

1 A bill to be entitled
2 An act relating to securities and securities
3 transactions; amending s. 517.021, F.S.; providing and
4 revising definitions; amending s. 517.051, F.S.;
5 revising the list of securities that are exempt from
6 registration requirements under certain provisions;
7 amending s. 517.061, F.S.; revising the list of
8 securities transactions that are exempt from
9 registration requirements under certain provisions;
10 amending s. 517.0611, F.S.; revising the short title;
11 providing nonapplicability; deleting provisions
12 relating to registration exemptions under certain
13 provisions for securities transactions; revising
14 requirements for exemptions from registration under
15 certain provisions for securities transactions;
16 providing that certain standards and procedures are
17 established by the Financial Services Commission,
18 rather than by the Office of Financial Regulation;
19 revising the amounts of fines under certain
20 circumstances; conforming provisions to changes made
21 by the act; revising the duties of intermediaries
22 under certain circumstances; providing duties of
23 issuers under certain circumstances; providing that
24 certain sales are voidable within a specified time;
25 providing requirements for purchasers' notices to

26 issuers to void purchases; deleting provisions
27 relating to funds received from investors; creating s.
28 517.0612, F.S.; providing a short title; providing
29 registration exemptions under certain provisions for
30 securities transactions that meet specified
31 requirements; prohibiting agents of issuers from
32 engaging in certain acts under certain circumstances;
33 providing that certain sales are voidable within a
34 specified time; providing requirements for purchasers'
35 notices to issuers to void purchases; creating s.
36 517.0613, F.S.; providing construction; providing that
37 registration exemptions under certain provisions are
38 not available to issuers for certain transactions
39 under specified circumstances; providing registration
40 requirements; creating s. 517.0614, F.S.; providing
41 criteria to determine integration of offerings for the
42 purpose of registration or registration exemption;
43 providing nonapplicability; creating s. 517.0615,
44 F.S.; providing that communications in connection with
45 certain seminars and meetings and communications on
46 securities offerings are not deemed to constitute
47 general solicitation or general advertising under
48 specified circumstances; providing nonapplicability;
49 creating s. 517.0616, F.S.; providing that
50 registration exemptions under certain provisions are

51 not available for specified issuers under a specified
52 circumstance; amending s. 517.081, F.S.; removing
53 certain duties and revising the authority of the
54 commission; revising the list of issuers that are not
55 eligible to submit certain simplified offering
56 circulars; deleting provisions that require issuers to
57 provide certain documents to the office under certain
58 circumstances; revising the requirements that must be
59 met before the office must record the registration of
60 a security; amending s. 517.101, F.S.; revising
61 requirements for certain written consent that
62 accompanies issuers' applications for registration
63 under certain circumstances; amending s. 517.131,
64 F.S.; providing the purpose of the Securities Guaranty
65 Fund; making technical changes; providing a
66 definition; revising circumstances under which a
67 person is eligible for payment from the fund;
68 providing circumstances under which a person is not
69 eligible for payment from the fund; requiring
70 applications for payment to be filed; providing
71 rulemaking authority; providing requirements for the
72 applications; requiring the office to approve
73 applications for payment under certain circumstances
74 and to provide applicants with certain notices within
75 a specified timeframe; requiring assignments to the

76 office of all rights, titles, and interests in final
 77 judgments and orders of restitution; requiring the
 78 office to deem an application for payment abandoned
 79 under certain circumstances; requiring the time period
 80 to complete applications to be tolled under certain
 81 circumstances; deleting provisions relating to
 82 specified notices to the office and relating to
 83 rulemaking authority; amending s. 517.141, F.S.;
 84 providing definitions; revising the Securities
 85 Guaranty Fund disbursement amounts that eligible
 86 persons are entitled to; revising the limits on
 87 payments of claims; providing requirements for
 88 payments and disbursements of claims; deleting
 89 provisions prohibiting payments of claims against
 90 certain persons under certain circumstances; revising
 91 circumstances under which certain claims are treated
 92 as claims of one eligible claimant; conforming
 93 provisions to changes made by the act; requiring that
 94 claimants' reimbursements be paid to the Department of
 95 Financial Services, rather than to the office;
 96 providing forfeiture of all payments under certain
 97 circumstances; providing violations; authorizing the
 98 department, rather than the office, to institute legal
 99 proceeding for certain compliance enforcement and to
 100 recover certain interests, costs, and fees; amending

101 s. 517.191, F.S.; revising the types of courts that
102 have jurisdiction over certain subject matters;
103 revising the civil penalty amounts for certain
104 violations; authorizing the office to recover certain
105 costs and attorney fees; providing disposition of such
106 costs and attorney fees; providing liabilities;
107 providing violations; authorizing the office to issue
108 and serve cease and desist orders under certain
109 circumstances; providing fines; providing disposition
110 of fines; authorizing the office to bar applications
111 or notifications for licenses and registrations under
112 certain circumstances; conforming provisions to
113 changes made by the act; providing construction;
114 providing jurisdiction; amending s. 517.211, F.S.;
115 providing liabilities; specifying the date on which
116 the legal rates of certain interests on securities and
117 investments are considered; providing construction;
118 repealing ss. 517.221 and 517.241, F.S., relating to
119 cease and desist orders and to remedies, respectively;
120 amending s. 517.301, F.S.; revising a definition;
121 conforming provisions to changes made by the act;
122 revising and providing circumstances under which
123 certain activities are considered unlawful and
124 violations of law; providing construction; requiring
125 disclaimers for certain statements; repealing s.

126 517.311, F.S., relating to false representations,
 127 deceptive words, and enforcement; repealing s.
 128 517.312, F.S., relating to securities, investments,
 129 and boiler rooms, prohibited practices, and remedies;
 130 amending ss. 517.072 and 517.12, F.S.; conforming
 131 cross-references; amending ss. 517.1202 and 517.302,
 132 F.S.; conforming provisions to changes made by the
 133 act; providing an effective date.

134

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

136

137 Section 1. Subsections (3), (4), and (5) and subsections
 138 (6) through (25) of section 517.021, Florida Statutes, are
 139 renumbered as subsections (4), (5), and (6) and subsections (8)
 140 through (27), respectively, subsection (1), present subsections
 141 (4), (8), (9), and (14) are amended, and new subsections (3) and
 142 (7) are added to that section, to read:

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

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

149 (3) "Angel investor group" means a group of accredited
 150 investors that holds regular meetings and has defined processes

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151 and procedures for making investment decisions, individually or
152 among the membership of the group, and that is not an associated
153 person, an affiliate, or an agent of a dealer or investment
154 adviser.

155 (5)-(4) "Boiler room" means an enterprise in which two or
156 more persons ~~engage in telephone communications with members of~~
157 ~~the public using two or more telephones at one location, or at~~
158 ~~more than one location~~ in a common scheme or enterprise solicit
159 potential investors through telephone calls, electronic mail,
160 text messages, social media, chat rooms, or other electronic
161 means.

162 (7) "Business entity" means a corporation, partnership,
163 limited partnership, limited liability company, proprietorship,
164 firm, enterprise, franchise, association, self-employed
165 individual, or trust, whether fictitiously named or not, doing
166 business in this state.

167 (10) (a)-(8) "Dealer" includes, unless otherwise specified,
168 a person, other than an associated person of a dealer, that
169 engages, for all or part of the person's time, directly or
170 indirectly, as agent or principal in the business of offering,
171 buying, selling, or otherwise dealing or trading in securities
172 issued by another person.

173 (b) The term does not include the following:

174 1.(a) A licensed practicing attorney who renders or
175 performs any such services in connection with the regular

176 practice of the attorney's profession.

177 2.~~(b)~~ A bank authorized to do business in this state,
 178 except nonbank subsidiaries of a bank.

179
 180 3.~~(e)~~ A trust company having trust powers that it is
 181 authorized to exercise in this state, which renders or performs
 182 services in a fiduciary capacity incidental to the exercise of
 183 its trust powers.

184 4.~~(d)~~ A wholesaler selling exclusively to dealers.

185 5.~~(e)~~ A person buying and selling for the person's own
 186 account exclusively through a registered dealer or stock
 187 exchange.

188 6.~~(f)~~ An issuer.

189 7.~~(g)~~ A natural person representing an issuer in the
 190 purchase, sale, or distribution of the issuer's own securities
 191 if such person:

192 a.1. Is an officer, a director, a limited liability
 193 company manager or managing member, or a bona fide employee of
 194 the issuer;

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

199 c.3. Primarily performs, or is intended to perform at the
 200 end of the distribution, substantial duties for, or on behalf

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201 of, the issuer other than in connection with transactions in
202 securities; and

203 ~~d.4.~~ Does not receive a commission, compensation, or other
204 consideration for the completed sale of the issuer's securities
205 apart from the compensation received for regular duties to the
206 issuer.

207 ~~(11)-(9)~~ "Federal covered adviser" means a person that is
208 registered or required to be registered under s. 203 of the
209 Investment Advisers Act of 1940, as amended. The term does not
210 include any person that is excluded from the definition of
211 investment adviser under subparagraphs (16) (b)1.-7. and 9
212 ~~(14) (b)1.-8.~~

213 ~~(16)-(14)~~ (a) "Investment adviser" means a person, other
214 than an associated person of an investment adviser or a federal
215 covered adviser, that receives compensation, directly or
216 indirectly, and engages for all or part of the person's time,
217 directly or indirectly, or through publications or writings, in
218 the business of advising others as to the value of securities or
219 as to the advisability of investments in, purchasing of, or
220 selling of securities.

221 (b) The term does not include the following:

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

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226 | services.

227 | 2. A licensed practicing attorney or certified public
228 | accountant whose performance of such services is solely
229 | incidental to the practice of the attorney's or accountant's
230 | profession.

231 | 3. A bank authorized to do business in this state.

232 | 4. A bank holding company as defined in the Bank Holding
233 | Company Act of 1956, as amended, authorized to do business in
234 | this state.

235 | 5. A trust company having trust powers, as defined in s.
236 | 658.12, which it is authorized to exercise in this state, which
237 | trust company renders or performs investment advisory services
238 | in a fiduciary capacity incidental to the exercise of its trust
239 | powers.

240 | 6. A person that renders investment advice exclusively to
241 | insurance or investment companies.

242 | 7. A person that has fewer than six clients during the
243 | preceding 12 months who are residents of ~~does not hold itself~~
244 | ~~out to the general public as an investment adviser and has no~~
245 | ~~more than 15 clients within 12 consecutive months in this state.~~
246 | As used in this subparagraph, the term "client" has the same
247 | meaning as provided in Securities and Exchange Commission Rule
248 | 275.222-2, 17 C.F.R. s. 275.222-2, as amended.

249 | ~~8. A person whose transactions in this state are limited~~
250 | ~~to those transactions described in s. 222(d) of the Investment~~

251 ~~Advisers Act of 1940, as amended. Those clients listed in~~
 252 ~~subparagraph 6. may not be included when determining the number~~
 253 ~~of clients of an investment adviser for purposes of s. 222(d) of~~
 254 ~~the Investment Advisers Act of 1940, as amended.~~

255 8.9. A federal covered adviser.

256 9. The United States, a state, a political subdivision of
 257 a state, or an agency, authority, or instrumentality of one or
 258 more of the foregoing, or a business entity that is wholly owned
 259 directly or indirectly by one or more of the foregoing, or an
 260 officer, agent, or employee of any of the foregoing acting as
 261 such in the course of his or her official duty.

