements is considered to be in compliance with this
1967 section's products and practice requirement for each applicable
1968 reporting period, provided that the FINRA continuing education
1969 content is approved continuing education content.

1970 (4) Credits of continuing education completed by an
1971 associated person who was awarded and currently holds a
1972 credential that qualifies for examination waiver by passing any
1973 tests as prescribed in s. 15(b)(7) of the Securities Exchange
1974 Act of 1934, as amended, comply with paragraphs (2) (a) and (b),
1975 provided all of the following conditions are met:

1976 (a) The associated person completes the credits of
 1977 continuing education as a condition of maintaining the
 1978 credential for the relevant reporting period.

1979 (b) The credits of continuing education completed during
 1980 the relevant reporting period by the associated person are
 1981 mandatory to maintain the credential.

1982 (c) The continuing education content provided by the
 1983 credentialing organization during the relevant reporting period
 1984 is approved continuing education content.

1985 (5) Each associated person is responsible for ensuring
 1986 that the authorized provider reports the associated person's
 1987 completion of the applicable continuing education requirements.

1988 (6) An associated person who completes credits of
 1989 continuing education in excess of the credits required for the
 1990 reporting period may not carry forward excess credits to a
 1991 subsequent reporting period.

1992 (7) An associated person who fails to comply with this
 1993 section by the end of a reporting period shall renew as "CE
 1994 inactive" at the close of the calendar year in this state until
 1995 the associated person completes and reports all required
 1996 continuing education credits for all reporting periods as
 1997 required by this section. An associated person who is CE
 1998 inactive at the close of the next calendar year is not eligible
 1999 for associated person registration or renewal of associated
 2000 person registration.

2001 (8) An associated person registered or required to be
 2002 registered in this state who is registered as an associated
 2003 person of an investment adviser or federal covered adviser in
 2004 the individual's home state is considered to be in compliance
 2005 with this section if:

2006 (a) The associated person's home state has a continuing
 2007 education requirement of at least 12 hours annually; and

2008 (b) The associated person is in compliance with the home
 2009 state's associated person of an investment adviser or federal
 2010 covered adviser continuing education requirements.

2011 (9) An associated person who was previously registered
 2012 under s. 517.12 and became unregistered must complete continuing
 2013 education for all reporting periods that occurred between the
 2014 time that the associated person became unregistered and when the
 2015 person became registered again under s. 517.12, unless the
 2016 associated person takes and passes the required examinations or
 2017 the examination requirements are waived in connection with the
 2018 subsequent application for registration.

2019 Section 11. Section 517.1217, Florida Statutes, is amended
 2020 to read:

2021 517.1217 Rules of conduct and prohibited business
 2022 practices for dealers and their associated persons and for
 2023 intermediaries.—

2024 (1) The commission by rule may establish rules of conduct
 2025 and prohibited business practices for Tier I dealers and their

2026 associated persons and for intermediaries. In adopting the
2027 rules, the commission shall consider general industry standards
2028 as expressed in the rules and regulations of the various federal
2029 and self-regulatory agencies and regulatory associations,
2030 including, but not limited to, the ~~United States~~ Securities and
2031 Exchange Commission, the Financial Industry Regulatory
2032 Authority, and the North American Securities Administrators
2033 Association, Inc.

2034 (2) Concurrently with each introduction, a Tier II dealer
2035 shall obtain the informed consent of each prospective investor
2036 introduced or referred by the Tier II dealer to an issuer in a
2037 written agreement signed by the Tier II dealer, the issuer, and
2038 the prospective investor and initialed by the prospective
2039 investor next to each paragraph, disclosing all of the
2040 following:

2041 (a) The type and amount of compensation that has been or
2042 will be paid to the Tier II dealer in connection with the
2043 introduction or referral and the conditions for payment of that
2044 compensation.

2045 (b) That neither the Tier II dealer nor its associated
2046 persons are providing advice to the issuer or the prospective
2047 investor as to the value of the securities being offered or sold
2048 or as to the advisability of investing in, purchasing, or
2049 selling the securities being offered or sold.

2050 (c) Whether the Tier II dealer or any of its associated

2051 persons are also owners, directly or indirectly, of the
2052 securities being offered or sold.

