

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

26 registration as a dealer, an associated person of a
27 dealer, or an investment adviser; conforming
28 provisions to changes made by the act; making
29 technical changes; providing definitions; providing
30 exemptions from registration requirements for private
31 fund advisers under certain conditions; providing
32 exceptions; providing requirements for certain private
33 fund advisers; providing reporting requirements;
34 creating s. 517.1214, F.S.; defining terms; specifying
35 continuing education requirements for associated
36 persons of investment advisers and federal covered
37 advisers; providing that certain education credits
38 satisfy such requirements if certain conditions are
39 met; prohibiting associated persons from carrying
40 forward credits to subsequent reporting periods;
41 specifying a restriction on associated persons who
42 fail to meet such requirements; specifying
43 requirements for certain previously registered
44 associated persons; amending s. 517.1217, F.S.;

45 authorizing the commission to establish rules of
46 conduct and prohibited business practices for
47 intermediaries; amending s. 517.161, F.S.; revising
48 grounds on which the office may deny, revoke,
49 restrict, or suspend registrations of dealers,
50 investment advisers, intermediaries, and associated

51 persons; providing causes for denial of applications
 52 or revocation of registrations of certain entities and
 53 persons under certain circumstances; repealing s.
 54 517.181, F.S., relating to escrow agreements; amending
 55 s. 517.201, F.S.; conforming a provision to changes
 56 made by the act; amending s. 921.0022, F.S.; revising
 57 applicability of a criminal penalty for certain
 58 registration violations; amending s. 517.1215, F.S.;
 59 making technical changes; amending ss. 517.061,
 60 517.0611, 517.075, 517.131, 517.211, 517.315,
 61 626.9911, and 744.351, F.S.; conforming cross-
 62 references and making technical changes; amending s.
 63 517.1205, F.S.; revising legislative intent; providing
 64 an effective date.

65

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

67

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

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

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

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

80 ~~(3)-(2)~~ "Associated person" means:

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

85 2. The term does not include the following:

86 a. A dealer.

87 b. A partner, an officer, or a director of a dealer or a
88 person having a similar status or performing similar functions
89 as a dealer, unless such person is specified in subparagraph 1.

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

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

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

99 a. Is employed by or associated with, or is subject to the
100 supervision and control of, an investment adviser registered or

101 required to be registered under this chapter; and

102 b. Does any of the following:

103 (I) Makes any recommendation or otherwise gives investment

104 advice regarding securities.

105 (II) Manages accounts or portfolios of clients.

106 (III) Determines which recommendations or advice regarding

107 securities should be given.

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

109 for the sale of investment advisory services.

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

111 sub-subparagraph.

112 2. The term does not include the following:

113 a. An investment adviser.

114 b. An employee whose function is only clerical or

115 ministerial ~~or investment adviser, any of the following:~~

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

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

118 ~~status or performing similar functions;~~

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

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

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

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

123 ~~appointed, or authorized by a dealer, investment adviser, or~~

124 ~~issuer to sell securities in any manner or act as an investment~~

125 ~~adviser as defined in this section.~~

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

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

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

142 (5)~~(4)~~ "Branch office" means any location in this state of
 143 a dealer or investment adviser at which one or more associated
 144 persons regularly conduct the business of rendering investment
 145 advice or effecting any transactions in, or inducing or
 146 attempting to induce the purchase or sale of, any security or
 147 any location that is held out as such. The commission may adopt
 148 by rule exceptions to this definition for dealers in order to
 149 maintain consistency with the definition of a branch office used
 150 by self-regulatory organizations authorized by the Securities

151 and Exchange Commission, including, but not limited to, the
 152 Financial Industry Regulatory Authority. The commission may
 153 adopt by rule exceptions to this definition for investment
 154 advisers.

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

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

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

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

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

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

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

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

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

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

189 (d) A wholesaler selling exclusively to dealers.

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

193 (f) An issuer.

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

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

200 2. Has not participated in the distribution or sale of

201 securities for any issuer for which such person was, within the
 202 preceding 12 months, an officer, a director, a limited liability
 203 company manager or managing member, or a bona fide employee;

204 3. Primarily performs, or is intended to perform at the
 205 end of the distribution, substantial duties for, or on behalf
 206 of, the issuer other than in connection with transactions in
 207 securities; and

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

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

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

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

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

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

225 ~~6. Pursuant to s. 517.061(11), any person associated with~~

226 ~~an issuer of securities if such person is a bona fide employee~~
227 ~~of the issuer who has not participated in the distribution or~~
228 ~~sale of any securities within the preceding 12 months and who~~
229 ~~primarily performs, or is intended to perform at the end of the~~
230 ~~distribution, substantial duties for, or on behalf of, the~~
231 ~~issuer other than in connection with transactions in securities.~~

232 (9) "Federal covered adviser" means a person that ~~who~~ is
233 registered or required to be registered under s. 203 of the
234 Investment Advisers Act of 1940, as amended. The term "~~federal~~
235 ~~covered adviser~~" does not include any person that ~~who~~ is
236 excluded from the definition of investment adviser under
237 subparagraphs (14) (b)1.-8.

238 (10) "Federal covered security" means a ~~any~~ security that
239 is a covered security under s. 18(b) of the Securities Act of
240 1933, as amended, or rules and regulations adopted thereunder.

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

251 the underlying indebtedness.

252 (12) "Guaranty" means an agreement in a writing in which
 253 one party either agrees, or holds itself out to the public as
 254 agreeing, to pay the indebtedness of another when due,
 255 including, without limitation, payments of principal and
 256 interest on a bond, debenture, note, or other evidence of
 257 indebtedness, without resort by the holder to any other obligor,
 258 whether or not such writing expressly states that the person
 259 signing is signing as a guarantor. An agreement that is not
 260 specifically denominated as a guaranty shall nevertheless
 261 constitute a guaranty if the holder of the underlying
 262 indebtedness or the holder's ~~her or his~~ representative or
 263 trustee has the right to sue to enforce the guarantor's
 264 obligations under the guaranty. Words of guaranty or equivalent
 265 words that ~~which~~ otherwise do not specify guaranty of payment
 266 create a presumption that payment, rather than collection, is
 267 guaranteed by the guarantor. Any guaranty in writing is
 268 enforceable notwithstanding any statute of frauds.

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

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

287 (b) The term ~~"investment adviser"~~ does not include the
 288 following:

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

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

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

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

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

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

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

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

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

322 ~~or~~

323 9. A federal covered adviser.

324 (15) "Issuer" means a ~~any~~ person that ~~who~~ proposes to
 325 issue, has issued, or shall hereafter issue any security. A ~~Any~~

326 person that ~~who~~ acts as a promoter for and on behalf of a
327 corporation, trust, ~~or unincorporated association or~~
328 partnership, limited liability company, association, or other
329 legal entity of any kind to be formed shall be deemed an issuer.

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

334 ~~(17)-(8)~~ "Office" means the Office of Financial Regulation
335 of the commission.

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

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

344 ~~(20)-(19)~~ "Promoter" includes the following:

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

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

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

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

365 ~~(22)-(21)~~ "Sale" or "sell" means a ~~any~~ contract of sale or
 366 disposition of an ~~any~~ investment, security, or interest in a
 367 security, for value. With respect to a security or interest in a
 368 security, the term ~~defined in this subsection~~ does not include
 369 preliminary negotiations or agreements between an issuer or any
 370 person on whose behalf an offering is to be made and any
 371 underwriter or among underwriters who are or are to be in
 372 privity of contract with an issuer. Any security given or
 373 delivered with, or as a bonus on account of, any purchase of
 374 securities or any other thing shall be conclusively presumed to
 375 constitute a part of the subject of such purchase and to have

376 | been offered and sold for value. Every sale or offer of a
 377 | warrant or right to purchase or subscribe to another security of
 378 | the same or another issuer, as well as every sale or offer of a
 379 | security which gives the holder a present or future right or
 380 | privilege to convert into another security or another issuer, is
 381 | considered to include an offer of the other security.