262 Section 2. Section 517.051, Florida Statutes, is amended
 263 to read:

264 517.051 Exempt securities.—The exemptions provided herein
 265 from the registration requirements of s. 517.07 are self-
 266 executing and do not require any filing with the office before
 267 ~~prior to~~ claiming such exemption. Any person who claims
 268 entitlement to any of these exemptions bears the burden of
 269 proving such entitlement in any proceeding brought under this
 270 chapter. The registration provisions of s. 517.07 do not apply
 271 to any of the following securities:

272 (1) A security issued or guaranteed by the United States
 273 or any territory or insular possession of the United States, by
 274 the District of Columbia, or by any state of the United States
 275 or by any political subdivision or agency or other

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276 instrumentality thereof.

277 (a) ~~A;~~ provided that no person may not shall directly or
278 indirectly offer or sell securities, other than general
279 obligation bonds, under this subsection if the issuer or
280 guarantor is in default or has been in default any time after
281 December 31, 1975, as to principal or interest:

282 1.(a) With respect to an obligation issued by the issuer
283 or successor of the issuer; or

284 2.(b) With respect to an obligation guaranteed by the
285 guarantor or successor of the guarantor,

286
287 except by an offering circular containing a full and fair
288 disclosure as prescribed by rule of the commission.

289 (b) Paragraph (a) does not apply to a security that is an
290 industrial or commercial development bond, unless payments are
291 made or unconditionally guaranteed by a person whose securities
292 are exempt from registration under s. 18(b)(1) of the Securities
293 Act of 1933, as amended.

294 (2) A security issued or guaranteed by any foreign
295 government with which the United States is maintaining
296 diplomatic relations at the time of the sale or offer of sale of
297 the security, or by any state, province, or political
298 subdivision thereof having the power of taxation or assessment,
299 which security is recognized at the time it is offered for sale
300 in this state as a valid obligation by such foreign government

301 or by such state, province, or political subdivision thereof
 302 issuing the security.

303 (3) A security that is issued by and represents, or will
 304 represent, an interest in or a direct obligation of, or that is
 305 guaranteed by:

306 (a) An international bank of which the United States is a
 307 member;

308 (b) A bank organized under the laws of the United States;

309 (c) A member bank of the Federal Reserve System; or

310 (d) A depository institution a substantial portion of the
 311 business of which consists or will consist of receiving deposits
 312 or share accounts that are insured to the maximum amount
 313 authorized by statute by the Federal Deposit Insurance
 314 Corporation or the National Credit Union Share Insurance Fund.

315 ~~(3) A security issued or guaranteed by:~~

316 ~~(a) A national bank, a federally chartered savings and~~
 317 ~~loan association, or a federally chartered savings bank, or the~~
 318 ~~initial subscription for equity securities in such national~~
 319 ~~bank, federally chartered savings and loan association, or~~
 320 ~~federally chartered savings bank;~~

321 ~~(b) Any federal land bank, joint-stock land bank, or~~
 322 ~~national farm loan association under the provisions of the~~
 323 ~~Federal Farm Loan Act of July 17, 1916;~~

324 ~~(c) An international bank of which the United States is a~~
 325 ~~member; or~~

326 ~~(d) A corporation created and acting as an instrumentality~~
 327 ~~of the government of the United States.~~

328 (4) A security issued or guaranteed, as to principal,
 329 interest, or dividend, by a business entity ~~corporation~~ owning
 330 or operating a railroad, other common carrier, or any other
 331 public service utility; provided that such business entity
 332 ~~corporation~~ is subject to regulation or supervision whether as
 333 to its rates and charges or as to the issue of its own
 334 securities by a public commission, board, or officer of the
 335 government of the United States, of any state, territory, or
 336 insular possession of the United States, of any municipality
 337 located therein, of the District of Columbia, or of the Dominion
 338 of Canada or of any province thereof; also equipment securities
 339 based on chattel mortgages, leases, or agreements for
 340 conditional sale of cars, motive power, or other rolling stock
 341 mortgaged, leased, or sold to or furnished for the use of or
 342 upon such railroad or other public service utility corporation
 343 or where the ownership or title of such equipment is pledged or
 344 retained in accordance with the provisions of the laws of the
 345 United States or of any state or of the Dominion of Canada to
 346 secure the payment of such equipment securities; and also bonds,
 347 notes, or other evidences of indebtedness issued by a holding
 348 corporation and secured by collateral consisting of any
 349 securities hereinabove described; provided, further, that the
 350 collateral securities equal in fair value at least 125 percent

351 of the par value of the bonds, notes, or other evidences of
 352 indebtedness so secured.

353 (5) A security issued or guaranteed by any of the
 354 following which are subject to the examination, supervision, or
 355 control of this state or of the Federal Deposit Insurance
 356 Corporation or the National Credit Union Association:

- 357 (a) A bank,
- 358 (b) A trust company,
- 359 (c) A savings institution,
- 360 (d) A building or savings and loan association,
- 361 (e) An international development bank, or
- 362 (f) A credit union;

363
 364 or the initial subscription for equity securities of any
 365 institution listed in paragraphs (a)-(f), provided such
 366 institution is subject to the examination, supervision, or
 367 control of this state.

368 (6) A security, other than common stock, providing for a
 369 fixed return, which security has been outstanding in the hands
 370 of the public for a period of not less than 5 years, and upon
 371 which security no default in payment of principal or failure to
 372 pay the fixed return has occurred for an immediately preceding
 373 period of 5 years.

374 (7) Securities of nonprofit agricultural cooperatives
 375 organized under the laws of this state when the securities are

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376 sold or offered for sale to persons principally engaged in
377 agricultural production or selling agricultural products.

378 (8) Shares or other equity interests of a business entity
379 which represent ownership, or entitle the holders of such shares
380 or other equity interests to possession and occupancy, of
381 specific apartment units in property owned by such business
382 entity and organized and operated on a cooperative basis, solely
383 for residential purposes.

384 (9) A member's or owner's interest in, or a retention
385 certificate or like security given in lieu of a cash patronage
386 dividend issued by, a not-for-profit membership entity operated
387 either as a cooperative under the cooperative laws of a state or
388 in accordance with the cooperative provisions of subchapter T of
389 chapter 1 of subtitle A of the United States Internal Revenue
390 Code, as amended, but not a member's or owner's interest,
391 retention certificate, or like security sold or transferred to a
392 person other than:

393 (a) A bona fide member of the not-for-profit membership
394 entity; or

395 (b) A person who becomes a bona fide member of the not-
396 for-profit membership entity at the time of or in connection
397 with the sale or transfer.

398 ~~(8) A note, draft, bill of exchange, or banker's~~
399 ~~acceptance having a unit amount of \$25,000 or more which arises~~
400 ~~out of a current transaction, or the proceeds of which have been~~

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401 ~~or are to be used for current transactions, and which has a~~
402 ~~maturity period at the time of issuance not exceeding 9 months~~
403 ~~exclusive of days of grace, or any renewal thereof which has a~~
404 ~~maturity period likewise limited. This subsection applies only~~
405 ~~to prime quality negotiable commercial paper of a type not~~
406 ~~ordinarily purchased by the general public; that is, paper~~
407 ~~issued to facilitate well-recognized types of current~~
408 ~~operational business requirements and of a type eligible for~~
409 ~~discounting by Federal Reserve banks.~~

410 (10) ~~(9)~~ A security issued by a business entity ~~corporation~~
411 organized and operated exclusively for religious, educational,
412 benevolent, fraternal, charitable, or reformatory purposes and
413 not for pecuniary profit, no part of the net earnings of which
414 ~~corporation~~ inures to the benefit of any private stockholder or
415 individual, or any security of a fund that is excluded from the
416 definition of an investment company under s. 3(c)(10)(B) of the
417 Investment Company Act of 1940, as amended; provided that no
418 person shall directly or indirectly offer or sell securities
419 under this subsection except by an offering circular containing
420 full and fair disclosure, as prescribed by the rules of the
421 commission, of all material information, including, but not
422 limited to, a description of the securities offered and terms of
423 the offering, a description of the nature of the issuer's
424 business, a statement of the purpose of the offering and the
425 intended application by the issuer of the proceeds thereof, and

426 financial statements of the issuer prepared in conformance with
 427 United States generally accepted accounting principles. Section
 428 6(c) of the Philanthropy Protection Act of 1995, Pub. L. No.
 429 104-62, does ~~shall~~ not preempt any provision of this chapter.

430 (11) ~~(10)~~ Any insurance or endowment policy or annuity
 431 contract or optional annuity contract or self-insurance
 432 agreement issued by a business entity ~~corporation~~, insurance
 433 company, reciprocal insurer, or risk retention group subject to
 434 the supervision of the insurance regulator or bank regulator, or
 435 any agency or officer performing like functions, of any state or
 436 territory of the United States or the District of Columbia.

437 Section 3. Section 517.061, Florida Statutes, is amended
 438 to read:

439 (Substantial rewording of section. See
 440 s. 517.061, F.S., for present text.)

441 517.061 Exempt transactions.—Except as otherwise provided
 442 in subsection (11), the exemptions for each transaction listed
 443 below are self-executing and do not require any filing with the
 444 office before claiming the exemption. Any person who claims
 445 entitlement to any of the exemptions bears the burden of proving
 446 such entitlement in any proceeding brought under this chapter.
 447 The registration provisions of s. 517.07 do not apply to any of
 448 the following transactions; however, such transactions are
 449 subject to s. 517.301:

450 (1) (a) Any judicial sale or any sale by an executor,

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451 administrator, guardian, or conservator; any sale by a receiver
452 or trustee in insolvency or bankruptcy; any sale by an assignee
453 as defined in s. 727.103(2) with respect to an assignment as
454 defined in s. 727.103(4); or any transaction incident to a
455 judicially approved reorganization in which a security is issued
456 in exchange for one or more outstanding securities, claims, or
457 property interests.

458 (b) Except for a security exchanged in a case under Title
459 11 of the United States Code, a security that is issued in
460 exchange for one or more bona fide outstanding securities,
461 claims, or property interests, or partly in such exchange and
462 partly for cash, if the terms and conditions of such issuance
463 and exchange are approved:

464 1. By a court, an official or agency of the United States,
465 a banking or insurance commission of a state or territory of the
466 United States, or other governmental authority expressly
467 authorized by law to grant such approval.

468 2. After a hearing upon the fairness of such terms and
469 conditions and at which all persons to whom issuance of
470 securities in such exchange is proposed have the right to
471 appear.

472 (2) The issuance of notes or bonds in connection with the
473 acquisition of real property or renewals thereof, if such notes
474 or bonds are issued to the sellers of, and are secured by all or
475 part of, the real property so acquired.

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476 (3) A transaction involving a stock dividend or equivalent
477 equity distribution, whether the business entity distributing
478 the dividend or equivalent equity distribution is the issuer, if
479 nothing of value is given by stockholders or other equity
480 holders for the dividend or equivalent equity distribution other
481 than the surrender of a right to a cash or property dividend in
482 the event that each stockholder or other equity holder may elect
483 to take the dividend or equivalent equity distribution in cash,
484 property, or stock.

485 (4) A transaction under an offer to existing security
486 holders of the issuer, including persons that at the date of the
487 transaction are holders of convertible securities, options, or
488 warrants, if a commission or other remuneration is not paid or
489 given, directly or indirectly, for soliciting a security holder
490 in this state.

491 (5) The issuance of securities to such equity security
492 holders or creditors of a business entity in the process of a
493 reorganization of such business entity, made in good faith and
494 not for the purpose of avoiding the provisions of this chapter,
495 either in exchange for the securities of such equity security
496 holders or claims of such creditors or partly for cash and
497 partly in exchange for the securities or claims of such equity
498 security holders or creditors.

499 (6) A transaction involving the distribution of the
500 securities of an issuer to the security holders of another

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501 person in connection with a merger, consolidation, exchange of
502 securities, sale of assets, or other reorganization to which the
503 issuer, or the issuer's parent or subsidiary, and the other
504 person, or the person's parent or subsidiary, are parties.