2053 (d) Any actual or potential conflict of interest in
2054 connection with the Tier II dealer's or associated person's
2055 activities related to the issuer transaction.

2056 (e) That the parties to the agreement have the right to
2057 pursue any available remedies at law or otherwise for any breach
2058 of the agreement.

2059
2060 To satisfy the requirements of this subsection, the agreement
2061 must also include a representation by the prospective investor
2062 that the prospective investor is an accredited investor and that
2063 the prospective investor knowingly consents to the payment of
2064 the compensation described in the agreement.

2065 (3) A Tier II dealer or associated person may not:

2066 (a) Introduce or refer an accredited investor to an issuer
2067 or introduce or refer an issuer to an accredited investor unless
2068 the issuer's principal place of business is in this state.

2069 (b) Participate in negotiating any of the terms of the
2070 offer or sale of the securities being offered or sold.

2071 (c) Advise any party to the transaction regarding the
2072 value of the securities being offered or sold or the
2073 advisability of investing in, purchasing, or selling the
2074 securities being offered or sold.

2075 (d) Conduct any due diligence on the part of any party to

2076 the transaction.

2077 (e) Sell or offer for sale, in connection with the issuer
2078 transaction, any securities of the issuer which are owned,
2079 directly or indirectly, by the Tier II dealer or associated
2080 person.

2081 (f) Receive, directly or indirectly, possession or custody
2082 of any funds in connection with the issuer transaction.

2083 (g) Knowingly receive compensation in connection with any
2084 offer or sale of securities unless the security is exempt under
2085 s. 517.051, is sold in a transaction exempt under s. 517.061, is
2086 a federal covered security, or is registered under this chapter.

2087 (h) Make any disclosure to a prospective investor other
2088 than the following:

2089 1. The name and address of, and the contact information
2090 for, the issuer or a dealer representing the issuer.

2091 2. The name, type, price, and aggregate amount of any
2092 securities being offered in the issuer transaction.

2093 3. The issuer's industry, location, and number of years in
2094 business.

2095 4. Written disclosure documents obtained from the issuer.

2096 (4) The commission may by rule establish rules of conduct
2097 and prohibited business practices for Tier II dealers and their
2098 associated persons. In adopting the rules, the commission shall
2099 consider general industry standards as expressed in the rules
2100 and regulations of the various federal and self-regulatory

2101 agencies and regulatory associations, including, but not limited
 2102 to, the Securities and Exchange Commission, the Financial
 2103 Industry Regulatory Authority, and the North American Securities
 2104 Administrators Association, Inc.

2105 Section 12. Subsections (1), (4), and (5) of section
 2106 517.161, Florida Statutes, are amended to read:

2107 517.161 Revocation, denial, or suspension of registration
 2108 of dealer, investment adviser, intermediary, or associated
 2109 person.—

2110 (1) Registration under s. 517.12 may be denied or any
 2111 registration granted may be revoked, restricted, or suspended by
 2112 the office if the office determines that such applicant or
 2113 registrant; any member, principal, or director of the applicant
 2114 or registrant or any person having a similar status or
 2115 performing similar functions; or any control person of ~~directly~~
 2116 ~~or indirectly controlling~~ the applicant or registrant:

2117 (a) Has violated any provision of this chapter or any rule
 2118 or order made under this chapter;

2119 (b) Has made a material false statement in the application
 2120 for registration;

2121 (c) Has been guilty of a fraudulent act in connection with
 2122 rendering investment advice or in connection with any sale of
 2123 securities, has been or is engaged or is about to engage in
 2124 making fictitious or pretended sales or purchases of any such
 2125 securities or in any practice involving the rendering of

2126 investment advice or the sale of securities which is fraudulent
2127 or in violation of the law;

2128 (d) Has made a misrepresentation or false statement to, or
2129 concealed any essential or material fact from, any person in the
2130 rendering of investment advice or the sale of a security to such
2131 person;

2132 (e) Has failed to account to persons interested for all
2133 money and property received;

2134 (f) Has not delivered, after a reasonable time, to persons
2135 entitled thereto securities held or agreed to be delivered by
2136 the dealer, ~~broker,~~ or investment adviser, as and when paid for,
2137 and due to be delivered;