382 | (23)~~(22)~~ "Security" includes any of the following:

- 383 | (a) A note.
- 384 | (b) A stock.
- 385 | (c) A treasury stock.
- 386 | (d) A bond.
- 387 | (e) A debenture.
- 388 | (f) An evidence of indebtedness.
- 389 | (g) A certificate of deposit.
- 390 | (h) A certificate of deposit for a security.
- 391 | (i) A certificate of interest or participation.
- 392 | (j) A whiskey warehouse receipt or other commodity
 393 | warehouse receipt.
- 394 | (k) A certificate of interest in a profit-sharing
 395 | agreement or the right to participate therein.
- 396 | (l) A certificate of interest in an oil, gas, petroleum,
 397 | mineral, or mining title or lease or the right to participate
 398 | therein.
- 399 | (m) A collateral trust certificate.
- 400 | (n) A reorganization certificate.

- 401 (o) A preorganization subscription.
- 402 (p) A ~~Any~~ transferable share.
- 403 (q) An investment contract.
- 404 (r) A beneficial interest in title to property, profits,
405 or earnings.
- 406 (s) An interest in or under a profit-sharing or
407 participation agreement or scheme.
- 408 (t) An ~~Any~~ option contract that ~~which~~ entitles the holder
409 to purchase or sell a given amount of the underlying security at
410 a fixed price within a specified period of time.
- 411 (u) Any other instrument commonly known as a security,
412 including an interim or temporary bond, debenture, note, or
413 certificate.
- 414 (v) A ~~Any~~ receipt for a security, or for subscription to a
415 security, or a ~~any~~ right to subscribe to or purchase any
416 security.
- 417 (w) A viatical settlement investment.
- 418 (24) ~~(23)~~ "Underwriter" means a person that ~~who~~ has
419 purchased from an issuer or an affiliate of an issuer with a
420 view to, or offers or sells for an issuer or an affiliate of an
421 issuer in connection with, the distribution of any security, or
422 participates or has a direct or indirect participation in any
423 such undertaking, or participates or has a participation in the
424 direct or indirect underwriting of any such undertaking; except
425 that a person is ~~shall be~~ presumed not to be an underwriter with

426 | respect to any security which it ~~she or he~~ has owned
427 | beneficially for at least 1 year; and, further, a dealer is
428 | ~~shall not be~~ considered an underwriter with respect to any
429 | securities which do not represent part of an unsold allotment to
430 | or subscription by the dealer as a participant in the
431 | distribution of such securities by the issuer or an affiliate of
432 | the issuer; and, further, in the case of securities acquired on
433 | the conversion of another security without payment of additional
434 | consideration, the length of time such securities have been
435 | beneficially owned by a person includes the period during which
436 | the convertible security was beneficially owned and the period
437 | during which the security acquired on conversion has been
438 | beneficially owned.

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

443 | Section 2. Paragraph (d) of subsection (3) of section
444 | 517.072, Florida Statutes, is amended, and subsection (4) is
445 | added to that section, to read:

446 | 517.072 Viatical settlement investments.—

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

451 517.301, 517.311, and 517.312:

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

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

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

470 517.081 Registration procedure.—

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

476 (a) The names and addresses of:

477 1. All the directors, trustees, and officers, if the

478 issuer is ~~be~~ a corporation, association, or trust.

479 2. All the managers or managing members, if the issuer is

480 a limited liability company.

481 3. ~~;~~ ~~of~~ All the partners, if the issuer is ~~be~~ a

482 partnership.

483 4. ~~;~~ ~~or~~ ~~of~~ The issuer, if the issuer is a sole

484 proprietorship or natural person ~~be~~ an individual.

485 (g)1. A specimen copy of the securities certificate, if

486 applicable, ~~security~~ and a copy of any circular, prospectus,

487 advertisement, or other description of such securities.

488 2. The commission shall adopt a form for a simplified

489 offering circular ~~to be used solely by corporations~~ to register,

490 under this section, securities ~~of the corporation~~ that are sold

491 in offerings in which the aggregate offering price in any

492 consecutive 12-month period does not exceed the amount provided

493 in s. 3(b) of the Securities Act of 1933, as amended. The

494 following issuers shall not be eligible to submit a simplified

495 offering circular adopted pursuant to this subparagraph:

496 a. An issuer seeking to register securities for resale by

497 persons other than the issuer.

498 b. An issuer that ~~who~~ is subject to any of the

499 disqualifications described in 17 C.F.R. s. 230.262, adopted

500 pursuant to the Securities Act of 1933, as amended, or that ~~who~~

501 has been or is engaged or is about to engage in an activity that
 502 would be grounds for denial, revocation, or suspension under s.
 503 517.111. For purposes of this subparagraph, an issuer includes
 504 an issuer's director, officer, general partner, manager or
 505 managing member, trustee, or equity owner ~~shareholder~~ who owns
 506 at least 10 percent of the ownership interests ~~shares~~ of the
 507 issuer, promoter, or selling agent of the securities to be
 508 offered or any officer, director, ~~or~~ partner, or manager or
 509 managing member of such selling agent.

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

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

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

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

523
 524 As a condition precedent to qualifying for use of the simplified
 525 offering circular, an issuer ~~a corporation~~ shall agree to

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

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

551 if not already on file in the office.

552 (6) An issuer filing an application under this section
553 shall, at the time of filing, pay the office a nonreturnable fee
554 of \$1,000 per application for each offering that exceeds the
555 amount provided in s. 3(b) of the Securities Act of 1933, as
556 amended, or \$200 per application for each offering that does not
557 exceed the amount provided in s. 3(b) of the Securities Act of
558 1933, as amended.

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

564 ~~(a) Disclosures to purchasers of viatical settlement~~
565 ~~investments.~~

566 ~~(b) Recordkeeping requirements for sellers of viatical~~
567 ~~settlement investments.~~

568 Section 4. Section 517.082, Florida Statutes, is amended
569 to read:

570 517.082 ~~Notification~~ Registration by notification; federal
571 registration statements.-

572 (1) ~~Except as provided in subsection (3),~~ Securities
573 offered or sold pursuant to a registration statement filed under
574 the Securities Act of 1933, as amended, are ~~shall be~~ entitled to
575 registration by notification in the manner provided in

576 subsection (2), provided that before ~~prior to~~ the offer or sale
577 the registration statement has become effective.

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

581 (a) An application to sell executed by the issuer, any
582 person on whose behalf the offering is made, a dealer registered
583 under this chapter, or any duly authorized agent of any such
584 person, setting forth the name and address of the applicant, the
585 name and address of the issuer, and the title of the securities
586 to be offered and sold. ~~;~~

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

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

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

593

594 A registration under this section becomes effective when the
595 federal registration statement becomes effective or as of the
596 date the application is filed with the office, whichever is
597 later, provided that, in addition to the items listed in
598 paragraphs (a)-(d), the office has received written notification
599 of effective registration under the Securities Act of 1933, as
600 amended, or the Investment Company Act of 1940, as amended,

601 within 10 business days after ~~from~~ the date federal registration
602 is granted. Failure to provide all the information required by
603 this subsection to the office within 60 days after ~~of~~ the date
604 the registration statement becomes effective with the Securities
605 and Exchange Commission shall be a violation of this chapter.