505 (7) The offer or sale of securities, solely in connection
506 with the transfer of ownership of an eligible privately held
507 company, through a merger and acquisition broker in accordance
508 with s. 517.12(21).

509 (8) The offer or sale of securities under a bona fide
510 employees' stock purchase, savings, option, profit-sharing,
511 pension, or similar employees' benefit plan, including any
512 securities, plan interests, and guarantees issued under a
513 compensatory benefit plan or compensation contract, contained in
514 a record, established by the issuer, its parents, its majority-
515 owned subsidiaries, or the majority-owned subsidiaries of the
516 issuer's parent for the participation of their employees
517 including offers or sales of such securities to:

518 (a) Directors, general partners, trustees if the issuer is
519 a business trust, officers, consultants, and advisors.

520 (b) Family members who acquire such securities from those
521 persons through gifts or domestic relations orders.

522 (c) Former employees, directors, general partners,
523 trustees, officers, consultants, and advisors if those
524 individuals were employed by or providing services to the issuer
525 when the securities were offered.

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526 (d) Insurance agents who are exclusive insurance agents of
527 the issuer, or of the issuer's subsidiaries or parents, or who
528 derive more than 50 percent of their annual income from those
529 organizations.

530 (9) The offer or sale of securities to a bank, trust
531 company, savings institution, insurance company, dealer,
532 investment company as defined in the Investment Company Act of
533 1940, as amended, pension or profit-sharing trust, or qualified
534 institutional buyer, whether any of such entities is acting in
535 its individual or fiduciary capacity.

536 (10) (a) The offer or sale, by or on behalf of an issuer,
537 of its own securities if the offer or sale is part of an
538 offering made in accordance with all of the following
539 conditions:

540 1. There are no more than 35 purchasers, or the issuer
541 reasonably believes that there are no more than 35 purchasers,
542 of the securities of the issuer in this state during an offering
543 made in reliance upon this subsection or, if such offering
544 continues for a period in excess of 12 months, in any
545 consecutive 12-month period.

546 a. The following purchasers are excluded from the
547 calculation of the number of purchasers under this subparagraph:

548 (I) A relative or spouse, or relative of such spouse, of a
549 purchaser who has the same principal residence as such
550 purchaser.

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551 (II) A trust or estate in which a purchaser, any of the
552 persons related to such purchaser specified in sub-sub-
553 subparagraph (I), and any business entity specified in
554 subparagraph sub-sub-subparagraph (III) collectively have more
555 than 50 percent of the beneficial interest, excluding contingent
556 interest.

557 (III) A business entity in which a purchaser, any of the
558 persons related to such purchaser specified in sub-sub-
559 subparagraph (I), and any trust or estate specified in sub-sub-
560 subparagraph (II) collectively are beneficial owners of more
561 than 50 percent of the equity securities or equity interest.

562 (IV) An accredited investor.

563 b. A business entity shall be counted as one purchaser.
564 If, however, the business entity is organized for the specific
565 purpose of acquiring the securities offered and is not an
566 accredited investor, each beneficial owner of equity securities
567 or equity interests in the business entity shall be counted as a
568 separate purchaser.

569 c. A noncontributory employee benefit plan within the
570 meaning of Title I of the Employee Retirement Income Security
571 Act of 1974 shall be counted as one purchaser if the trustee
572 makes all investment decisions for the plan.

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

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576 general advertising in this state.

577 3. Before the sale, each purchaser or the purchaser's
578 representative, if any, is provided with, or given reasonable
579 access to, full and fair disclosure of all material information,
580 which must include written notification of a purchaser's right
581 to void the sale under subparagraph 4.

582 (b) Any sale made pursuant to this subsection is voidable
583 by the purchaser within 3 days after the first tender of
584 consideration is made by such purchaser to the issuer by
585 notifying the issuer that the purchaser expressly voids the
586 purchase. The purchaser's notice to the issuer must be sent by
587 e-mail to the issuer's e-mail address set forth in the
588 disclosure document provided to the purchaser or purchaser's
589 representative or by hand delivery, courier service, or other
590 method by which written proof of delivery to the issuer of the
591 purchaser's election to rescind the purchase is evidenced.

592 (11) The offers or sales of securities by an issuer in a
593 transaction that meets the requirements of this subsection.

594 (a) Sales of securities shall be made only to persons who
595 are, or the issuer reasonably believes are, accredited
596 investors.

597 (b) The exemption is not available to an issuer that is in
598 the development stage and that:

- 599 1. Has no specific business plan or purpose; or
600 2. Has indicated that its business plan is to engage in a

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601 merger or acquisition with an unidentified company or other
602 entity or person.

603 (c) The issuer reasonably believes that all purchasers are
604 purchasing for investment and not with the view to, or for sale
605 in connection with, a distribution of the security. Any resale
606 of a security sold in reliance on this exemption within 12
607 months after a sale is presumed to be with a view to
608 distribution and not for investment, except a resale pursuant to
609 a registration statement effective under this chapter or
610 pursuant to an exemption available under this chapter, the
611 Securities Act of 1933, as amended, or the rules and regulation
612 adopted thereunder.

613 (d) A general announcement of the proposed offering, made
614 by any means, must include only the following information:

615 1. The name, address, and telephone number of the issuer
616 of the securities;

617 2. The name; a brief description; and the price, if known,
618 of any security to be issued;

619 3. A brief description of the business;

620 4. The type, number, and aggregate amount of securities
621 being offered;

622 5. The name, address, and telephone number of the person
623 to contact for additional information; and

624 6. Statements declaring that:

625 a. Sales will be made only to accredited investors;

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626 b. Money or other consideration is not being solicited and
627 will not be accepted by way of this general announcement; and

628 c. The securities have not been registered with or
629 approved by any state securities agency or the Securities and
630 Exchange Commission and are being offered and sold pursuant to
631 an exemption from registration.

632 (e) The issuer, in connection with an offer, may provide
633 information in addition to the general announcement under
634 paragraph (d) if such information is delivered:

635 1. Through an electronic database that is restricted to
636 persons who have been prequalified as accredited investors; or

637 2. After the issuer reasonably believes that the
638 prospective purchaser is an accredited investor.

639 (f) No telephone solicitation shall be permitted unless,
640 before placing the call, the issuer reasonably believes that the
641 prospective purchaser to be solicited is an accredited investor.

642 (g) Dissemination of the general announcement of the
643 proposed offering to persons who are not accredited investors
644 does not disqualify the issuer from claiming the exemption under
645 this rule.

646 (h) The issuer files with the office a notice of
647 transaction, a consent to service of process, and a copy of the
648 general announcement within 15 days after the first sale in this
649 state. The commission may establish by rule procedures for
650 filing documents by electronic means.

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651 (12) The isolated sale or offer for sale of securities
652 when made by or on behalf of a bona fide owner, not the issuer
653 or underwriter, of the securities, who disposes of such
654 securities for the owner's own account, and such sale is not
655 made directly or indirectly for the benefit of the issuer or an
656 underwriter of such securities or for the direct or indirect
657 promotion of any scheme or enterprise with the intent of
658 violating or evading any provision of this chapter. For purposes
659 of this subsection, isolated offers or sales include, but are
660 not limited to, an isolated offer or sale made by or on behalf
661 of a bona fide owner, not the issuer or underwriter, of the
662 securities if:

663 (a) The offer or sale of securities is in a transaction
664 satisfying all of the requirements of subparagraphs (10) (a)1.,
665 2., and 3. and paragraph (10) (b); or

666 (b) The offer or sale of securities is in a transaction
667 exempt under s. 4(a) (1) of the Securities Act of 1933, as
668 amended, or under Securities and Exchange Commission rules or
669 regulations.

670 (13) By or for the account of a pledgeholder, a secured
671 party as defined in s. 679.1021(1)(ttt), or a mortgagee selling
672 or offering for sale or delivery in the ordinary course of
673 business and not for the purposes of avoiding the provisions of
674 this chapter, to liquidate a bona fide debt, a security pledged
675 in good faith as security for such debt.

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676 (14) An unsolicited purchase or sale of securities on
677 order of, and as the agent for, another by a dealer registered
678 pursuant to the provisions of s. 517.12; provided that this
679 exemption applies solely and exclusively to such registered
680 dealers and does not authorize or permit the purchase or sale of
681 securities on order of, and as agent for, another by any person
682 other than a dealer so registered; and provided, further, that
683 such purchase or sale is not directly or indirectly for the
684 benefit of the issuer or an underwriter of such securities or
685 for the direct or indirect promotion of any scheme or enterprise
686 with the intent of violation or evading any provision of this
687 chapter.

688 (15) A nonissuer transaction with a covered adviser with
689 investments under management in excess of \$100 million acting in
690 the exercise of discretionary authority in a signed record for
691 the account of others.

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

694 (a) The performance of the terms of the option is
695 guaranteed by any dealer registered under the federal Securities
696 Exchange Act of 1934, as amended, which guaranty and dealer are
697 in compliance with such requirements or rules as may be approved
698 or adopted by the commission; or

699 (b)1. Such options transactions are cleared by the Options
700 Clearing Corporation or any other clearinghouse recognized by

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701 commission rule;

702 2. The option is not sold by or for the benefit of the
703 issuer of the underlying security; and

704 3. The underlying security may be purchased or sold on a
705 recognized securities exchange registered under the Securities
706 Exchange Act of 1934, as amended.

707 (17) (a) The offer or sale of securities, as agent or
708 principal, by a dealer registered pursuant to s. 517.12, when
709 such securities are offered or sold at a price reasonably
710 related to the current market price of such securities, provided
711 such securities are:

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

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

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

720 4. Securities, other than any security that is a federal
721 covered security and is not subject to any registration or
722 filing requirements under this chapter, which securities have
723 been listed or approved for listing upon notice of issuance by a
724 securities exchange registered under the Securities Exchange Act
725 of 1934, as amended, and also all securities senior to any

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726 securities so listed or approved for listing upon notice of
727 issuance, or represented by subscription rights which have been
728 so listed or approved for listing upon notice of issuance, or
729 evidences of indebtedness guaranteed by an issuer with a class
730 of securities listed or approved for listing upon notice of
731 issuance by such securities exchange, such securities to be
732 exempt only so long as such listings or approvals remain in
733 effect. The exemption provided for herein does not apply when
734 the securities are suspended from listing approval for listing
735 or trading.

736 (b) The exemption provided in this subsection does not
737 apply if the sale is made for the direct or indirect benefit of
738 an issuer or a control person of such issuer or if such
739 securities constitute the whole or part of an unsold allotment
740 to, or subscription or participation by, a dealer as an
741 underwriter of such securities.

742 (c) The exemption provided in this subsection is not
743 available for any securities that have been denied registration
744 pursuant to s. 517.111. Additionally, the office may deny this
745 exemption with reference to any particular security, other than
746 a federal covered security, by order published in such manner as
747 the office finds proper.