2138 (g) Is rendering investment advice or selling or offering
2139 for sale securities through any associated person not registered
2140 in compliance with ~~the provisions of~~ this chapter;

2141 (h) ~~Has demonstrated unworthiness to transact the business~~
2142 ~~of dealer, investment adviser, intermediary, or associated~~
2143 ~~person;~~

2144 ~~(i)~~ Has exercised management or policy control over or
2145 owned 10 percent or more of the securities of any dealer,
2146 intermediary, or investment adviser that has been declared
2147 bankrupt, or had a trustee appointed under the Securities
2148 Investor Protection Act; or is, in the case of a dealer,
2149 intermediary, or investment adviser, unable to pay its debts as
2150 they become due in the usual course of business ~~insolvent;~~

2151 (i)~~(j)~~ Has been convicted of, or has entered a plea of
 2152 guilty or nolo contendere to, regardless of whether adjudication
 2153 was withheld, a crime against the laws of this state or any
 2154 other state or of the United States or of any other country or
 2155 government which relates to registration as a dealer, investment
 2156 adviser, issuer of securities, intermediary, or associated
 2157 person; which relates to the application for such registration;
 2158 or which involves moral turpitude or fraudulent or dishonest
 2159 dealing;

2160 (j)~~(k)~~ Has had a final judgment entered against her or him
 2161 in a civil action upon grounds of fraud, embezzlement,
 2162 misrepresentation, or deceit;

2163 ~~(l) Is of bad business repute;~~

2164 (k)~~(m)~~ Has been the subject of any decision, finding,
 2165 injunction, suspension, prohibition, revocation, denial,
 2166 judgment, or administrative order by any court of competent
 2167 jurisdiction, administrative law judge, or by any state or
 2168 federal agency, national securities, commodities, or option
 2169 exchange, or national securities, commodities, or option
 2170 association, involving a violation of any federal or state
 2171 securities or commodities law or any rule or regulation
 2172 promulgated thereunder, or any rule or regulation of any
 2173 national securities, commodities, or options exchange or
 2174 national securities, commodities, or options association, or has
 2175 been the subject of any injunction or adverse administrative

2176 | order by a state or federal agency regulating banking,
 2177 | insurance, finance ~~or small loan companies~~, real estate,
 2178 | mortgage brokers or lenders, money transmitters, or other
 2179 | related or similar industries. For purposes of this subsection,
 2180 | the office may not deny registration to any applicant who has
 2181 | been continuously registered with the office for 5 years after
 2182 | the date of entry of such decision, finding, injunction,
 2183 | suspension, prohibition, revocation, denial, judgment, or
 2184 | administrative order provided such decision, finding,
 2185 | injunction, suspension, prohibition, revocation, denial,
 2186 | judgment, or administrative order has been timely reported to
 2187 | the office pursuant to the commission's rules; ~~or~~

2188 | (l) ~~(n)~~ Made payment to the office for a registration with
 2189 | a check or electronic transmission of funds that is dishonored
 2190 | by the applicant's or registrant's financial institution;

2191 | (m) Failed to pay and fully satisfy any final judgment or
 2192 | arbitration award resulting from an investment-related, client-
 2193 | or customer-initiated arbitration or court proceeding, unless
 2194 | alternative payment arrangements are agreed to in writing
 2195 | between the client or customer and the investment adviser,
 2196 | dealer, or associated person and the investment adviser, dealer,
 2197 | or associated person complies with the terms of the alternative
 2198 | payment arrangement;

2199 | (n) Attempted to avoid payment of any final judgment or
 2200 | arbitration award resulting from an investment-related, client-

2201 or customer-initiated arbitration or court proceeding, unless
2202 alternative payment arrangements are agreed to in writing
2203 between the client or customer and the investment adviser,
2204 dealer, or associated person and the investment adviser, dealer,
2205 or associated person complies with the terms of the alternative
2206 payment arrangements; or

2207 (o) Failed to pay and fully satisfy any fine, civil
2208 penalty, order of restitution, order of disgorgement, or similar
2209 monetary payment obligation imposed upon the investment adviser,
2210 dealer, or associated person by the Securities and Exchange
2211 Commission, the securities regulator or other financial services
2212 regulator of any state or province, or any securities industry
2213 self-regulatory organization.