606 (3) Except for units of limited partnership interests or
607 such other securities as the commission describes by rule as
608 exempt from this subsection due to high investment quality, the
609 provisions of this section may not be used to register
610 securities if the offering price at the time of effectiveness
611 with the Securities and Exchange Commission is \$5 or less per
612 share, unless such securities are listed or designated, or
613 approved for listing or designation upon notice of issuance, on
614 a stock exchange registered pursuant to the Securities Exchange
615 Act of 1934, as amended, or on the National Association of
616 Securities Dealers Automated Quotation (NASDAQ) System, or
617 unless such securities are of the same issuer and of senior or
618 substantially equal rank to securities so listed or designated.

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

625 (5) If the Securities and Exchange Commission has not

626 declared effective the applicant's federal registration
 627 statement within 180 days after the applicant's filing with the
 628 office of an application for registration by notification, the
 629 office must deem the application abandoned.

630 Section 5. Section 517.111, Florida Statutes, is amended
 631 to read:

632 517.111 Revocation or denial of registration of
 633 securities.-

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

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

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

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

648 (d) The issuer or any officer, director, manager or
 649 managing member, or control person of the issuer has been found
 650 guilty of a fraudulent act in connection with any sale of

651 securities, has engaged, is engaged, or is about to engage, in
 652 making a fictitious sale or purchase of any security, or in any
 653 practice or sale of any security which is fraudulent or a
 654 violation of any law;

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

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

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

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

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

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

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

696 (3)~~(2)~~ If any issuer refuses ~~shall refuse~~ to permit an
697 examination or investigation to be made by the office, it shall
698 be proper ground for revocation of registration.

699 (4)~~(3)~~ If the office deems it necessary, it may enter an
700 order suspending the right to sell securities pending any

701 examination or investigation, provided that the order shall
702 state the office's grounds for taking such action.

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

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

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

721 517.12 Registration of dealers, associated persons,
722 intermediaries, and investment advisers.—

723 (1) No dealer or ~~or~~ associated person, ~~or issuer of~~
724 ~~securities~~ shall sell or offer for sale any securities in or
725 from offices in this state, ~~or~~ sell securities to persons in

726 | this state from offices outside this state, by mail or
727 | otherwise, unless the person is ~~has been~~ registered with the
728 | office as a dealer or as an associated person of a dealer
729 | pursuant to ~~the provisions of~~ this section. The office shall not
730 | register any person as an associated person of a dealer unless
731 | the dealer with which the applicant seeks registration is
732 | lawfully registered with the office pursuant to this chapter.

733 | ~~(2) The registration requirements of this section do not~~
734 | ~~apply to the issuers of securities exempted by s. 517.051(1)-(8)~~
735 | ~~and (10).~~

736 | ~~(2)(3) Except as otherwise provided in s.~~
737 | ~~517.061(11)(a)4., (13), (16), (17), or (19),~~ The registration
738 | requirements of this section do not apply in a transaction
739 | exempted by s. 517.061(1)-(10) and (12), ~~s. 517.061(1)-(12),~~
740 | (14), and (15).

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

751 office may require concerning such matters as:

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

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

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

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

759 (6)~~(7)~~ The application must also contain such information
760 as the commission or office may require about the applicant; any
761 member, principal, or director of the applicant or any person
762 having a similar status or performing similar functions; any
763 person directly or indirectly controlling the applicant; or any
764 employee of a dealer or of an investment adviser rendering
765 investment advisory services. Each applicant and any direct
766 owners, principals, or indirect owners that are required to be
767 reported on Form BD or Form ADV pursuant to subsection (14) ~~(15)~~
768 shall submit fingerprints for live-scan processing in accordance
769 with rules adopted by the commission. The fingerprints may be
770 submitted through a third-party vendor authorized by the
771 Department of Law Enforcement to provide live-scan
772 fingerprinting. The costs of fingerprint processing shall be
773 borne by the person subject to the background check. The
774 Department of Law Enforcement shall conduct a state criminal
775 history background check, and a federal criminal history

776 background check must be conducted through the Federal Bureau of
777 Investigation. The office shall review the results of the state
778 and federal criminal history background checks and determine
779 whether the applicant meets licensure requirements. The
780 commission may waive, by rule, the requirement that applicants,
781 including any direct owners, principals, or indirect owners that
782 are required to be reported on Form BD or Form ADV pursuant to
783 subsection (14) ~~(15)~~, submit fingerprints or the requirement
784 that such fingerprints be processed by the Department of Law
785 Enforcement or the Federal Bureau of Investigation. The
786 commission or office may require information about any such
787 applicant or person concerning such matters as:

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

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

801 administrative orders relate to such person.

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

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

809 (10) (a) ~~(11) (a)~~ If the office finds that the applicant ~~is~~
810 ~~of good repute and character and~~ has complied with the
811 applicable registration provisions of this chapter and the rules
812 made pursuant hereto, it shall register the applicant unless the
813 applicant is otherwise disqualified for registration pursuant to
814 law. The registration of each dealer, investment adviser, and
815 associated person expires on December 31 of the year the
816 registration became effective unless the registrant has renewed
817 its ~~his or her~~ registration on or before that date. Registration
818 may be renewed by furnishing such information as the commission
819 may require, together with payment of the fee required in
820 paragraph (9) (a) ~~(10) (a)~~ for dealers, investment advisers, or
821 associated persons and the payment of any amount lawfully due
822 and owing to the office pursuant to any order of the office or
823 pursuant to any agreement with the office. Any dealer,
824 investment adviser, or associated person who has not renewed a
825 registration by the time the current registration expires may

826 request reinstatement of such registration by filing with the
827 office, on or before January 31 of the year following the year
828 of expiration, such information as may be required by the
829 commission, together with payment of the fee required in
830 paragraph (9)(a) ~~(10)(a)~~ for dealers, investment advisers, or
831 associated persons and a late fee equal to the amount of such
832 fee. Any reinstatement of registration granted by the office
833 during the month of January shall be deemed effective
834 retroactive to January 1 of that year.

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

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

840 2. Is or was a member of the United States Armed Forces
841 and served on active duty within the 2 years preceding the
842 expiration date of the registration pursuant to paragraph (a).
843 To qualify for the fee waiver, a registrant who is a former
844 member of the United States Armed Forces who served on active
845 duty within the 2 years preceding the expiration date of the
846 registration must have received an honorable discharge upon
847 separation or discharge from the United States Armed Forces; or

848 3. Is the surviving spouse of a member of the United
849 States Armed Forces if the member was serving on active duty at
850 the time of death and died within the 2 years preceding the

851 surviving spouse's registration expiration date pursuant to
852 paragraph (a).

853

854 A registrant seeking such fee waiver must submit proof, in a
855 form prescribed by commission rule, that the registrant meets
856 one of the qualifications in this paragraph.

857 (14) ~~(15)~~

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

868 (19) ~~(20)~~ An intermediary may not engage in business in
869 this state unless the intermediary is registered as a dealer or
870 as an intermediary with the office pursuant to this section to
871 facilitate the offer or sale of securities in accordance with s.
872 517.0611. An intermediary, in order to obtain registration, must
873 file with the office a written application on a form prescribed
874 by commission rule and pay a registration fee of \$200. The fees
875 under this subsection shall be deposited into the Regulatory

876 Trust Fund of the office. The commission may establish by rule
877 procedures for depositing fees and filing documents by
878 electronic means if such procedures provide the office with the
879 information and data required by this section. Each intermediary
880 must also file an irrevocable written consent to service of
881 civil process, as provided in s. 517.101.