748 (18) Any nonissuer transaction by a registered dealer, and
749 any resale transaction by a sponsor of a unit investment trust
750 registered under the Investment Company Act of 1940, as amended,

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751 in a security of a class that has been outstanding in the hands
752 of the public for at least 90 days; provided, at the time of the
753 transaction:

754 (a) The issuer of the security is actually engaged in
755 business and is not in the organization stage or in bankruptcy
756 or receivership and is not a blank check, blind pool, or shell
757 company whose primary plan of business is to engage in a merger
758 or combination of the business with, or an acquisition of, any
759 unidentified person;

760 (b) The security is sold at a price reasonably related to
761 the current market price of the security;

762 (c) The security does not constitute the whole or part of
763 an unsold allotment to, or a subscription or participation by,
764 the dealer as an underwriter of the security; and

765 (d)1. The security is listed in a nationally recognized
766 securities manual designated by rule of the commission, or in a
767 document filed with and publicly viewable through the Securities
768 and Exchange Commission's electronic data gathering and
769 retrieval system, and such listing contains:

770 a. A description of the business and operations of the
771 issuer;

772 b. The names of the issuer's officers and directors, if
773 any, or, in the case of an issuer not domiciled in the United
774 States, the corporate equivalents of such persons in the
775 issuer's country of domicile;

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776 c. An audited balance sheet of the issuer as of a date
777 within 18 months before such transaction or, in the case of a
778 reorganization or merger in which parties to the reorganization
779 or merger had such audited balance sheet, a pro forma balance
780 sheet; and

781 d. An audited income statement for each of the issuer's
782 immediately preceding 2 fiscal years, or for the period of
783 existence of the issuer, if in existence for less than 2 years
784 or, in the case of a reorganization or merger in which the
785 parties to the reorganization or merger had such audited income
786 statement, a pro forma income statement; or

787 2.a. The issuer of the security has a class of equity
788 securities listed on a national securities exchange registered
789 under the Securities Exchange Act of 1934, as amended;

790 b. The security is offered, purchased, or sold through an
791 alternative trading system registered under Securities and
792 Exchange Commission Regulation 242.301, 17 C.F.R. 242.301, as
793 amended;

794 c. The issuer of the security is a unit investment trust
795 registered under the Investment Company Act of 1940, as amended;

796 d. The issuer of the security has been engaged in
797 continuous business, including predecessors, for at least 3
798 years; or

799 e. The issuer of the security has total assets of at least
800 \$2 million based on an audited balance sheet as of a date within

801 18 months before such transaction or, in the case of a
802 reorganization or merger in which parties to the reorganization
803 or merger had such audited balance sheet, a pro forma balance
804 sheet.

805 (19) The offer or sale of any security effected by or
806 through a person in compliance with s. 517.12(16).

807 (20) A nonissuer transaction in an outstanding security by
808 or through a dealer registered or exempt from registration under
809 this chapter, if:

810 (a) The issuer is a reporting issuer in a foreign
811 jurisdiction designated by this subsection or by commission rule
812 and the issuer has been subject to continuous reporting
813 requirements in the foreign jurisdiction for not less than 180
814 days before the transaction; and

815 (b) The security is listed on the foreign jurisdiction's
816 securities exchange that has been designated by this subsection
817 or by commission rule, or is a security of the same issuer that
818 is of senior or substantially equal rank to the listed security
819 or is a warrant or right to purchase or subscribe to any of the
820 foregoing.

821
822 For purposes of this subsection, Canada, together with its
823 provinces and territories, is a designated foreign jurisdiction,
824 and The Toronto Stock Exchange, Inc., is a designated securities
825 exchange. After an administrative hearing in compliance with ss.

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826 120.569 and 120.57, the office may revoke the designation of a
827 securities exchange under this subsection if the office finds
828 that revocation is necessary or appropriate in the public
829 interest and for the protection of investors.

830 (21) Other transactions defined by rules as transactions
831 exempted from the registration provisions of s. 517.07, which
832 rules the commission may adopt from time to time, but only after
833 a finding by the office that the application of the provisions
834 of s. 517.07 to a particular transaction is not necessary in the
835 public interest and for the protection of investors because of
836 the small dollar amount of securities involved or the limited
837 character of the offering. In conjunction with its adoption of
838 such rules, the commission may also provide in such rules that
839 persons selling or offering for sale securities in a transaction
840 exempted by rule adopted under this section are exempt from the
841 registration requirements of s. 517.12. A rule adopted under
842 this section may not have the effect of narrowing or limiting
843 any exemption provided for by statute.

844 Section 4. Section 517.0611, Florida Statutes, is amended
845 to read:

846 517.0611 The Florida Limited Offering Exemption ~~intrastate~~
847 ~~crowdfunding.~~

848 (1) This section may be cited as the "Florida Limited
849 Offering Intrastate Crowdfunding Exemption."

850 (2) The registration provisions of s. 517.07 do not apply

851 to a securities transaction conducted in accordance with this
 852 section; however, such transaction is subject to s. 517.301
 853 ~~Notwithstanding any other provision of this chapter, an offer or~~
 854 ~~sale of a security by an issuer is an exempt transaction under~~
 855 ~~s. 517.061 if the offer or sale is conducted in accordance with~~
 856 ~~this section. The exemption provided in this section may not be~~
 857 ~~used in conjunction with any other exemption under s. 517.051 or~~
 858 ~~s. 517.061.~~

859 (3) The offer or sale of securities ~~under this section~~
 860 must be conducted in accordance with the requirements of the
 861 federal exemption for intrastate offerings in s. 3(a)(11) of the
 862 Securities Act of 1933, 15 U.S.C. s. 77c(a)(11), as amended, and
 863 ~~United States~~ Securities and Exchange Commission Rule 147, 17
 864 C.F.R. s. 230.147, as amended, or Securities and Exchange
 865 Commission Rule 147A, 17. C.F.R. s. 230.147A, as amended ~~adopted~~
 866 ~~pursuant to the Securities Act of 1933.~~

867 (4) An issuer must:

868 (a) Be a for-profit business entity that maintains formed
 869 ~~under the laws of the state, be registered with the Secretary of~~
 870 ~~State, maintain~~ its principal place of business in the state,
 871 and derives ~~derive~~ its revenues primarily from operations in the
 872 state.

873 (b) Conduct transactions for an ~~the~~ offering of \$2.5
 874 million or more through a dealer registered with the office or
 875 an intermediary registered under s. 517.12 ~~s. 517.12(19)~~. For an

876 offering of less than \$2.5 million, the issuer may, but is not
 877 required to, use such a dealer or intermediary.

878 (c) Not be, ~~either~~ before or as a result of the offering,
 879 an investment company as defined in s. 3 of the Investment
 880 Company Act of 1940, 15 U.S.C. s. 80a-3, as amended, or subject
 881 to the reporting requirements of s. 13 or s. 15(d) of the
 882 Securities Exchange Act of 1934, 15 U.S.C. s. 78m or s. 78o(d),
 883 as amended.

884 (d) Not be a business entity that: ~~a company with~~
 885 1. Has an undefined business operation;~~;~~ ~~a company that~~
 886 2. Lacks a business plan;~~;~~ ~~a company that~~
 887 3. Lacks a stated investment goal for the funds being
 888 raised;~~;~~ ~~or a company that~~
 889 4. Plans to engage in a merger or acquisition with an
 890 unspecified business entity.

891 (e) Not be subject to a disqualification established by
 892 the commission ~~or office~~ or a disqualification described in s.
 893 517.0616 or s. 517.1611 ~~or United States Securities and Exchange~~
 894 ~~Commission Rule 506(d), 17 C.F.R. 230.506(d), adopted pursuant~~
 895 ~~to the Securities Act of 1933.~~ Each director, officer, manager,
 896 managing member, or general partner, or person occupying a
 897 similar status or performing a similar function, or person
 898 holding more than 20 percent of the equity interest ~~shares~~ of
 899 the issuer, is subject to this requirement.

900 (f) Cause all funds received from investors to be

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901 deposited in an account in ~~Execute an escrow agreement with a~~
902 ~~federally insured financial institution authorized to do~~
903 ~~business in the state,~~ and maintain all such funds in the
904 account until the target offering amount has been reached, the
905 offering has been terminated, or the offering has expired. If
906 the target offering amount has not been reached within the
907 period specified by the issuer in the disclosure document
908 provided to investors or the offering is terminated or expires,
909 the issuer must within 10 business days refund the funds to all
910 investors ~~for the deposit of investor funds, and ensure that all~~
911 ~~offering proceeds are provided to the issuer only when the~~
912 ~~aggregate capital raised from all investors is equal to or~~
913 ~~greater than the target offering amount.~~

914 (g) Use all funds in accordance with the use of proceeds
915 as disclosed to prospective investors ~~Allow investors to cancel~~
916 ~~a commitment to invest within 3 business days before the~~
917 ~~offering deadline, as stated in the disclosure statement, and~~
918 ~~issue refunds to all investors if the target offering amount is~~
919 ~~not reached by the offering deadline.~~

920 (5) The issuer must file a notice of the offering with the
921 office, in writing or in electronic form, in a format prescribed
922 by commission rule, together with a nonrefundable filing fee of
923 \$200. The filing fee shall be deposited into the Regulatory
924 Trust Fund of the office. The commission may adopt rules
925 establishing procedures for the deposit of fees and the filing

926 of documents by electronic means if the procedures provide the
 927 office with the information and data required by this section. A
 928 notice is effective upon receipt, by the office, of the
 929 completed form, filing fee, and an irrevocable written consent
 930 to service of civil process, similar to that provided for in s.
 931 517.101. The notice may be terminated by filing with the office
 932 a notice of termination. The notice and offering expire 12
 933 months after filing the notice with the office and are not
 934 eligible for renewal. The notice must:

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

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

941 (c) Contain the name and contact information, including an
 942 e-mail address, of the issuer.

943 (d) Identify any predecessors, owners, officers,
 944 directors, general partners, managers, managing members, ~~and~~
 945 ~~control persons~~ or any person occupying a similar status or
 946 performing a similar function of the issuer, including that
 947 person's title, ~~his or her~~ status as a partner, trustee, or sole
 948 proprietor or a similar role, and ~~his or her~~ ownership
 949 percentage.

950 (e) Identify the federally insured financial institution

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951 ~~into, authorized to do business in the state, in~~ which investor
952 funds will be deposited, ~~in accordance with the escrow~~
953 ~~agreement.~~

954 ~~(f) Require an attestation under oath that the issuer, its~~
955 ~~predecessors, affiliated issuers, directors, officers, and~~
956 ~~control persons, or any other person occupying a similar status~~
957 ~~or performing a similar function, are not currently and have not~~
958 ~~been within the past 10 years the subject of regulatory or~~
959 ~~criminal actions involving fraud or deceit.~~

960 ~~(g) Include documentation verifying that the issuer is~~
961 ~~organized under the laws of the state and authorized to do~~
962 ~~business in the state.~~

963 ~~(f)-(h)~~ If applicable, include the intermediary's website
964 address where the issuer's securities will be offered.

965 ~~(g)-(i)~~ State Include the target offering amount and the
966 date, not to exceed 365 days, by which the target amount must be
967 reached in order for the offering not to be terminated.

968 (6) The issuer must amend the notice form within 10
969 business ~~30~~ days after any material information contained in the
970 notice becomes inaccurate for any reason. The commission may
971 require, by rule, an issuer who has filed a notice under this
972 section to file amendments with the office.

973 (7) The issuer may engage in general advertising and
974 general solicitation of the offer to prospective investors. Any
975 oral or written statements made in advertising or solicitation

976 of the offer are subject to the enforcement provisions of this
977 chapter in the event of any material misstatement or
978 nondisclosure of material information. Any general advertising
979 or other general announcement must state that the offering is
980 limited and open only to residents of this state.

981 (8)~~(7)~~ The issuer must provide a disclosure statement to
982 investors and the dealer or intermediary, along with a copy to
983 the office at the time that the notice is filed, and make
984 available to potential investors through the dealer or
985 intermediary, if applicable, to the office at the time that the
986 notice is filed, and to each prospective investor at least 3
987 days before the investor's commitment to purchase or payment of
988 any consideration. The~~a~~ disclosure statement must contain
989 ~~containing~~ material information about the issuer and the
990 offering, including:

991 (a) The name, legal status, physical address, e-mail
992 address, and website address of the issuer.