2214 (4) It shall be sufficient cause for denial of an
2215 application or revocation of registration, in the case of a
2216 partnership, corporation, limited liability company, or
2217 unincorporated association, if any member of the partnership,
2218 any manager or managing member of the limited liability company,
2219 or any officer, director, or ultimate equitable owner of the
2220 corporation or association has committed any act or omission
2221 which would be cause for denying, revoking, restricting, or
2222 suspending the registration of an individual dealer, investment
2223 adviser, intermediary, or associated person. As used in this
2224 subsection, the term "ultimate equitable owner" means a natural
2225 person who directly or indirectly owns or controls an ownership

2226 interest in the corporation, partnership, association, or other
 2227 legal entity however organized, regardless of whether such
 2228 natural person owns or controls such ownership interest through
 2229 one or more proxies, powers of attorney, nominees, corporations,
 2230 associations, partnerships, trusts, joint stock companies, or
 2231 other entities or devices, or any combination thereof.

2232 (5) The office may deny any request to terminate or
 2233 withdraw any application or registration if the office believes
 2234 that an act that ~~which~~ would be a ground for denial, suspension,
 2235 restriction, or revocation under this chapter has been
 2236 committed.

2237 Section 13. Subsection (2) of section 517.1611, Florida
 2238 Statutes, is amended to read:

2239 517.1611 Guidelines.—

2240 (2) The commission shall adopt by rule disqualifying
 2241 periods pursuant to which an applicant will be disqualified from
 2242 eligibility for registration based upon criminal convictions,
 2243 pleas of nolo contendere, or pleas of guilt, regardless of
 2244 whether adjudication was withheld, by the applicant; any
 2245 partner, member, officer, or director of the applicant or any
 2246 person having a similar status or performing similar functions;
 2247 or any control person of ~~directly or indirectly controlling~~ the
 2248 applicant.

2249 (a) The disqualifying periods shall be 15 years for a
 2250 felony and 5 years for a misdemeanor.

2251 (b) The disqualifying periods shall be related to crimes
2252 involving registration as a dealer, investment adviser, issuer
2253 of securities, or associated person or the application for such
2254 registration or involving moral turpitude or fraudulent or
2255 dishonest dealing.

2256 (c) The rules may also address mitigating factors, an
2257 additional waiting period based upon dates of imprisonment or
2258 community supervision, an additional waiting period based upon
2259 commitment of multiple crimes, and other factors reasonably
2260 related to the consideration of an applicant's criminal history.

2261 (d) An applicant is not eligible for registration until
2262 the expiration of the disqualifying period set by rule. Section
2263 112.011 does not apply to the registration provisions under this
2264 chapter. Nothing in this section changes or amends the grounds
2265 for denial under s. 517.161.

2266 Section 14. Section 517.181, Florida Statutes, is
2267 repealed.

2268 Section 15. Subsection (4) of section 517.191, Florida
2269 Statutes, is amended to read:

2270 517.191 Injunction to restrain violations; civil
2271 penalties; enforcement by Attorney General.—

2272 (4) (a) In addition to any other remedies provided by this
2273 chapter, the office may apply to the court hearing the matter
2274 for, and the court shall have jurisdiction to impose, a civil
2275 penalty against any person found to have violated any provision

2276 of this chapter, any rule or order adopted by the commission or
 2277 office, or any written agreement entered into with the office in
 2278 an amount not to exceed \$10,000 for a natural person or \$25,000
 2279 for any other person, or the gross amount of any pecuniary gain
 2280 to such defendant for each such violation other than a violation
 2281 of s. 517.301 plus \$50,000 for a natural person or \$250,000 for
 2282 any other person, or the gross amount of any pecuniary gain to
 2283 such defendant for each violation of s. 517.301. All civil
 2284 penalties collected pursuant to this subsection shall be
 2285 deposited into the Anti-Fraud Trust Fund. The office may recover
 2286 any costs and attorney fees related to the office's
 2287 investigation or enforcement of this section. Notwithstanding
 2288 any other law, moneys recovered by the office for costs and
 2289 attorney fees collected pursuant to this subsection must be
 2290 deposited into the Anti-Fraud Trust Fund.