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

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

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

888 a. A corporation, a copy of its articles of incorporation
889 and amendments to the articles of incorporation;

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

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

894 3. The website address where securities of the issuer will
895 be offered.

896 4. Contact information.

897 (b) The application must also contain such information as
898 the commission may require by rule about the applicant; any
899 member, principal, or director of the applicant or any person
900 having a similar status or performing similar functions; or any

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

924 1. The applicant's or person's ~~His or her~~ full name and
925 any other names by which the applicant or person ~~he or she~~ may

926 | have been known and the applicant's or person's ~~his or her~~ age,
 927 | social security number, photograph, qualifications, and
 928 | educational and business history.

929 | 2. Any injunction or administrative order by a state or
 930 | federal agency, national securities exchange, or national
 931 | securities association involving a security or any aspect of an
 932 | intermediary's regulated ~~the securities~~ business and any
 933 | injunction or administrative order by a state or federal agency
 934 | regulating banking, insurance, finance, ~~or small loan companies,~~
 935 | real estate, mortgage brokers, or other related or similar
 936 | industries, which relate to such person.

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

941 | (c) The application must be amended within 30 days if any
 942 | information contained in the form becomes inaccurate for any
 943 | reason.

944 | (d) An intermediary or persons affiliated with the
 945 | intermediary are not subject to any disqualification described
 946 | in s. 517.1611 or ~~United States~~ Securities and Exchange
 947 | Commission Rule 506(d), 17 C.F.R. 230.506(d), adopted pursuant
 948 | to the Securities Act of 1933, as amended. Each director,
 949 | officer, manager or managing member, control person of the
 950 | issuer, any person occupying a similar status or performing a

951 similar function, and each person holding more than 20 percent
952 of the ownership interests ~~shares~~ of the intermediary is subject
953 to this requirement.

954 (e) If the office finds that the applicant ~~is of good~~
955 ~~repute and character and~~ has complied with the applicable
956 registration provisions of this chapter and the rules adopted
957 thereunder, it shall register the applicant. The registration of
958 each intermediary expires on December 31 of the year the
959 registration became effective unless the registrant renews his
960 or her registration on or before that date. Registration may be
961 renewed by furnishing such information as the commission may
962 require by rule, together with payment of a \$200 fee and the
963 payment of any amount due to the office pursuant to any order of
964 the office or pursuant to any agreement with the office. An
965 intermediary who has not renewed a registration by the time that
966 the current registration expires may request reinstatement of
967 such registration by filing with the office, on or before
968 January 31 of the year following the year of expiration, such
969 information as required by the commission, together with payment
970 of the \$200 fee and a late fee of \$200. Any reinstatement of
971 registration granted by the office during the month of January
972 is deemed effective retroactive to January 1 of that year.

973 (20) ~~(21)~~ The registration requirements of this section do
974 not apply to any general lines insurance agent or life insurance
975 agent licensed under chapter 626, for the sale of a security as

976 defined in s. 517.021(23) (g) ~~s. 517.021(22) (g)~~, if the
977 individual is directly authorized by the issuer to offer or sell
978 the security on behalf of the issuer and the issuer is a
979 federally chartered savings bank subject to regulation by the
980 Federal Deposit Insurance Corporation. Actions under this
981 subsection shall constitute activity under the insurance agent's
982 license for purposes of ss. 626.611 and 626.621.

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

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

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

990 3. "Private fund adviser" means an investment adviser who
991 provides advice to solely one or more qualifying private funds.

992 4. "Qualifying private fund" means:

993 a. A private fund that meets the definition of the term
994 "qualifying private fund" in the Securities and Exchange
995 Commission Rule 203(m)-1, 17 C.F.R. s. 275.203(m)-1;

996 b. A private fund that meets the definition of the term
997 "venture capital fund" in the Securities and Exchange Commission
998 Rule 203(l)-1, 17 C.F.R. s. 275.203(l)-1; or

999 c. A "venture capital operating company" as defined in 29
1000 C.F.R. s. 2510.3-101(d) adopted by the United States Department

1001 of Labor under the Employee Retirement Income Security Act of
1002 1974.

1003 5. "3(c)(1) fund" means a qualifying private fund that is
1004 eligible for the exclusion from the definition of the term
1005 "investment company" under s. 3(c)(1) of the Investment Company
1006 Act of 1940, 15 U.S.C. s. 80a-3(c)(1), as amended.

1007 (b) Subject to the additional requirements of paragraph
1008 (c), a private fund adviser is exempt from the registration
1009 requirements of this section if the private fund adviser
1010 satisfies the following conditions:

1011 1. Neither the private fund adviser nor any of its
1012 advisory affiliates are subject to an event that would
1013 disqualify an issuer under Securities and Exchange Commission
1014 Rule 506(d)(1) of Regulation D, 17 C.F.R. s. 230.506(d)(1); and

1015 2. The private fund adviser files with the office each
1016 report and amendment thereto that an exempt reporting adviser is
1017 required to file with the Securities and Exchange Commission
1018 pursuant to the Securities and Exchange Commission Rule 204-4,
1019 17 C.F.R. s. 275.204-4.

1020 (c) In order to qualify for the exemption from the
1021 registration requirements of this section, a private fund
1022 adviser who advises at least one (3)(c)(1) fund that is not a
1023 venture capital fund shall, in addition to satisfying the
1024 conditions specified in subparagraphs (b)1. and 2., comply with
1025 the following requirements:

1026 1. The private fund adviser shall advise only those
1027 3(c)(1) funds, other than venture capital funds, whose
1028 outstanding securities, other than short-term paper, are
1029 beneficially owned entirely by accredited investors; and

1030 2. At the time of purchase, the private fund adviser shall
1031 disclose the following in writing to each beneficial owner of a
1032 3(c)(1) fund that is not a venture capital fund:

1033 a. All services, if any, to be provided to individual
1034 beneficial owners;

1035 b. All duties, if any, the investment adviser owes to the
1036 beneficial owners; and

1037 c. Any other material information affecting the rights or
1038 responsibilities of the beneficial owners.

1039 (d) If a private fund adviser is registered with the
1040 Securities and Exchange Commission, the adviser is not eligible
1041 for the exemption from the registration requirements of this
1042 section and shall comply with the notice filing requirements
1043 applicable to federal covered advisers in s. 517.1201.

1044 (e) A person is exempt from the registration requirements
1045 of this section if the person is employed by or associated with
1046 an investment adviser that is exempt from registration and does
1047 not otherwise act as an associated person of an investment
1048 adviser or federal covered adviser.

1049 (f) The report filings and the amendments thereto
1050 described in subparagraph (b)2. shall be made electronically

1051 through the Investment Adviser Registration Depository of the
1052 Financial Industry Regulatory Authority. A report is deemed
1053 filed with the office when the report has been filed and
1054 accepted by the depository on the office's behalf.

1055 Section 7. Section 517.1214, Florida Statutes, is created
1056 to read:

1057 517.1214 Continuing education requirements for associated
1058 persons of investment advisers and federal covered advisers.—

1059 (1) As used in this section, the term:

1060 (a) "Approved continuing education content" means the
1061 materials, written, oral, or otherwise, which have been approved
1062 by NASAA or its designee and which make up the educational
1063 program provided to an associated person under this section.

1064 (b) "Credit" means a unit designated by NASAA or its
1065 designee as at least 50 minutes of educational instruction.

1066 (c) "Home state" means the state in which an associated
1067 person of an investment adviser or a federal covered adviser has
1068 his or her principal office and place of business.

1069 (d) "NASAA" means the North American Securities
1070 Administrators Association, Inc.