993 (b) The names of the directors, officers, managers,
994 managing members, and general partners and any person occupying
995 a similar status or performing a similar function, and the name
996 and ownership percentage of each person holding more than 20
997 percent of the issuer's equity interests ~~shares of the issuer.~~

998 (c) A description of the current business ~~of the issuer~~
999 ~~and the~~ anticipated business plan of the issuer.

1000 (d) A description of the stated purpose and intended use

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1001 of the proceeds of the offering.

1002 (e) The target offering amount and, the deadline to reach
1003 the target offering amount, ~~and regular updates regarding the~~
1004 ~~progress of the issuer in meeting the target offering amount.~~

1005 (f) The price to the public of the securities ~~or the~~
1006 ~~method for determining the price. However, before the sale, each~~
1007 ~~investor must receive in writing the final price and all~~
1008 ~~required disclosures and have an opportunity to rescind the~~
1009 ~~commitment to purchase the securities.~~

1010 (g) A description of the ownership and capital structure
1011 of the issuer, including:

1012 1. Terms of the securities being offered and each class of
1013 security of the issuer, including how those terms may be
1014 modified, and a summary of the differences between such
1015 securities, including how the rights of the securities being
1016 offered may be materially limited, diluted, or qualified by
1017 rights of any other class of security of the issuer.

1018 2. A description of how the exercise of the rights held by
1019 the principal equity holders ~~shareholders~~ of the issuer could
1020 negatively impact the purchasers of the securities being
1021 offered.

1022 ~~3. The name and ownership level of each existing~~
1023 ~~shareholder who owns more than 20 percent of any class of the~~
1024 ~~securities of the issuer.~~

1025 ~~4. How the securities being offered are being valued, and~~

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1026 ~~examples of methods of how such securities may be valued by the~~
1027 ~~issuer in the future, including during subsequent corporate~~
1028 ~~actions.~~

1029 ~~5. The risks to purchasers of the securities relating to~~
1030 ~~minority ownership in the issuer, the risks associated with~~
1031 ~~corporate action, including additional issuances of shares, a~~
1032 ~~sale of the issuer or of assets of the issuer, or transactions~~
1033 ~~with related parties.~~

1034 (h) A statement that the security being offered is not
1035 registered under federal or state securities laws and that the
1036 securities are subject to the limitation on resale contained in
1037 Securities and Exchange Commission Rule 147 or Rule 147A.

1038 (i) Any issuer plans, formal or informal, to offer
1039 additional securities in the future.

1040 (j) The risks to purchasers of the securities relating to
1041 minority ownership in the issuer.

1042 ~~(k)-(h)~~ A description of the financial condition of the
1043 issuer.

1044 1. For offerings that, in combination with all other
1045 offerings of the issuer within the preceding 12-month period,
1046 have ~~target~~ offering amounts of \$500,000 ~~\$100,000~~ or less, the
1047 financial statements of the issuer may, but are not required to,
1048 be included ~~description must include the most recent income tax~~
1049 ~~return filed by the issuer, if any, and a financial statement~~
1050 ~~that must be certified by the principal executive officer of the~~

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1051 ~~issuer as true and complete in all material respects.~~

1052 2. For offerings that, in combination with all other
1053 offerings of the issuer within the preceding 12-month period,
1054 have ~~target~~ offering amounts of more than \$500,000 ~~\$100,000~~, but
1055 not more than \$2.5 million ~~\$500,000~~, the description must
1056 include financial statements prepared in accordance with
1057 generally accepted accounting principles and reviewed by a
1058 certified public accountant, as defined in s. 473.302, who is
1059 independent of the issuer, using professional standards and
1060 procedures for such review or standards and procedures
1061 established by the commission ~~office~~, by rule, for such purpose.

1062 3. For offerings that, in combination with all other
1063 offerings of the issuer within the preceding 12-month period,
1064 have ~~target~~ offering amounts of more than \$2.5 million ~~\$500,000~~,
1065 the description must include audited financial statements
1066 prepared in accordance with generally accepted accounting
1067 principles by a certified public accountant, as defined in s.
1068 473.302, who is independent of the issuer, and other
1069 requirements as the commission may establish by rule.

1070 (1)-(i) The following statement in boldface, conspicuous
1071 type on the front page of the disclosure statement:

1072
1073 Neither the Securities and Exchange Commission nor any state
1074 securities commission has approved or disapproved these
1075 securities or determined if this disclosure statement is

1076 truthful or complete. Any representation to the contrary is a
1077 criminal offense.

1078
1079 These securities are offered under, and will be sold in reliance
1080 upon, an exemption from the registration requirements of federal
1081 and Florida securities laws. ~~Consequently,~~ Neither the Federal
1082 Government nor the State of Florida has reviewed the accuracy or
1083 completeness of any offering materials. In making an investment
1084 decision, investors must rely on their own examination of the
1085 issuer and the terms of the offering, including the merits and
1086 risks involved. These securities are subject to restrictions on
1087 transferability and resale and may not be transferred or resold
1088 except as specifically authorized by applicable federal and
1089 state securities laws. Investing in these securities involves a
1090 speculative risk, and investors should be able to bear the loss
1091 of their entire investment.

1092 ~~(8) The issuer shall provide to the office a copy of the~~
1093 ~~escrow agreement with a financial institution authorized to~~
1094 ~~conduct business in this state. All investor funds must be~~
1095 ~~deposited in the escrow account. The escrow agreement must~~
1096 ~~require that all offering proceeds be released to the issuer~~
1097 ~~only when the aggregate capital raised from all investors is~~
1098 ~~equal to or greater than the minimum target offering amount~~
1099 ~~specified in the disclosure statement as necessary to implement~~
1100 ~~the business plan, and that all investors will receive a full~~

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1101 ~~return of their investment commitment if that target offering~~
1102 ~~amount is not raised by the date stated in the disclosure~~
1103 ~~statement.~~

1104 (9) The sum of all cash and other consideration received
1105 for sales of a security under this section may not exceed \$5 ~~\$1~~
1106 million, less the aggregate amount received for all sales of
1107 securities by the issuer within the 12 months preceding the
1108 first offer or sale made in reliance upon this exemption. Offers
1109 or sales to a person owning 20 percent or more of the
1110 outstanding equity interests ~~shares~~ of any class or classes of
1111 securities or to an officer, director, manager, managing member,
1112 general partner, or trustee, or a person occupying a similar
1113 status, do not count toward this limitation.

1114 (10) Unless the investor is an accredited investor ~~as~~
1115 ~~defined by Rule 501 of Regulation D, adopted pursuant to the~~
1116 ~~Securities Act of 1933,~~ the aggregate amount sold by an issuer
1117 to an investor in transactions exempt from registration
1118 ~~requirements under this subsection~~ in a 12-month period may not
1119 exceed \$10,000.~~÷~~

1120 ~~(a) The greater of \$2,000 or 5 percent of the annual~~
1121 ~~income or net worth of such investor, if the annual income or~~
1122 ~~the net worth of the investor is less than \$100,000.~~

1123 ~~(b) Ten percent of the annual income or net worth of such~~
1124 ~~investor, not to exceed a maximum aggregate amount sold of~~
1125 ~~\$100,000, if either the annual income or net worth of the~~

1126 ~~investor is equal to or exceeds \$100,000.~~

1127 ~~(11) The issuer shall file with the office and provide to~~
1128 ~~investors free of charge an annual report of the results of~~
1129 ~~operations and financial statements of the issuer within 45 days~~
1130 ~~after the end of its fiscal year, until no securities under this~~
1131 ~~offering are outstanding. The annual reports must meet the~~
1132 ~~following requirements:~~

1133 ~~(a) Include an analysis by management of the issuer of the~~
1134 ~~business operations and the financial condition of the issuer,~~
1135 ~~and disclose the compensation received by each director,~~
1136 ~~executive officer, and person having an ownership interest of 20~~
1137 ~~percent or more of the issuer, including cash compensation~~
1138 ~~earned since the previous report and on an annual basis, and any~~
1139 ~~bonuses, stock options, other rights to receive securities of~~
1140 ~~the issuer, or any affiliate of the issuer, or other~~
1141 ~~compensation received.~~

1142 ~~(b) Disclose any material change to information contained~~
1143 ~~in the disclosure statements which was not disclosed in a~~
1144 ~~previous report.~~

1145 (11) ~~(12)~~ ~~(a)~~ A notice-filing under this section shall be
1146 summarily suspended by the office if:

1147 (a) The payment for the filing is dishonored by the
1148 financial institution upon which the funds are drawn. For
1149 purposes of s. 120.60(6), failure to pay the required notice
1150 filing fee constitutes an immediate and serious danger to the

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1151 public health, safety, and welfare. The office shall enter a
 1152 final order revoking a notice-filing in which the payment for
 1153 the filing is dishonored by the financial institution upon which
 1154 the funds are drawn; or-

1155 (b) ~~A notice-filing under this section shall be summarily~~
 1156 ~~suspended by the office if~~ The issuer made a material false
 1157 statement in the issuer's notice-filing. The summary suspension
 1158 shall remain in effect until a final order is entered by the
 1159 office. For purposes of s. 120.60(6), a material false statement
 1160 made in the issuer's notice-filing constitutes an immediate and
 1161 serious danger to the public health, safety, and welfare. If an
 1162 issuer made a material false statement in the issuer's notice-
 1163 filing, the office shall enter a final order revoking the
 1164 notice-filing, issue a fine as prescribed by s. 517.191(9) ~~s.~~
 1165 ~~517.221(3)~~, and issue permanent bars under s. 517.191(10) ~~s.~~
 1166 ~~517.221(4)~~ to the issuer and all owners, officers, directors,
 1167 general partners, and control persons, or any person occupying a
 1168 similar status or performing a similar function of the issuer,
 1169 including title; status as a partner, trustee, sole proprietor,
 1170 or similar role; and ownership percentage.

1171 ~~(12)-(13)~~ If the issuer employs the services of an
 1172 intermediary, the ~~An~~ intermediary must:

1173 (a) Take measures, as established by commission rule, to
 1174 reduce the risk of fraud with respect to the offering
 1175 ~~transactions, including verifying that the issuer is in~~

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1176 ~~compliance with the requirements of this section and, if~~
1177 ~~necessary, denying an issuer access to its platform if the~~
1178 ~~intermediary believes it is unable to adequately assess the risk~~
1179 ~~of fraud of the issuer or its potential offering.~~

1180 (b) Provide ~~basic~~ information on its website regarding the
1181 high risk of investment in and limitation on the resale of
1182 exempt securities and the potential for loss of an entire
1183 investment. The basic information must include, but need not be
1184 limited to:

1185 1. A description of the financial institution into which
1186 investor funds will be deposited ~~escrow agreement that the~~
1187 ~~issuer has executed~~ and the conditions for the use of ~~release of~~
1188 ~~such funds by~~ to the issuer ~~in accordance with the agreement and~~
1189 ~~subsection (4).~~

1190 2. A description of whether financial information provided
1191 by the issuer has been audited by an independent certified
1192 public accountant, as defined in s. 473.302.

1193 (c) Obtain from each prospective investor a zip code or
1194 residence address, a copy of a driver's license, and, if
1195 requested by the issuer or intermediary, any other proof of
1196 residency in order for the issuer or intermediary to reasonably
1197 believe that the potential investor is a resident of the state.
1198 The commission may adopt rules authorizing additional forms of
1199 identification and prescribing the process for verifying any
1200 identification presented by the prospective investor.

1201 (d) Obtain information sufficient for the issuer or
1202 intermediary to reasonably believe that a particular prospective
1203 investor is an accredited investor.