2291 (b) A control person of a controlled person found to have
 2292 violated any provision of this chapter or any rule adopted under
 2293 any provision of this chapter is jointly and severally liable
 2294 with, and to the same extent as, such controlled person in any
 2295 action brought by the office under this section unless the
 2296 control person can establish by a preponderance of the evidence
 2297 that he or she acted in good faith and did not directly or
 2298 indirectly induce the act that constitutes the violation or
 2299 cause of action. For purposes of any action brought by the
 2300 office under this section, a person who knowingly or recklessly

2301 provides substantial assistance to another person in violation
 2302 of a provision of this chapter or of any rule adopted under any
 2303 provision of this chapter is deemed to violate the provision or
 2304 the rule to the same extent as the person to whom such
 2305 assistance is provided.

2306 Section 16. Paragraph (a) of subsection (4) of section
 2307 517.201, Florida Statutes, is amended to read:

2308 517.201 Investigations; examinations; subpoenas; hearings;
 2309 witnesses.—

2310 (4) (a) In the event of substantial noncompliance with a
 2311 subpoena or subpoena duces tecum issued or caused to be issued
 2312 by the office pursuant to this section, the office may petition
 2313 the circuit court of the county in which the person subpoenaed
 2314 resides or has its principal place of business for an order
 2315 requiring the subpoenaed person to appear and testify and to
 2316 produce such books, records, and documents as are specified in
 2317 such subpoena duces tecum. The court may grant injunctive relief
 2318 restraining the issuance, sale or offer for sale, purchase or
 2319 offer to purchase, promotion, negotiation, advertisement, or
 2320 distribution ~~in or from offices in this state~~ of securities or
 2321 investments in or from this state by the noncompliant a person
 2322 or its agent, employee, broker, partner, officer, director,
 2323 manager, managing member, control person, or equity holder
 2324 ~~stockholder thereof~~, and may grant such other relief, including,
 2325 but not limited to, the restraint, by injunction or appointment

2326 of a receiver, of any transfer, pledge, assignment, or other
 2327 disposition of such person's assets or any concealment,
 2328 alteration, destruction, or other disposition of subpoenaed
 2329 books, records, or documents, as the court deems appropriate,
 2330 until such person has fully complied with such subpoena or
 2331 subpoena duces tecum and the office has completed its
 2332 investigation or examination. The office is entitled to the
 2333 summary procedure provided in s. 51.011, and the court shall
 2334 advance the cause on its calendar. Costs incurred by the office
 2335 to obtain an order granting, in whole or in part, such petition
 2336 for enforcement of a subpoena or subpoena duces tecum shall be
 2337 taxed against the subpoenaed person, and failure to comply with
 2338 such order shall be a contempt of court.

2339 Section 17. Paragraph (d) of subsection (3) of section
 2340 921.0022, Florida Statutes, is amended to read:

2341 921.0022 Criminal Punishment Code; offense severity
 2342 ranking chart.—

2343 (3) OFFENSE SEVERITY RANKING CHART

2344 (d) LEVEL 4

2345

Florida	Felony	Description
Statute	Degree	
316.1935(3) (a)	2nd	Driving at high speed or with wanton disregard

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			for safety while fleeing or attempting to elude law enforcement officer who is in a patrol vehicle with siren and lights activated.
2347	499.0051(1)	3rd	Failure to maintain or deliver transaction history, transaction information, or transaction statements.
2348	499.0051(5)	2nd	Knowing sale or delivery, or possession with intent to sell, contraband prescription drugs.
2349	517.07(1)	3rd	Failure to register securities.
2350	517.12(1)	3rd	Failure of dealer <u>or</u> associated person <u>of a dealer</u> , or issuer of securities to register.