1071 (e) "Reporting period" means one 12-month period beginning
1072 January 1 and ending December 31. An associated person's initial
1073 reporting period with this state commences the first day of the
1074 first full reporting period after the individual is registered
1075 or required to be registered with this state.

1076 (2) By December 31, 2024, and each December 31 thereafter,
1077 each associated person of an investment adviser or a federal
1078 covered adviser shall complete the following continuing
1079 education content requirements offered by a person that NASAA or
1080 its designee has authorized to provide the continuing education
1081 content required by this section:

1082 (a) Six credits of approved continuing education content
1083 that addresses an associated person's ethical and regulatory
1084 obligations, with at least 3 hours covering the topic of ethics;
1085 and

1086 (b) Six credits of approved continuing education content
1087 that addresses an associated person's skills and knowledge
1088 regarding financial products, investment features, and practices
1089 in the investment advisory industry.

1090 (3) An associated person of an investment adviser or
1091 federal covered adviser who is also registered as an associated
1092 person of a Financial Industry Regulatory Authority (FINRA)
1093 member dealer and who complies with FINRA's continuing education
1094 requirements is considered to be in compliance with this
1095 section's products and practice requirement for each applicable
1096 reporting period, provided that the FINRA continuing education
1097 content is approved continuing education content.

1098 (4) Credits of continuing education completed by an
1099 associated person who was awarded and currently holds a
1100 credential that qualifies for examination waiver by passing any

1101 tests as prescribed in s. 15(b)(7) of the Securities Exchange
1102 Act of 1934, as amended, comply with paragraphs (2)(a) and (b),
1103 provided all of the following conditions are met:

1104 (a) The associated person completes the credits of
1105 continuing education as a condition of maintaining the
1106 credential for the relevant reporting period.

1107 (b) The credits of continuing education completed during
1108 the relevant reporting period by the associated person are
1109 mandatory to maintain the credential.

1110 (c) The continuing education content provided by the
1111 credentialing organization during the relevant reporting period
1112 is approved continuing education content.

1113 (5) Each associated person is responsible for ensuring
1114 that the authorized provider reports the associated person's
1115 completion of the applicable continuing education requirements.

1116 (6) An associated person who completes credits of
1117 continuing education in excess of the credits required for the
1118 reporting period may not carry forward excess credits to a
1119 subsequent reporting period.

1120 (7) An associated person who fails to comply with this
1121 section by the end of a reporting period shall renew as "CE
1122 inactive" at the close of the calendar year in this state until
1123 the associated person completes and reports all required
1124 continuing education credits for all reporting periods as
1125 required by this section. An associated person who is "CE

1126 inactive" at the close of the next calendar year is not eligible
1127 for associated person registration or renewal of associated
1128 person registration.

1129 (8) An associated person registered or required to be
1130 registered in this state who is registered as an associated
1131 person of an investment adviser or federal covered adviser in
1132 the individual's home state is considered to be in compliance
1133 with this section if:

1134 (a) The associated person's home state has a continuing
1135 education requirement of at least 12 hours annually; and

1136 (b) The associated person is in compliance with the home
1137 state's associated person of an investment adviser or federal
1138 covered adviser continuing education requirements.

1139 (9) An associated person who was previously registered
1140 under s. 517.12 and became unregistered must complete continuing
1141 education for all reporting periods that occurred between the
1142 time that the associated person became unregistered and when the
1143 person became registered again under s. 517.12, unless the
1144 associated person takes and passes the required examinations or
1145 the examination requirements are waived in connection with the
1146 subsequent application for registration.

1147 Section 8. Section 517.1217, Florida Statutes, is amended
1148 to read:

1149 517.1217 Rules of conduct and prohibited business
1150 practices for dealers and their associated persons and for

1151 intermediaries.—The commission by rule may establish rules of
1152 conduct and prohibited business practices for dealers and their
1153 associated persons and for intermediaries. In adopting the
1154 rules, the commission shall consider general industry standards
1155 as expressed in the rules and regulations of the various federal
1156 and self-regulatory agencies and regulatory associations,
1157 including, but not limited to, the ~~United States~~ Securities and
1158 Exchange Commission, the Financial Industry Regulatory
1159 Authority, and the North American Securities Administrators
1160 Association, Inc.

1161 Section 9. Subsections (1), (4), and (5) of section
1162 517.161, Florida Statutes, are amended to read:

1163 517.161 Revocation, denial, or suspension of registration
1164 of dealer, investment adviser, intermediary, or associated
1165 person.—

1166 (1) Registration under s. 517.12 may be denied or any
1167 registration granted may be revoked, restricted, or suspended by
1168 the office if the office determines that such applicant or
1169 registrant; any member, principal, or director of the applicant
1170 or registrant or any person having a similar status or
1171 performing similar functions; or any person directly or
1172 indirectly controlling the applicant or registrant:

1173 (a) Has violated any provision of this chapter or any rule
1174 or order made under this chapter;

1175 (b) Has made a material false statement in the application

1176 for registration;

1177 (c) Has been guilty of a fraudulent act in connection with
1178 rendering investment advice or in connection with any sale of
1179 securities, has been or is engaged or is about to engage in
1180 making fictitious or pretended sales or purchases of any such
1181 securities or in any practice involving the rendering of
1182 investment advice or the sale of securities which is fraudulent
1183 or in violation of the law;

1184 (d) Has made a misrepresentation or false statement to, or
1185 concealed any essential or material fact from, any person in the
1186 rendering of investment advice or the sale of a security to such
1187 person;

1188 (e) Has failed to account to persons interested for all
1189 money and property received;

1190 (f) Has not delivered, after a reasonable time, to persons
1191 entitled thereto securities held or agreed to be delivered by
1192 the dealer, ~~broker,~~ or investment adviser, as and when paid for,
1193 and due to be delivered;

1194 (g) Is rendering investment advice or selling or offering
1195 for sale securities through any associated person not registered
1196 in compliance with ~~the provisions of~~ this chapter;

1197 ~~(h) Has demonstrated unworthiness to transact the business~~
1198 ~~of dealer, investment adviser, intermediary, or associated~~
1199 ~~person;~~

1200 ~~(i)~~ Has exercised management or policy control over or

1201 owned 10 percent or more of the securities of any dealer,
 1202 intermediary, or investment adviser that has been declared
 1203 bankrupt, or had a trustee appointed under the Securities
 1204 Investor Protection Act; or is, in the case of a dealer,
 1205 intermediary, or investment adviser, unable to pay its debts as
 1206 they become due in the usual course of business insolvent;

1207 (i)-(j) Has been convicted of, or has entered a plea of
 1208 guilty or nolo contendere to, regardless of whether adjudication
 1209 was withheld, a crime against the laws of this state or any
 1210 other state or of the United States or of any other country or
 1211 government which relates to registration as a dealer, investment
 1212 adviser, issuer of securities, intermediary, or associated
 1213 person; which relates to the application for such registration;
 1214 or which involves moral turpitude or fraudulent or dishonest
 1215 dealing;

1216 (j)-(k) Has had a final judgment entered against her or him
 1217 in a civil action upon grounds of fraud, embezzlement,
 1218 misrepresentation, or deceit;

1219 ~~(l) Is of bad business repute;~~

1220 (k)-(m) Has been the subject of any decision, finding,
 1221 injunction, suspension, prohibition, revocation, denial,
 1222 judgment, or administrative order by any court of competent
 1223 jurisdiction, administrative law judge, or by any state or
 1224 federal agency, national securities, commodities, or option
 1225 exchange, or national securities, commodities, or option