1204 ~~(c) Obtain a zip code or residence address from each~~
1205 ~~potential investor who seeks to view information regarding~~
1206 ~~specific investment opportunities, in order to confirm that the~~
1207 ~~potential investor is a resident of the state.~~

1208 ~~(d) Obtain and verify a valid Florida driver license~~
1209 ~~number or Florida identification card number from each investor~~
1210 ~~before purchase of a security to confirm that the investor is a~~
1211 ~~resident of the state. The commission may adopt rules~~
1212 ~~authorizing additional forms of identification and prescribing~~
1213 ~~the process for verifying any identification presented by the~~
1214 ~~investor.~~

1215 ~~(e) Obtain an affidavit from each investor stating that~~
1216 ~~the investment being made by the investor is consistent with the~~
1217 ~~income requirements of subsection (10).~~

1218 ~~(f) Direct the release of investor funds in escrow in~~
1219 ~~accordance with subsection (4).~~

1220 ~~(g) Direct investors to transmit funds directly to the~~
1221 ~~financial institution designated in the escrow agreement to hold~~
1222 ~~the funds for the benefit of the investor.~~

1223 (e)-(h) Provide a monthly update for each offering, after
1224 the first full month after the date of the offering. The update
1225 must be accessible on the intermediary's website and must

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1226 display the date and amount of each sale of securities, and each
1227 cancellation of commitment to invest, in the previous calendar
1228 month.

1229 ~~(i) Require each investor to certify in writing, including~~
1230 ~~as part of such certification his or her signature and his or~~
1231 ~~her initials next to each paragraph of the certification, as~~
1232 ~~follows:~~

1233 ~~I understand and acknowledge that:~~

1234 ~~I am investing in a high-risk, speculative business venture. I~~
1235 ~~may lose all of my investment, and I can afford the loss of my~~
1236 ~~investment.~~

1237 ~~This offering has not been reviewed or approved by any state or~~
1238 ~~federal securities commission or other regulatory authority and~~
1239 ~~no regulatory authority has confirmed the accuracy or determined~~
1240 ~~the adequacy of any disclosure made to me relating to this~~
1241 ~~offering.~~

1242 ~~The securities I am acquiring in this offering are illiquid and~~
1243 ~~are subject to possible dilution. There is no ready market for~~
1244 ~~the sale of the securities. It may be difficult or impossible~~
1245 ~~for me to sell or otherwise dispose of the securities, and I may~~
1246 ~~be required to hold the securities indefinitely.~~

1247 ~~I may be subject to tax on my share of the taxable income and~~
1248 ~~losses of the issuer, whether or not I have sold or otherwise~~
1249 ~~disposed of my investment or received any dividends or other~~
1250 ~~distributions from the issuer.~~

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1251 ~~By entering into this transaction with the issuer, I am~~
1252 ~~affirmatively representing myself as being a Florida resident at~~
1253 ~~the time this contract is formed, and if this representation is~~
1254 ~~subsequently shown to be false, the contract is void.~~

1255 ~~If I resell any of the securities I am acquiring in this~~
1256 ~~offering to a person that is not a Florida resident within 9~~
1257 ~~months after the closing of the offering, my contract with the~~
1258 ~~issuer for the purchase of these securities is void.~~

1259 ~~(j) Require each investor to answer questions~~
1260 ~~demonstrating an understanding of the level of risk generally~~
1261 ~~applicable to investments in startups, emerging businesses, and~~
1262 ~~small issuers, and an understanding of the risk of illiquidity.~~

1263 ~~(f)(k)~~ (f) Take reasonable steps to protect personal
1264 information collected from investors, as required by s. 501.171.

1265 (g)(l) Prohibit its directors, ~~and~~ officers, managers,
1266 managing members, general partners, employees, and agents from
1267 having any financial interest in the issuer using its services.

1268 ~~(m) Implement written policies and procedures that are~~
1269 ~~reasonably designed to achieve compliance with federal and state~~
1270 ~~securities laws; comply with the anti-money laundering~~
1271 ~~requirements of 31 C.F.R. chapter X applicable to registered~~
1272 ~~brokers; and comply with the privacy requirements of 17 C.F.R.~~
1273 ~~part 248 relating to brokers.~~

1274 ~~(13)(14)~~ (13) An intermediary not registered as a dealer under
1275 s. 517.12(5) may not:

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1276 (a) Offer investment advice or recommendations. A refusal
1277 by an intermediary to post an offering that it deems not
1278 credible or that represents a potential for fraud may not be
1279 construed as an offer of investment advice or recommendation.

1280 (b) Solicit purchases, sales, or offers to buy securities
1281 offered or displayed on its website.

1282 (c) Compensate employees, agents, or other persons for the
1283 solicitation of, or based on the sale of, securities offered or
1284 displayed on its website.

1285 (d) Hold, manage, possess, or otherwise handle investor
1286 funds or securities.

1287 (e) Compensate promoters, finders, or lead generators for
1288 providing the intermediary with the personal identifying
1289 information of any prospective ~~potential~~ investor.

1290 (f) Engage in any other activities set forth by commission
1291 rule.

1292 (14) If the issuer does not employ a dealer or
1293 intermediary for an offering pursuant to the exemption under
1294 this section, the issuer shall undertake each of the obligations
1295 set forth in paragraphs (12) (c) - (f).

1296 (15) Any sale made pursuant to the exemption under this
1297 section is voidable by the purchaser within 3 days after the
1298 first tender of consideration is made by such purchaser to the
1299 issuer by notifying the issuer that the purchaser expressly
1300 voids the purchase. The purchaser's notice to the issuer must be

1301 sent by e-mail to the issuer's e-mail address set forth in the
 1302 disclosure document that is provided to a purchaser or
 1303 purchaser's representative or by certified mail or overnight
 1304 delivery service with proof of delivery to the mailing address
 1305 set forth in the disclosure document.

1306 ~~(15) All funds received from investors must be directed to~~
 1307 ~~the financial institution designated in the escrow agreement to~~
 1308 ~~hold the funds and must be used in accordance with~~
 1309 ~~representations made to investors by the intermediary. If an~~
 1310 ~~investor cancels a commitment to invest, the intermediary must~~
 1311 ~~direct the financial institution designated to hold the funds to~~
 1312 ~~promptly refund the funds of the investor.~~

1313 Section 5. Section 517.0612, Florida Statutes, is created
 1314 to read:

1315 517.0612 Florida Invest Local Exemption.-

1316 (1) This section may be cited as the "Florida Invest Local
 1317 Exemption."

1318 (2) The offer or sale of a security by the issuer is
 1319 exempt from registration under s. 517.07 if all the following
 1320 requirements are met:

1321 (a) The issuer must be a for-profit business entity
 1322 registered with the Department of State with its principal place
 1323 of business in this state. The issuer may not be, before or as a
 1324 result of the offering:

1325 1. An investment company as defined in the Investment

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1326 Company Act of 1940, as amended;

1327 2. Subject to the reporting requirements of the Securities
1328 and Exchange Act of 1934, as amended;

1329 3. A business entity with an undefined business operation,
1330 a company that lacks a business plan, a business entity that
1331 lacks a stated investment goal for the funds being raised, or a
1332 business entity that plans to engage in a merger or acquisition
1333 with an unspecified business entity; or

1334 4. Subject to a disqualification pursuant to s. 517.0616.

1335 (b) The transaction must meet the requirements of the
1336 federal exemption for intrastate offerings in s. 3(a)(11) of the
1337 Securities Act of 1933, Securities and Exchange Commission Rule
1338 147, or Securities and Exchange Commission Rule 147A, as
1339 amended.

1340 (c) The sum of all cash and other consideration received
1341 for all sales of the security in reliance upon the exemption
1342 under this section may not exceed \$500,000, less the aggregate
1343 amount received for all sales of securities by the issuer within
1344 the 12 months before the first offer or sale made in reliance on
1345 this exemption.

1346 (d)1. The issuer may not accept more than \$10,000 from any
1347 single purchaser unless:

1348 a. The issuer reasonably believes that the purchaser is an
1349 accredited investor;

1350 b. The purchaser is an officer, director, partner, or

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1351 trustee, or an individual occupying a similar status or
1352 performing similar functions, of the issuer; or

1353 c. The purchaser is an owner of 10 percent or more of the
1354 issuer's outstanding equity.

1355 2. For purposes of this section:

1356 a. Any spouse or child of the purchaser or any family
1357 relative who has the same primary residence as the purchaser
1358 shall collectively be treated as a single purchaser.

1359 b. Any business entity of which the purchaser and any
1360 person related to the purchaser under sub-subparagraph a.
1361 collectively own more than 50 percent of the equity interest
1362 shall collectively be treated as a single purchaser.

1363 (e) The issuer may engage in general advertising and
1364 general solicitation of the offering. Any general advertising or
1365 other general announcement must state that the offer is limited
1366 and open only to residents of this state. Written or oral
1367 statements made in the advertising or solicitation of the offer
1368 are subject to the enforcement provisions of this chapter.

1369 (f) A purchaser shall receive, at least 3 business days
1370 before any binding commitment to purchase or consideration paid,
1371 a disclosure document that provides material information of the
1372 issuer, including, but not limited to, the following:

1373 1. The issuer's name, form of entity, and contact
1374 information.

1375 2. The name and contact information of each director,

- 1376 officer, or other manager of the issuer.
- 1377 3. A description of the issuer's business.
- 1378 4. A description of the security being offered.
- 1379 5. The total amount of the offering.
- 1380 6. The intended use of proceeds from the sale of the
- 1381 securities.
- 1382 7. The target offering amount.
- 1383 8. A statement that if the target offering amount is not
- 1384 obtained in cash or in the value of other tangible consideration
- 1385 received within a date that is no more than 180 days after the
- 1386 commencement of the offering, the offering will be terminated,
- 1387 and any funds or other consideration received from purchasers
- 1388 shall be promptly returned.
- 1389 9. A statement that the security being offered is not
- 1390 registered under federal or state securities laws and that the
- 1391 securities are subject to the limitation on resale contained in
- 1392 Securities and Exchange Commission Rule 147 or Rule 147A.
- 1393 10. The names and addresses of all persons who will be
- 1394 involved in the offer and sale of securities on behalf of the
- 1395 issuer.
- 1396 11. The bank or other depository institution into which
- 1397 investor funds will be deposited.
- 1398 12. The following statement in boldface type: "Neither the
- 1399 Securities and Exchange Commission nor any state securities
- 1400 commission has approved or disapproved these securities or

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1401 determined if this disclosure document is truthful or complete.
1402 Any representation to the contrary is a criminal offense."

1403 (g) All funds received from investors shall be deposited
1404 into a bank or depository institution authorized to do business
1405 in this state. The issuer may not withdraw any amount of the
1406 offering proceeds unless and until the target offering amount
1407 has been received.

1408 (h) The issuer must file a notice of the offering with the
1409 office, in writing or in electronic form, in a format prescribed
1410 by commission rule, no less than 5 business days before the
1411 offering commences, along with the disclosure document described
1412 in paragraph (f). The issuer must, within 3 business days, file
1413 an amended notice if there are any material changes to the
1414 information previously submitted.

1415 (3) An individual, entity, or entity employee who acts as
1416 an agent for the issuer in the offer or sale of securities and
1417 is not registered as a dealer under this chapter may not:

1418 (a) Receive compensation based upon the solicitation of
1419 purchases, sales, or offers to purchase the securities; or

1420 (b) Take custody of investor funds or securities.