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2351	784.07(2)(b)	3rd	Battery of law enforcement officer, firefighter, etc.
2352	784.074(1)(c)	3rd	Battery of sexually violent predators facility staff.
2353	784.075	3rd	Battery on detention or commitment facility staff.
2354	784.078	3rd	Battery of facility employee by throwing, tossing, or expelling certain fluids or materials.
2355	784.08(2)(c)	3rd	Battery on a person 65 years of age or older.
2356	784.081(3)	3rd	Battery on specified official or employee.
2357	784.082(3)	3rd	Battery by detained person on visitor or

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2358			other detainee.
2359	784.083 (3)	3rd	Battery on code inspector.
2360	784.085	3rd	Battery of child by throwing, tossing, projecting, or expelling certain fluids or materials.
2361	787.03 (1)	3rd	Interference with custody; wrongly takes minor from appointed guardian.
2362	787.04 (2)	3rd	Take, entice, or remove child beyond state limits with criminal intent pending custody proceedings.
2363	787.04 (3)	3rd	Carrying child beyond state lines with criminal intent to avoid producing child at custody hearing or delivering to designated person.

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2364	787.07	3rd	Human smuggling.
2365	790.115 (1)	3rd	Exhibiting firearm or weapon within 1,000 feet of a school.
2366	790.115 (2) (b)	3rd	Possessing electric weapon or device, destructive device, or other weapon on school property.
2367	790.115 (2) (c)	3rd	Possessing firearm on school property.
2368	794.051 (1)	3rd	Indecent, lewd, or lascivious touching of certain minors.
2369	800.04 (7) (c)	3rd	Lewd or lascivious exhibition; offender less than 18 years.
	806.135	2nd	Destroying or demolishing a memorial or historic property.

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2370	810.02 (4) (a)	3rd	Burglary, or attempted burglary, of an unoccupied structure; unarmed; no assault or battery.
2371	810.02 (4) (b)	3rd	Burglary, or attempted burglary, of an unoccupied conveyance; unarmed; no assault or battery.
2372	810.06	3rd	Burglary; possession of tools.
2373	810.08 (2) (c)	3rd	Trespass on property, armed with firearm or dangerous weapon.
2374	812.014 (2) (c) 3.	3rd	Grand theft, 3rd degree \$10,000 or more but less than \$20,000.
2375	812.014	3rd	Grand theft, 3rd degree;

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2376	(2) (c) 4.-10.		specified items.
2377	812.0195(2)	3rd	Dealing in stolen property by use of the Internet; property stolen \$300 or more.
2378	817.505(4)(a)	3rd	Patient brokering.
2379	817.563(1)	3rd	Sell or deliver substance other than controlled substance agreed upon, excluding s. 893.03(5) drugs.
2380	817.568(2)(a)	3rd	Fraudulent use of personal identification information.
2381	817.625(2)(a)	3rd	Fraudulent use of scanning device, skimming device, or reencoder.
2381	817.625(2)(c)	3rd	Possess, sell, or deliver skimming

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2382			device.
	828.125 (1)	2nd	Kill, maim, or cause great bodily harm or permanent breeding disability to any registered horse or cattle.
2383			
	836.14 (2)	3rd	Person who commits theft of a sexually explicit image with intent to promote it.
2384			
	836.14 (3)	3rd	Person who willfully possesses a sexually explicit image with certain knowledge, intent, and purpose.
2385			
	837.02 (1)	3rd	Perjury in official proceedings.
2386			
	837.021 (1)	3rd	Make contradictory statements in official proceedings.
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2388	838.022	3rd	Official misconduct.
2389	839.13(2)(a)	3rd	Falsifying records of an individual in the care and custody of a state agency.
2390	839.13(2)(c)	3rd	Falsifying records of the Department of Children and Families.
2391	843.021	3rd	Possession of a concealed handcuff key by a person in custody.
2392	843.025	3rd	Deprive law enforcement, correctional, or correctional probation officer of means of protection or communication.
2393	843.15(1)(a)	3rd	Failure to appear while on bail for felony (bond estreature or bond jumping).

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	847.0135(5)(c)	3rd	Lewd or lascivious exhibition using computer; offender less than 18 years.
2394	870.01(3)	2nd	Aggravated rioting.
2395	870.01(5)	2nd	Aggravated inciting a riot.
2396	874.05(1)(a)	3rd	Encouraging or recruiting another to join a criminal gang.
2397	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).
2398	914.14(2)	3rd	Witnesses accepting bribes.
2399	914.22(1)	3rd	Force, threaten, etc., witness, victim, or informant.