1226 association, involving a violation of any federal or state
 1227 securities or commodities law or any rule or regulation
 1228 promulgated thereunder, or any rule or regulation of any
 1229 national securities, commodities, or options exchange or
 1230 national securities, commodities, or options association, or has
 1231 been the subject of any injunction or adverse administrative
 1232 order by a state or federal agency regulating banking,
 1233 insurance, finance ~~or small loan companies~~, real estate,
 1234 mortgage brokers or lenders, money transmitters, or other
 1235 related or similar industries. For purposes of this subsection,
 1236 the office may not deny registration to any applicant who has
 1237 been continuously registered with the office for 5 years after
 1238 the date of entry of such decision, finding, injunction,
 1239 suspension, prohibition, revocation, denial, judgment, or
 1240 administrative order provided such decision, finding,
 1241 injunction, suspension, prohibition, revocation, denial,
 1242 judgment, or administrative order has been timely reported to
 1243 the office pursuant to the commission's rules; ~~or~~

1244 (l) ~~(n)~~ Made payment to the office for a registration with
 1245 a check or electronic transmission of funds that is dishonored
 1246 by the applicant's or registrant's financial institution;

1247 (m) Failed to pay and fully satisfy any final judgment or
 1248 arbitration award resulting from an investment-related, client-
 1249 or customer-initiated arbitration or court proceeding, unless
 1250 alternative payment arrangements are agreed to in writing

1251 between the client or customer and the investment adviser,
1252 dealer, or associated person and the investment adviser, dealer,
1253 or associated person complies with the terms of the alternative
1254 payment arrangement;

1255 (n) Attempted to avoid payment of any final judgment or
1256 arbitration award resulting from an investment-related, client-
1257 or customer-initiated arbitration or court proceeding, unless
1258 alternative payment arrangements are agreed to in writing
1259 between the client or customer and the investment adviser,
1260 dealer, or associated person and the investment adviser, dealer,
1261 or associated person complies with the terms of the alternative
1262 payment arrangements; or

1263 (o) Failed to pay and fully satisfy any fine, civil
1264 penalty, order of restitution, order of disgorgement, or similar
1265 monetary payment obligation imposed upon the investment adviser,
1266 dealer, or associated person by the Securities and Exchange
1267 Commission, the securities regulator or other financial services
1268 regulator of any state or province, or any securities industry
1269 self-regulatory organization.

1270 (4) It shall be sufficient cause for denial of an
1271 application or revocation of registration, in the case of a
1272 partnership, corporation, limited liability company, or
1273 unincorporated association, if any member of the partnership,
1274 any manager or managing member of the limited liability company,
1275 or any officer, director, or ultimate equitable owner of the

1276 corporation or association has committed any act or omission
1277 which would be cause for denying, revoking, restricting, or
1278 suspending the registration of an individual dealer, investment
1279 adviser, intermediary, or associated person. As used in this
1280 subsection, the term "ultimate equitable owner" means a natural
1281 person who directly or indirectly owns or controls an ownership
1282 interest in the corporation, partnership, association, or other
1283 legal entity however organized, regardless of whether such
1284 natural person owns or controls such ownership interest through
1285 one or more proxies, powers of attorney, nominees, corporations,
1286 associations, partnerships, trusts, joint stock companies, or
1287 other entities or devices, or any combination thereof.

1288 (5) The office may deny any request to terminate or
1289 withdraw any application or registration if the office believes
1290 that an act that ~~which~~ would be a ground for denial, suspension,
1291 restriction, or revocation under this chapter has been
1292 committed.

1293 Section 10. Section 517.181, Florida Statutes, is
1294 repealed.

1295 Section 11. Paragraph (a) of subsection (4) of section
1296 517.201, Florida Statutes, is amended to read:

1297 517.201 Investigations; examinations; subpoenas; hearings;
1298 witnesses.—

1299 (4) (a) In the event of substantial noncompliance with a
1300 subpoena or subpoena duces tecum issued or caused to be issued

1301 by the office pursuant to this section, the office may petition
1302 the circuit court of the county in which the person subpoenaed
1303 resides or has its principal place of business for an order
1304 requiring the subpoenaed person to appear and testify and to
1305 produce such books, records, and documents as are specified in
1306 such subpoena duces tecum. The court may grant injunctive relief
1307 restraining the issuance, sale or offer for sale, purchase or
1308 offer to purchase, promotion, negotiation, advertisement, or
1309 distribution ~~in or from offices in this state~~ of securities or
1310 investments in or from this state by the noncompliant a person
1311 or its agent, employee, broker, partner, officer, director,
1312 manager, managing member, equity holder, or any person directly
1313 or indirectly controlling the noncompliant person ~~stockholder~~
1314 ~~thereof~~, and may grant such other relief, including, but not
1315 limited to, the restraint, by injunction or appointment of a
1316 receiver, of any transfer, pledge, assignment, or other
1317 disposition of such person's assets or any concealment,
1318 alteration, destruction, or other disposition of subpoenaed
1319 books, records, or documents, as the court deems appropriate,
1320 until such person has fully complied with such subpoena or
1321 subpoena duces tecum and the office has completed its
1322 investigation or examination. The office is entitled to the
1323 summary procedure provided in s. 51.011, and the court shall
1324 advance the cause on its calendar. Costs incurred by the office
1325 to obtain an order granting, in whole or in part, such petition

1326 for enforcement of a subpoena or subpoena duces tecum shall be
 1327 taxed against the subpoenaed person, and failure to comply with
 1328 such order shall be a contempt of court.

1329 Section 12. Paragraph (d) of subsection (3) of section
 1330 921.0022, Florida Statutes, is amended to read:

1331 921.0022 Criminal Punishment Code; offense severity
 1332 ranking chart.—

1333 (3) OFFENSE SEVERITY RANKING CHART

1334 (d) LEVEL 4

1335

Florida	Felony	
Statute	Degree	Description

1336

316.1935(3)(a)	2nd	Driving at high speed or with wanton disregard for safety while fleeing or attempting to elude law enforcement officer who is in a patrol vehicle with siren and lights activated.
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1337

499.0051(1)	3rd	Failure to maintain or deliver transaction history, transaction information, or transaction statements.
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1339	499.0051(5)	2nd	Knowing sale or delivery, or possession with intent to sell, contraband prescription drugs.
1340	517.07(1)	3rd	Failure to register securities.
1341	517.12(1)	3rd	Failure of dealer <u>or</u> associated person <u>of a dealer</u> or issuer of securities to register.
1342	784.07(2) (b)	3rd	Battery of law enforcement officer, firefighter, etc.
1343	784.074(1) (c)	3rd	Battery of sexually violent predators facility staff.
1344	784.075	3rd	Battery on detention or commitment facility staff.
1345	784.078	3rd	Battery of facility employee by throwing, tossing, or expelling certain fluids or materials.
	784.08(2) (c)	3rd	Battery on a person 65 years of