1421 (4) Any sale made pursuant to the exemption under this
1422 section is voidable by the purchaser within 3 days after the
1423 first tender of consideration is made by such purchaser to the
1424 issuer by notifying the issuer that the purchaser expressly
1425 voids the purchase. The purchaser's notice to the issuer must be

1426 sent by e-mail to the issuer's e-mail address set forth in the
 1427 disclosure document that is provided to a purchaser or
 1428 purchaser's representative or by hand delivery, courier service,
 1429 or other method by which written proof of delivery to the issuer
 1430 of the purchaser's election to rescind the purchase is
 1431 evidenced.

1432 Section 6. Section 517.0613, Florida Statutes, is created
 1433 to read:

1434 517.0613 Failure to comply with a securities registration
 1435 exemption.—

1436 (1) Failure to comply with any exemption from securities
 1437 registration does not preclude the issuer from claiming the
 1438 availability of any other applicable state or federal exemption.

1439 (2) Sections 517.061, 517.0611, and 517.0612 are not
 1440 available to an issuer for any transaction or chain of
 1441 transactions that, although in technical compliance with the
 1442 applicable provisions, is part of a plan or scheme to evade the
 1443 registration provisions of s. 517.07. In such cases,
 1444 registration under s. 517.07 is required.

1445 Section 7. Section 517.0614, Florida Statutes, is created
 1446 to read:

1447 517.0614 Integration of offerings.—

1448 (1) If the safe harbors in subsection (2) do not apply, in
 1449 determining whether two or more offerings are to be treated as
 1450 one for the purpose of registration or qualifying for an

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1451 exemption from registration under this chapter, offers and sales
1452 may not be integrated if, based on the particular facts and
1453 circumstances, the issuer can establish either that each
1454 offering complies with the registration requirements of this
1455 chapter, or that an exemption from registration is available for
1456 the particular offering, provided that any transaction or series
1457 of transactions that, although in technical compliance with this
1458 chapter, is part of a plan or scheme to evade the registration
1459 requirements of this chapter will not have the effect of
1460 avoiding integration. In making this determination:

1461 (a) For an exempt offering prohibiting general
1462 solicitation, the issuer must have a reasonable belief, based on
1463 the facts and circumstances, with respect to each purchaser in
1464 the exempt offering prohibiting general solicitation, that the
1465 issuer or any person acting on the issuer's behalf:

1466 1. Did not solicit such purchaser through the use of
1467 general solicitation; or

1468 2. Established a substantive relationship with such
1469 purchaser before the commencement of the exempt offering
1470 prohibiting general solicitation, provided that a purchaser
1471 previously solicited through the use of general solicitation is
1472 not deemed to have been solicited through the use of general
1473 solicitation in the current offering if, during the 45 calendar
1474 days following such previous general solicitation:

1475 a. No offer or sale of the same or similar class of

1476 securities has been made by or on behalf of the issuer,
1477 including to such purchaser; and

1478 b. The issuer or any person acting on the issuer's behalf
1479 has not solicited such purchaser through the use of general
1480 solicitation for any other security.

1481 (b) For two or more concurrent exempt offerings permitting
1482 general solicitation, in addition to satisfying the requirements
1483 of the particular exemption relied on, general solicitation
1484 offering materials for one offering that includes information
1485 about the material terms of a concurrent offering under another
1486 exemption may constitute an offer of securities in such other
1487 offering, and therefore the offer must comply with all the
1488 requirements for, and restrictions on, offers under the
1489 exemption being relied on for such other offering, including any
1490 legend requirements and communications restrictions.

1491 (2) No integration analysis under subsection (1) is
1492 required if any of the following nonexclusive safe harbors
1493 apply:

1494 (a) An offering commenced more than 30 calendar days
1495 before the commencement of any other offering, or more than 30
1496 calendar days after the termination or completion of any other
1497 offering, may not be integrated with such other offering,
1498 provided that for an exempt offering for which general
1499 solicitation is not permitted which follows by 30 calendar days
1500 or more an offering that allows general solicitation, paragraph

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1501 (1) (a) applies.

1502 (b) Offers and sales made in compliance with any provision
1503 of s. 517.051; s. 517.061, except s. 517.061(9), (10), or (11);
1504 s. 517.0611; or s. 517.0612 are not subject to integration with
1505 other offerings.

1506 Section 8. Section 517.0615, Florida Statutes, is created
1507 to read:

1508 517.0615 Solicitations of interest.-

1509 (1) A communication is not deemed to constitute general
1510 solicitation or general advertising if the communication is made
1511 in connection with a seminar or meeting in which more than one
1512 issuer participates and if the seminar or meeting is sponsored
1513 by a college, university, or other institution of higher
1514 education, a state or local government or instrumentality
1515 thereof, a nonprofit chamber of commerce or other nonprofit
1516 organization, or an angel investor group, incubator, or
1517 accelerator, provided that:

1518 (a) No advertising for the seminar or meeting references a
1519 specific offering of securities by the issuer;

1520 (b) The sponsor of the seminar or meeting does not:

1521 1. Make investment recommendations or provide investment
1522 advice to attendees of the seminar or meeting;

1523 2. Engage in any investment negotiations between the
1524 issuer and investors attending the seminar or meeting;

1525 3. Charge attendees of the seminar or meeting any fees,

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1526 other than reasonable administrative fees;
1527 4. Receive any compensation for making introductions
1528 between seminar or meeting attendees and issuers or for
1529 investment negotiations between such parties; or
1530 5. Receive any compensation with respect to the seminar or
1531 meeting, which compensation would require registration or
1532 notice-filing under this chapter, the Securities Exchange Act of
1533 1934, 15 U.S.C. ss. 78a et seq., as amended, or the Investment
1534 Advisers Act of 1940, 15 U.S.C. s. 80b-1 et seq., as amended.
1535 The sponsorship of or participation in the seminar or meeting
1536 does not by itself require registration or notice-filing under
1537 this chapter;
1538 (c) The type of information regarding an offering of
1539 securities by the issuer which is communicated or distributed by
1540 or on behalf of the issuer in connection with the seminar or
1541 meeting is limited to a notification that the issuer is in the
1542 process of offering or planning to offer securities, the type
1543 and amount of securities being offered, the intended use of
1544 proceeds of the offering, and the unsubscribed amount in an
1545 offering; and
1546 (d) If the seminar or meeting allows attendees to
1547 participate virtually rather than in person, online
1548 participation in the seminar or meeting is limited to
1549 individuals who:
1550 1. Are members of, or are otherwise associated with, the

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1551 sponsor organization;
1552 2. The sponsor reasonably believes are accredited
1553 investors; or
1554 3. Have been:
1555 a. Invited to the seminar or meeting by the sponsor based
1556 on industry or investment-related experience;
1557 b. Reasonably selected by the sponsor in good faith; and
1558 c. Disclosed in the public communications about the
1559 seminar or meeting.
1560 (2) Before any offers or sales are made in connection with
1561 an offering, a communication by an issuer or any person
1562 authorized to act on behalf of an issuer is not deemed to
1563 constitute general solicitation or general advertising if the
1564 communication is solely for the purpose of determining whether
1565 there is any interest in a contemplated securities offering.
1566 Written or oral statements made in the course of such
1567 communication are subject to the enforcement provisions of this
1568 chapter. No solicitation or acceptance of money or other
1569 consideration, nor of any commitment, binding or otherwise, from
1570 any person is permitted.
1571 (a) The communication must state that:
1572 1. Money or other consideration is not being solicited
1573 and, if sent in response, will not be accepted;
1574 2. Any offer to buy the securities will not be accepted,
1575 and any part of the purchase price will not be received; and

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1576 3. A person's indication of interest does not involve
1577 obligation or commitment of any kind.

1578 (b) Any written communication under this subsection may
1579 include a means by which a person may indicate to the issuer
1580 that the person is interested in a potential offering. The
1581 issuer may require the name, address, telephone number, or e-
1582 mail address in any response form included in the written
1583 communication under this paragraph.

1584 (c) A communication in accordance with this subsection is
1585 not subject to s. 501.059 regarding telephone solicitations.

1586 Section 9. Section 517.0616, Florida Statutes, is created
1587 to read:

1588 517.0616 Disqualification.—A registration exemption under
1589 s. 517.061(9), (10), or (11); s. 517.0611; or s. 517.0612 is not
1590 available to an issuer that would be disqualified under
1591 Securities and Exchange Commission Rule 506(d), 17 C.F.R.
1592 230.506(d), as amended, at the time the issuer makes an offer
1593 for the sale of a security.

1594 Section 10. Subsections (6) and (7) of section 517.081,
1595 Florida Statutes, are renumbered as subsections (7) and (8),
1596 respectively, subsection (2), paragraph (g) of subsection (3),
1597 subsection (5), and present subsection (7) are amended, and a
1598 new subsection (6) is added to that section, to read:

1599 517.081 Registration procedure.—

1600 (2) The office shall receive and act upon applications to

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1601 have securities registered, ~~and the commission may prescribe~~
1602 ~~forms on which it may require such applications to be submitted.~~
1603 Applications shall be duly signed by the applicant, sworn to by
1604 any person having knowledge of the facts, and filed with the
1605 office. ~~The commission may establish, by rule, procedures for~~
1606 ~~depositing fees and filing documents by electronic means~~
1607 ~~provided such procedures provide the office with the information~~
1608 ~~and data required by this section.~~ An application may be made
1609 either by the issuer of the securities for which registration is
1610 applied or by any registered dealer desiring to sell the same
1611 within the state.

1612 (3) The office may require the applicant to submit to the
1613 office the following information concerning the issuer and such
1614 other relevant information as the office may in its judgment
1615 deem necessary to enable it to ascertain whether such securities
1616 shall be registered pursuant to the provisions of this section:

1617 (g)~~1.~~ A specimen copy of the securities certificate, if
1618 applicable, and a copy of any circular, prospectus,
1619 advertisement, or other description of such securities.

1620 ~~2. The commission shall adopt a form for a simplified~~
1621 ~~offering circular to register, under this section, securities~~
1622 ~~that are sold in offerings in which the aggregate offering price~~
1623 ~~in any consecutive 12-month period does not exceed the amount~~
1624 ~~provided in s. 3(b) of the Securities Act of 1933, as amended.~~
1625 ~~The following issuers shall not be eligible to submit a~~

1626 ~~simplified offering circular adopted pursuant to this~~
1627 ~~subparagraph:~~

1628 ~~a. An issuer seeking to register securities for resale by~~
1629 ~~persons other than the issuer.~~

1630 ~~b. An issuer that is subject to any of the~~
1631 ~~disqualifications described in 17 C.F.R. s. 230.262, adopted~~
1632 ~~pursuant to the Securities Act of 1933, as amended, or that has~~
1633 ~~been or is engaged or is about to engage in an activity that~~
1634 ~~would be grounds for denial, revocation, or suspension under s.~~
1635 ~~517.111. For purposes of this subparagraph, an issuer includes~~
1636 ~~an issuer's director, officer, general partner, manager or~~
1637 ~~managing member, trustee, or equity owner who owns at least 10~~
1638 ~~percent of the ownership interests of the issuer, promoter, or~~
1639 ~~selling agent of the securities to be offered or any officer,~~
1640 ~~director, partner, or manager or managing member of such selling~~
1641 ~~agent.~~

1642 ~~c. An issuer that is a development-stage company that~~
1643 ~~either has no specific business plan or purpose or has indicated~~
1644 ~~that its business plan is to merge with an unidentified company~~
1645 ~~or companies.~~

1646 ~~d. An issuer of offerings in which the specific business~~
1647 ~~or properties cannot be described.~~

1648 ~~e. Any issuer the office determines is ineligible because~~
1649 ~~the form does not provide full and fair disclosure of material~~
1650 ~~information for the type of offering to be registered by the~~

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1651 ~~issuer.~~

1652 ~~f. Any issuer that has failed to provide the office the~~
1653 ~~reports required for a previous offering registered pursuant to~~
1654 ~~this subparagraph.~~

1655
1656 ~~As a condition precedent to qualifying for use of the simplified~~
1657 ~~offering circular, an issuer shall agree to provide the office~~
1658 ~~with an annual financial report containing a balance sheet as of~~
1659 ~~the end of the issuer's fiscal year and a statement of income~~
1660 ~~for such year, prepared in accordance with United States~~
1661 ~~generally accepted accounting principles and accompanied by an~~
1662 ~~independent accountant's report. If the issuer has more than 100~~
1663 ~~security holders at the end of a fiscal year, the financial~~
1664 ~~statements must be audited. Annual financial reports must be~~
1665 ~~filed with the office within 90 days after the close of the~~
1666 ~~issuer's fiscal year for each of the first 5 years following the~~
1667 ~~effective date of the registration.~~

1668 (5) The commission may by rule:

1669 (a) Establish criteria relating to the issuance of equity
1670 securities, debt securities, insurance company securities, real
1671 estate investment trusts, oil and gas investments, and other
1672 investments. The criteria may, at a minimum, include such
1673 elements as the promoter's equity investment ratio, the
1674 financial condition of the issuer, the voting rights of
1675 shareholders, the grant of options or warrants to underwriters

1676 and others, loans and other transactions with affiliates of the
1677 issuer, and the use, escrow, or refund of proceeds of the
1678 offering. In establishing the criteria, the commission shall
1679 consider the rules and regulations of the Securities and
1680 Exchange Commission and statements of policy by the North
1681 American Securities Administrators Association, Inc., relating
1682 to the registration of securities offerings.