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2400	914.23(2)	3rd	Retaliation against a witness, victim, or informant, no bodily injury.
2401	916.1085 (2) (c) 1.	3rd	Introduction of specified contraband into certain DCF facilities.
2402	918.12	3rd	Tampering with jurors.
2403	934.215	3rd	Use of two-way communications device to facilitate commission of a crime.
2404	944.47(1) (a) 6.	3rd	Introduction of contraband (cellular telephone or other portable communication device) into correctional institution.
2405	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.

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

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

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

2428 | commission, of all material information, including, but not
2429 | limited to, a description of the securities offered and terms of
2430 | the offering, a description of the nature of the issuer's
2431 | business, a statement of the purpose of the offering and the
2432 | intended application by the issuer of the proceeds thereof, and
2433 | financial statements of the issuer prepared in conformance with
2434 | United States generally accepted accounting principles. Section
2435 | 6(c) of the Philanthropy Protection Act of 1995, Pub. L. No.
2436 | 104-62, shall not preempt any provision of this chapter.

2437 | Section 19. Section 517.1215, Florida Statutes, is amended
2438 | to read:

2439 | 517.1215 Requirements, rules of conduct, and prohibited
2440 | business practices for investment advisers ~~advisors~~ and their
2441 | associated persons.—

2442 | (1) The commission shall specify by rule requirements for
2443 | investment advisers ~~advisors~~ deemed to have custody of client
2444 | funds which concern the following:

2445 | (a) Notification of custody of, maintenance of, and
2446 | safeguards for client funds.

2447 | (b) Communications with clients and independent
2448 | representatives.

2449 | (c) Requirements for investment advisers who have custody
2450 | of pooled investments.

2451 | (d) Exceptions to the custody requirements.

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2453 In adopting the rules, the commission shall consider the rules
2454 and regulations of the federal regulatory authority and the
2455 North American Securities Administrators Association, Inc.

2456 (2) The commission shall by rule establish rules of
2457 conduct and prohibited business practices for investment
2458 advisers and their associated persons. In adopting the rules,
2459 the commission shall consider general industry standards as
2460 expressed in the rules and regulations of the various federal
2461 and self-regulatory agencies and regulatory associations,
2462 including, but not limited to, the ~~United States~~ Securities and
2463 Exchange Commission, the Financial Industry Regulatory
2464 Authority, and the North American Securities Administrators
2465 Association, Inc.

2466 Section 20. Subsection (1) of section 517.075, Florida
2467 Statutes, is amended to read:

2468 517.075 Cuba, prospectus disclosure of doing business
2469 with, required.—

2470 (1) Any issuer of securities that will be sold in this
2471 state pursuant to a prospectus must disclose in the prospectus
2472 if the issuer or any affiliate thereof, ~~as defined in s.~~
2473 ~~517.021(1)~~, does business with the government of Cuba or with
2474 any person or affiliate located in Cuba. The prospectus
2475 disclosure required by this subsection does not apply with
2476 respect to prospectuses prepared before April 10, 1992.

2477 Section 21. Paragraph (a) of subsection (1) of section

2478 517.131, Florida Statutes, is amended to read:

2479 517.131 Securities Guaranty Fund.—

2480 (1) (a) The Chief Financial Officer shall establish a
 2481 Securities Guaranty Fund. An amount not exceeding 20 percent of
 2482 all revenues received as assessment fees pursuant to s.
 2483 517.12(9) and (10) ~~s. 517.12(10) and (11)~~ for dealers and
 2484 investment advisers or s. 517.1201 for federal covered advisers
 2485 and an amount not exceeding 10 percent of all revenues received
 2486 as assessment fees pursuant to s. 517.12(9) and (10) ~~s.~~
 2487 ~~517.12(10) and (11)~~ for associated persons shall be part of the
 2488 regular license fee and shall be transferred to or deposited in
 2489 the Securities Guaranty Fund.