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			age or older.
1346	784.081 (3)	3rd	Battery on specified official or employee.
1347	784.082 (3)	3rd	Battery by detained person on visitor or other detainee.
1348	784.083 (3)	3rd	Battery on code inspector.
1349	784.085	3rd	Battery of child by throwing, tossing, projecting, or expelling certain fluids or materials.
1350	787.03 (1)	3rd	Interference with custody; wrongly takes minor from appointed guardian.
1351	787.04 (2)	3rd	Take, entice, or remove child beyond state limits with criminal intent pending custody proceedings.
1352	787.04 (3)	3rd	Carrying child beyond state

			lines with criminal intent to avoid producing child at custody hearing or delivering to designated person.
1353	787.07	3rd	Human smuggling.
1354	790.115 (1)	3rd	Exhibiting firearm or weapon within 1,000 feet of a school.
1355	790.115 (2) (b)	3rd	Possessing electric weapon or device, destructive device, or other weapon on school property.
1356	790.115 (2) (c)	3rd	Possessing firearm on school property.
1357	794.051 (1)	3rd	Indecent, lewd, or lascivious touching of certain minors.
1358	800.04 (7) (c)	3rd	Lewd or lascivious exhibition; offender less than 18 years.
1359	806.135	2nd	Destroying or demolishing a

			memorial or historic property.
1360	810.02(4)(a)	3rd	Burglary, or attempted burglary, of an unoccupied structure; unarmed; no assault or battery.
1361	810.02(4)(b)	3rd	Burglary, or attempted burglary, of an unoccupied conveyance; unarmed; no assault or battery.
1362	810.06	3rd	Burglary; possession of tools.
1363	810.08(2)(c)	3rd	Trespass on property, armed with firearm or dangerous weapon.
1364	812.014(2)(c)3.	3rd	Grand theft, 3rd degree \$10,000 or more but less than \$20,000.
1365	812.014 (2)(c)4.-10.	3rd	Grand theft, 3rd degree; specified items.
1366	812.0195(2)	3rd	Dealing in stolen property by

			use of the Internet; property stolen \$300 or more.
1367	817.505 (4) (a)	3rd	Patient brokering.
1368	817.563 (1)	3rd	Sell or deliver substance other than controlled substance agreed upon, excluding s. 893.03(5) drugs.
1369	817.568 (2) (a)	3rd	Fraudulent use of personal identification information.
1370	817.625 (2) (a)	3rd	Fraudulent use of scanning device, skimming device, or reencoder.
1371	817.625 (2) (c)	3rd	Possess, sell, or deliver skimming device.
1372	828.125 (1)	2nd	Kill, maim, or cause great bodily harm or permanent breeding disability to any registered horse or cattle.
1373			

1374	836.14(2)	3rd	Person who commits theft of a sexually explicit image with intent to promote it.
1375	836.14(3)	3rd	Person who willfully possesses a sexually explicit image with certain knowledge, intent, and purpose.
1376	837.02(1)	3rd	Perjury in official proceedings.
1377	837.021(1)	3rd	Make contradictory statements in official proceedings.
1378	838.022	3rd	Official misconduct.
1379	839.13(2)(a)	3rd	Falsifying records of an individual in the care and custody of a state agency.
1380	839.13(2)(c)	3rd	Falsifying records of the Department of Children and Families.

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1381	843.021	3rd	Possession of a concealed handcuff key by a person in custody.
1382	843.025	3rd	Deprive law enforcement, correctional, or correctional probation officer of means of protection or communication.
1383	843.15(1) (a)	3rd	Failure to appear while on bail for felony (bond estreature or bond jumping).
1384	847.0135(5) (c)	3rd	Lewd or lascivious exhibition using computer; offender less than 18 years.
1385	870.01(3)	2nd	Aggravated rioting.
1386	870.01(5)	2nd	Aggravated inciting a riot.
1387	874.05(1) (a)	3rd	Encouraging or recruiting another to join a criminal gang.

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1388	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).
1389	914.14(2)	3rd	Witnesses accepting bribes.
1390	914.22(1)	3rd	Force, threaten, etc., witness, victim, or informant.
1391	914.23(2)	3rd	Retaliation against a witness, victim, or informant, no bodily injury.
1392	916.1085 (2)(c)1.	3rd	Introduction of specified contraband into certain DCF facilities.
1393	918.12	3rd	Tampering with jurors.
1394	934.215	3rd	Use of two-way communications device to facilitate commission of a crime.
	944.47(1)(a)6.	3rd	Introduction of contraband

1395 (cellular telephone or other
portable communication device)
into correctional institution.

1396 951.22(1) (h), 3rd Intoxicating drug,
1397 (j) & (k) instrumentality or other device
1398 to aid escape, or cellular
1399 telephone or other portable
1400 communication device introduced
1401 into county detention facility.

1400 Section 13. Section 517.1215, Florida Statutes, is amended
1401 to read:

1402 517.1215 Requirements, rules of conduct, and prohibited
1403 business practices for investment advisers ~~advisors~~ and their
1404 associated persons.—

1405 (1) The commission shall specify by rule requirements for
1406 investment advisers ~~advisors~~ deemed to have custody of client
1407 funds which concern the following:

1408 (a) Notification of custody of, maintenance of, and
1409 safeguards for client funds.

1410 (b) Communications with clients and independent

1411 representatives.

1412 (c) Requirements for investment advisers who have custody
1413 of pooled investments.

1414 (d) Exceptions to the custody requirements.

1415

1416 In adopting the rules, the commission shall consider the rules
1417 and regulations of the federal regulatory authority and the
1418 North American Securities Administrators Association, Inc.

1419 (2) The commission shall by rule establish rules of
1420 conduct and prohibited business practices for investment
1421 advisers and their associated persons. In adopting the rules,
1422 the commission shall consider general industry standards as
1423 expressed in the rules and regulations of the various federal
1424 and self-regulatory agencies and regulatory associations,
1425 including, but not limited to, the ~~United States~~ Securities and
1426 Exchange Commission, the Financial Industry Regulatory
1427 Authority, and the North American Securities Administrators
1428 Association, Inc.

1429 Section 14. Subsections (18) and (22) of section 517.061,
1430 Florida Statutes, are amended to read:

1431 517.061 Exempt transactions.—Except as otherwise provided
1432 in s. 517.0611 for a transaction listed in subsection (21), the
1433 exemption for each transaction listed below is self-executing
1434 and does not require any filing with the office before claiming
1435 the exemption. Any person who claims entitlement to any of the

1436 exemptions bears the burden of proving such entitlement in any
1437 proceeding brought under this chapter. The registration
1438 provisions of s. 517.07 do not apply to any of the following
1439 transactions; however, such transactions are subject to the
1440 provisions of ss. 517.301, 517.311, and 517.312:

1441 (18) The offer or sale of any security effected by or
1442 through a person in compliance with s. 517.12(16) ~~s. 517.12(17)~~.

1443 (22) The offer or sale of securities, solely in connection
1444 with the transfer of ownership of an eligible privately held
1445 company, through a merger and acquisition broker in accordance
1446 with s. 517.12(21) ~~s. 517.12(22)~~.

1447 Section 15. Paragraph (b) of subsection (4) and subsection
1448 (14) of section 517.0611, Florida Statutes, are amended to read:
1449 517.0611 Intrastate crowdfunding.—

1450 (4) An issuer must:

1451 (b) Conduct transactions for the offering through a dealer
1452 registered with the office or an intermediary registered under
1453 s. 517.12(19) ~~s. 517.12(20)~~.

1454 (14) An intermediary not registered as a dealer under s.
1455 517.12(5) ~~s. 517.12(6)~~ may not:

1456 (a) Offer investment advice or recommendations. A refusal
1457 by an intermediary to post an offering that it deems not
1458 credible or that represents a potential for fraud may not be
1459 construed as an offer of investment advice or recommendation.

1460 (b) Solicit purchases, sales, or offers to buy securities

1461 offered or displayed on its website.

1462 (c) Compensate employees, agents, or other persons for the
 1463 solicitation of, or based on the sale of, securities offered or
 1464 displayed on its website.

1465 (d) Hold, manage, possess, or otherwise handle investor
 1466 funds or securities.

1467 (e) Compensate promoters, finders, or lead generators for
 1468 providing the intermediary with the personal identifying
 1469 information of any potential investor.

1470 (f) Engage in any other activities set forth by commission
 1471 rule.