2490 Section 22. Subsection (1) of section 517.211, Florida
 2491 Statutes, is amended to read:

2492 517.211 Remedies available in cases of unlawful sale.—

2493 (1) Every sale made in violation of either s. 517.07 or s.
 2494 517.12(1), (3), (4), (8), (10), (12), (15), or (17) ~~(4), (5),~~
 2495 ~~(9), (11), (13), (16), or (18)~~ may be rescinded at the election
 2496 of the purchaser, except a sale made in violation of the
 2497 provisions of s. 517.1202(3) relating to a renewal of a branch
 2498 office notification shall not be subject to this section, and a
 2499 sale made in violation of the provisions of s. 517.12(12) ~~s.~~
 2500 ~~517.12(13)~~ relating to filing a change of address amendment
 2501 shall not be subject to this section. Each person making the
 2502 sale and every director, officer, partner, or agent of or for

2503 the seller, if the director, officer, partner, or agent has
2504 personally participated or aided in making the sale, is jointly
2505 and severally liable to the purchaser in an action for
2506 rescission, if the purchaser still owns the security, or for
2507 damages, if the purchaser has sold the security. No purchaser
2508 otherwise entitled will have the benefit of this subsection who
2509 has refused or failed, within 30 days of receipt, to accept an
2510 offer made in writing by the seller, if the purchaser has not
2511 sold the security, to take back the security in question and to
2512 refund the full amount paid by the purchaser or, if the
2513 purchaser has sold the security, to pay the purchaser an amount
2514 equal to the difference between the amount paid for the security
2515 and the amount received by the purchaser on the sale of the
2516 security, together, in either case, with interest on the full
2517 amount paid for the security by the purchaser at the legal rate,
2518 pursuant to s. 55.03, for the period from the date of payment by
2519 the purchaser to the date of repayment, less the amount of any
2520 income received by the purchaser on the security.

2521 Section 23. Section 517.315, Florida Statutes, is amended
2522 to read:

2523 517.315 Fees.—All fees of any nature collected by the
2524 office pursuant to this chapter shall be disbursed as follows:

2525 (1) The office shall transfer the amount of fees required
2526 to be deposited into the Securities Guaranty Fund pursuant to s.
2527 517.131~~.~~

2528 (2) After the transfer required in subsection (1), the
 2529 office shall transfer the \$50 assessment fee collected from each
 2530 associated person under s. 517.12(9) and (10) ~~s. 517.12(10) and~~
 2531 ~~(11)~~ and 30.44 percent of the \$100 assessment fee paid by
 2532 dealers and investment advisers ~~advisors~~ for each office in the
 2533 state under s. 517.12(9) and (10) ~~s. 517.12(10) and (11)~~ to the
 2534 Regulatory Trust Fund. ~~;~~ and

2535 (3) All remaining fees shall be deposited into the General
 2536 Revenue Fund.

2537 Section 24. Subsection (5) of section 626.9911, Florida
 2538 Statutes, is amended to read:

2539 626.9911 Definitions.—As used in this act, the term:

2540 (5) "Life expectancy provider" means a person who
 2541 determines, or holds himself or herself out as determining, life
 2542 expectancies or mortality ratings used to determine life
 2543 expectancies:

2544 (a) On behalf of a viatical settlement provider, viatical
 2545 settlement broker, life agent, or person engaged in the business
 2546 of viatical settlements;

2547 (b) In connection with a viatical settlement investment as
 2548 defined in s. 517.021, ~~pursuant to s. 517.021(24)~~; or

2549 (c) On residents of this state in connection with a
 2550 viatical settlement contract or viatical settlement investment.

2551 Section 25. Subsection (6) of section 744.351, Florida
 2552 Statutes, is amended to read:

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2553 | 744.351 Bond of guardian.—
2554 | (6) When it is expedient in the judgment of any court
2555 | having jurisdiction of any guardianship property, because the
2556 | size of the bond required of the guardian is burdensome, or for
2557 | other cause, the court may order, in lieu of a bond or in
2558 | addition to a lesser bond, that the guardian place all or part
2559 | of the property of the ward in a designated financial
2560 | institution under the same conditions and limitations as are
2561 | contained in s. 69.031. A designated financial institution shall
2562 | also include a dealer~~7~~ as defined in s. 517.021 ~~s. 517.021(6)~~,
2563 | if the dealer is a member of the Security Investment Protection
2564 | Corporation and is doing business in the state.
2565 | Section 26. This act shall take effect October 1, 2023.