1472 Section 16. Subsection (1) of section 517.075, Florida
 1473 Statutes, is amended to read:

1474 517.075 Cuba, prospectus disclosure of doing business
 1475 with, required.—

1476 (1) Any issuer of securities that will be sold in this
 1477 state pursuant to a prospectus must disclose in the prospectus
 1478 if the issuer or any affiliate thereof, ~~as defined in s.~~
 1479 ~~517.021(1)~~, does business with the government of Cuba or with
 1480 any person or affiliate located in Cuba. The prospectus
 1481 disclosure required by this subsection does not apply with
 1482 respect to prospectuses prepared before April 10, 1992.

1483 Section 17. Paragraph (a) of subsection (1) of section
 1484 517.131, Florida Statutes, is amended to read:

1485 517.131 Securities Guaranty Fund.—

1486 (1) (a) The Chief Financial Officer shall establish a
1487 Securities Guaranty Fund. An amount not exceeding 20 percent of
1488 all revenues received as assessment fees pursuant to s.
1489 517.12(9) and (10) ~~s. 517.12(10) and (11)~~ for dealers and
1490 investment advisers or s. 517.1201 for federal covered advisers
1491 and an amount not exceeding 10 percent of all revenues received
1492 as assessment fees pursuant to s. 517.12(9) and (10) ~~s.~~
1493 ~~517.12(10) and (11)~~ for associated persons shall be part of the
1494 regular license fee and shall be transferred to or deposited in
1495 the Securities Guaranty Fund.

1496 Section 18. Subsection (1) of section 517.211, Florida
1497 Statutes, is amended to read:

1498 517.211 Remedies available in cases of unlawful sale.—
1499 (1) Every sale made in violation of either s. 517.07 or s.
1500 517.12(1), (3), (4), (8), (10), (12), (15), or (17) ~~(4), (5),~~
1501 ~~(9), (11), (13), (16), or (18)~~ may be rescinded at the election
1502 of the purchaser, except a sale made in violation of the
1503 provisions of s. 517.1202(3) relating to a renewal of a branch
1504 office notification shall not be subject to this section, and a
1505 sale made in violation of the provisions of s. 517.12(12) ~~s.~~
1506 ~~517.12(13)~~ relating to filing a change of address amendment
1507 shall not be subject to this section. Each person making the
1508 sale and every director, officer, partner, or agent of or for
1509 the seller, if the director, officer, partner, or agent has
1510 personally participated or aided in making the sale, is jointly

1511 and severally liable to the purchaser in an action for
 1512 rescission, if the purchaser still owns the security, or for
 1513 damages, if the purchaser has sold the security. No purchaser
 1514 otherwise entitled will have the benefit of this subsection who
 1515 has refused or failed, within 30 days of receipt, to accept an
 1516 offer made in writing by the seller, if the purchaser has not
 1517 sold the security, to take back the security in question and to
 1518 refund the full amount paid by the purchaser or, if the
 1519 purchaser has sold the security, to pay the purchaser an amount
 1520 equal to the difference between the amount paid for the security
 1521 and the amount received by the purchaser on the sale of the
 1522 security, together, in either case, with interest on the full
 1523 amount paid for the security by the purchaser at the legal rate,
 1524 pursuant to s. 55.03, for the period from the date of payment by
 1525 the purchaser to the date of repayment, less the amount of any
 1526 income received by the purchaser on the security.

1527 Section 19. Section 517.315, Florida Statutes, is amended
 1528 to read:

1529 517.315 Fees.—All fees of any nature collected by the
 1530 office pursuant to this chapter shall be disbursed as follows:

1531 (1) The office shall transfer the amount of fees required
 1532 to be deposited into the Securities Guaranty Fund pursuant to s.
 1533 517.131~~.~~.

1534 (2) After the transfer required in subsection (1), the
 1535 office shall transfer the \$50 assessment fee collected from each

1536 associated person under s. 517.12(9) and (10) ~~s. 517.12(10) and~~
 1537 ~~(11)~~ and 30.44 percent of the \$100 assessment fee paid by
 1538 dealers and investment advisers ~~advisors~~ for each office in the
 1539 state under s. 517.12(9) and (10) ~~s. 517.12(10) and (11)~~ to the
 1540 Regulatory Trust Fund. ~~;~~ ~~and~~

1541 (3) All remaining fees shall be deposited into the General
 1542 Revenue Fund.

1543 Section 20. Subsection (5) of section 626.9911, Florida
 1544 Statutes, is amended to read:

1545 626.9911 Definitions.—As used in this act, the term:

1546 (5) "Life expectancy provider" means a person who
 1547 determines, or holds himself or herself out as determining, life
 1548 expectancies or mortality ratings used to determine life
 1549 expectancies:

1550 (a) On behalf of a viatical settlement provider, viatical
 1551 settlement broker, life agent, or person engaged in the business
 1552 of viatical settlements;

1553 (b) In connection with a viatical settlement investment as
 1554 defined in s. 517.021, ~~pursuant to s. 517.021(24)~~; or

1555 (c) On residents of this state in connection with a
 1556 viatical settlement contract or viatical settlement investment.

1557 Section 21. Subsection (6) of section 744.351, Florida
 1558 Statutes, is amended to read:

1559 744.351 Bond of guardian.—

1560 (6) When it is expedient in the judgment of any court

1561 having jurisdiction of any guardianship property, because the
 1562 size of the bond required of the guardian is burdensome, or for
 1563 other cause, the court may order, in lieu of a bond or in
 1564 addition to a lesser bond, that the guardian place all or part
 1565 of the property of the ward in a designated financial
 1566 institution under the same conditions and limitations as are
 1567 contained in s. 69.031. A designated financial institution shall
 1568 also include a dealer, as defined in s. 517.021 ~~s. 517.021(6)~~,
 1569 if the dealer is a member of the Security Investment Protection
 1570 Corporation and is doing business in the state.

1571 Section 22. Section 517.1205, Florida Statutes, is amended
 1572 to read:

1573 517.1205 Registration of associated persons specific as to
 1574 securities dealer, investment adviser, or federal covered
 1575 adviser identified at time of registration approval.—Inasmuch as
 1576 this chapter is intended to protect investors in securities
 1577 offerings and other investment transactions regulated by that
 1578 chapter, its provisions are to be construed to require full and
 1579 fair disclosure of all, but only, those matters material to the
 1580 investor's evaluation of the offering or other transaction. It
 1581 should, furthermore, be construed to impose the standards
 1582 provided by law on all those seeking to participate in the
 1583 state's securities industry through registration as a securities
 1584 dealer, investment adviser, or associated person. To this end,
 1585 it is declared to be the intent of the Legislature that the

1586 registration of associated persons required by law is specific
1587 to the securities dealer, investment adviser, or federal covered
1588 adviser identified at the time such registration is approved.
1589 Notwithstanding any interpretation of law to the contrary, the
1590 historical practice of the Department of Banking and Finance,
1591 reflected in its rules, that requires a new application for
1592 registration from a previously registered associated person when
1593 that person seeks to be associated with a new securities dealer
1594 or investment adviser is hereby ratified and approved as
1595 consistent with legislative intent. It is, finally, declared to
1596 be the intent of the Legislature that while approval of an
1597 application for registration of a securities dealer, investment
1598 adviser, or associated person requires a finding of compliance
1599 with the applicable registration provisions of this chapter and
1600 applicable rules ~~the applicant's good repute and character~~, such
1601 finding is precluded by a determination that the applicant may
1602 be denied registration on grounds provided by law.

1603 Section 23. This act shall take effect October 1, 2023.