1683 (b) Prescribe forms requiring applications for the
1684 registration of securities to be submitted to the office,
1685 including a simplified offering circular to register under this
1686 section securities that are sold in offerings in which the
1687 aggregate offering price in any consecutive 12-month period does
1688 not exceed the amount provided in s. 3(b) of the Securities Act
1689 of 1933, as amended.

1690 (c) Establish procedures for depositing fees and filing
1691 documents by electronic means if such procedures provide the
1692 office with the information and data required by this section.

1693 (d) Establish requirements and standards for the filing,
1694 content, and circulation of a preliminary, final, or amended
1695 prospectus, advertisements, and other sales literature. The
1696 commission shall consider the rules and regulations of the
1697 Securities and Exchange Commission relating to preliminary,
1698 final, or amended or supplemented prospectuses and the rules of
1699 the Financial Industry Regulatory Authority relating to
1700 advertisements and sales literature.

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1701 (e) Fix the maximum discounts, commissions, expenses,
1702 remuneration, and other compensation to be paid in cash or
1703 otherwise, not to exceed 20 percent, directly or indirectly, for
1704 or in connection with the sale or offering for sale of such
1705 securities in this state.

1706 (6) The following issuers are not eligible to submit a
1707 simplified offering circular adopted under paragraph (5) (b):

1708 (a) An issuer that is subject to any of the
1709 disqualifications described in Securities and Exchange
1710 Commission Rule 262, 17 C.F.R. s. 230.262, as amended, or that
1711 has been or is engaged or is about to engage in an activity that
1712 would be grounds for denial, revocation, or suspension under s.
1713 517.111. For purposes of this paragraph, an issuer includes an
1714 issuer's director, officer, general partner, manager or managing
1715 member, trustee, or equity owner who owns at least 10 percent of
1716 the ownership interests of the issuer, promoter, or selling
1717 agent of the securities to be offered or any officer, director,
1718 partner, or manager or managing member of such selling agent.

1719 (b) An issuer that is a development-stage company that
1720 either has no specific business plan or purpose or has indicated
1721 that its business plan is to merge with an unidentified business
1722 entity or business entities.

1723 (c) An issuer of offerings in which the specific business
1724 or properties cannot be described.

1725 (d) An issuer the office determines is ineligible because

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1726 the form does not provide full and fair disclosure of material
1727 information for the type of offering to be registered by the
1728 issuer.

1729 (8)(a)-(7) The office shall record the registration of a
1730 security in the register of securities if, upon examination of
1731 an any application, the office finds that all of the following
1732 requirements are met:

1733 1. The application is complete.

1734 2. The fee in subsection (7) has been paid.

1735 3. The sale of the security would not be fraudulent and
1736 would not work or tend to work a fraud upon the purchaser.

1737 4. The terms of the sale of such securities would be fair,
1738 just, and equitable.

1739 5. The enterprise or business of the issuer is not based
1740 upon unsound business principles.

1741 (b) Upon registration, the security may be sold by the
1742 issuer or any registered dealer, subject, however, to the
1743 further order of the office ~~shall find that the sale of the~~
1744 ~~security referred to therein would not be fraudulent and would~~
1745 ~~not work or tend to work a fraud upon the purchaser, that the~~
1746 ~~terms of the sale of such securities would be fair, just, and~~
1747 ~~equitable, and that the enterprise or business of the issuer is~~
1748 ~~not based upon unsound business principles, it shall record the~~
1749 ~~registration of such security in the register of securities; and~~
1750 ~~thereupon such security so registered may be sold by any~~

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1751 ~~registered dealer, subject, however, to the further order of the~~
1752 ~~office. In order to determine if an offering is fair, just, and~~
1753 ~~equitable, the commission may by rule establish requirements and~~
1754 ~~standards for the filing, content, and circulation of any~~
1755 ~~preliminary, final, or amended prospectus and other sales~~
1756 ~~literature and may by rule establish merit qualification~~
1757 ~~criteria relating to the issuance of equity securities, debt~~
1758 ~~securities, insurance company securities, real estate investment~~
1759 ~~trusts, and other traditional and nontraditional investments,~~
1760 ~~including, but not limited to, oil and gas investments. The~~
1761 ~~criteria may include such elements as the promoter's equity~~
1762 ~~investment ratio, the financial condition of the issuer, the~~
1763 ~~voting rights of shareholders, the grant of options or warrants~~
1764 ~~to underwriters and others, loans and other affiliated~~
1765 ~~transaction, the use or refund of proceeds of the offering, and~~
1766 ~~such other relevant criteria as the office in its judgment may~~
1767 ~~deem necessary to such determination.~~

1768 Section 11. Section 517.101, Florida Statutes, is amended
1769 to read:

1770 517.101 Consent to service.—

1771 (1) Upon any initial application for registration under s.
1772 517.081 or s. 517.082 or upon request of the office, the issuer
1773 shall file with such application the irrevocable written consent
1774 of the issuer that in suits, proceedings, and actions growing
1775 out of the violation of any provision of this chapter, the

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1776 service on the office of a notice, process, or pleading therein,
1777 authorized by the laws of this state, shall be as valid and
1778 binding as if due service had been made on the issuer.

1779 (2) Any such action shall be brought either in the county
1780 of the plaintiff's residence or in the county in which the
1781 office has its official headquarters. The written consent shall
1782 be authenticated by the seal of said issuer, if it has a seal,
1783 and by the acknowledged signature of a director, manager,
1784 managing member, general partner, trustee, or officer of the
1785 issuer ~~member of the copartnership or company, or by the~~
1786 ~~acknowledged signature of any officer of the incorporated or~~
1787 ~~unincorporated association, if it be an incorporated or~~
1788 ~~unincorporated association, duly authorized by resolution of the~~
1789 ~~board of directors, trustees, or managers of the corporation or~~
1790 ~~association,~~ and shall in such case be accompanied by a duly
1791 certified copy of the resolution of the issuer's board of
1792 directors, trustees, ~~or~~ managing members, or general
1793 partners of the corporation or association, authorizing the
1794 signer to execute the consent ~~officers to execute the same.~~ In
1795 case any process or pleadings mentioned in this chapter are
1796 served upon the office, it shall be by duplicate copies, one of
1797 which shall be filed in the office and another immediately
1798 forwarded by the office by registered mail to the principal
1799 office of the issuer against which said process or pleadings are
1800 directed.

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1801 Section 12. Section 517.131, Florida Statutes, is amended
 1802 to read:

1803 517.131 Securities Guaranty Fund.—

1804 (1)(a) The Chief Financial Officer shall establish a
 1805 Securities Guaranty Fund to provide monetary relief to victims
 1806 of securities violations under this chapter who are entitled to
 1807 monetary damages or restitution and cannot recover the full
 1808 amount of such monetary damages or restitution from the
 1809 wrongdoer. An amount not exceeding 20 percent of all revenues
 1810 received as assessment fees pursuant to s. 517.12(9) and (10)
 1811 for dealers and investment advisers or s. 517.1201 for federal
 1812 covered advisers and an amount not exceeding 10 percent of all
 1813 revenues received as assessment fees pursuant to s. 517.12(9)
 1814 and (10) for associated persons shall be part of the regular
 1815 registration ~~license~~ fee and shall be transferred to or
 1816 deposited in the Securities Guaranty Fund.

1817 (b) If the Securities Guaranty Fund at any time exceeds
 1818 \$1.5 million, transfer of assessment fees to the ~~this~~ fund shall
 1819 be discontinued at the end of that registration ~~license~~ year,
 1820 and transfer of such assessment fees shall not be resumed unless
 1821 the fund is reduced below \$1 million by disbursement made in
 1822 accordance with s. 517.141.

1823 (2) As used in this section, the term "final judgment"
 1824 includes an arbitration award confirmed ~~The Securities Guaranty~~
 1825 ~~Fund shall be disbursed as provided in s. 517.141 to a person~~

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1826 ~~who is adjudged by a court of competent jurisdiction, to have~~
 1827 ~~suffered monetary damages as a result of any of the following~~
 1828 ~~acts committed by a dealer, investment adviser, or associated~~
 1829 ~~person who was licensed under this chapter at the time the act~~
 1830 ~~was committed:~~

1831 ~~(a) A violation of s. 517.07.~~

1832 ~~(b) A violation of s. 517.301.~~

1833 (3) A ~~Any~~ person is eligible for payment to seek recovery
 1834 from the Securities Guaranty Fund if the person:

1835 (a)1. Holds an unsatisfied final judgment in which a
 1836 wrongdoer was found to have violated s. 517.07 or s. 517.301;

1837 2. Has applied any amount recovered from the judgment
 1838 debtor, or from any other source, to the damages awarded by the
 1839 court or arbitrator; and

1840 3. Is a natural person who was a resident of this state or
 1841 is a business entity that was domiciled in this state at the
 1842 time of the violation of any section referred to in subparagraph
 1843 1.; or

1844 (b) Is a receiver appointed pursuant to s. 517.191(2) by a
 1845 court of competent jurisdiction for a wrongdoer ordered to pay
 1846 restitution under s. 517.191(3) as a result of a violation of s.
 1847 517.07 or s. 517.301 which has requested payment from the
 1848 Securities Guaranty Fund on behalf of a person eligible for
 1849 payment under paragraph (a).

1850 ~~(a) Such person has received final judgment in a court of~~

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1851 ~~competent jurisdiction in any action wherein the cause of action~~
1852 ~~was based on a violation of those sections referred to in~~
1853 ~~subsection (2).~~

1854 ~~(b) Such person has made all reasonable searches and~~
1855 ~~inquiries to ascertain whether the judgment debtor possesses~~
1856 ~~real or personal property or other assets subject to being sold~~
1857 ~~or applied in satisfaction of the judgment, and by her or his~~
1858 ~~search the person has discovered no property or assets; or she~~
1859 ~~or he has discovered property and assets and has taken all~~
1860 ~~necessary action and proceedings for the application thereof to~~
1861 ~~the judgment, but the amount thereby realized was insufficient~~
1862 ~~to satisfy the judgment. To verify compliance with such~~
1863 ~~condition, the office may require such person to have a writ of~~
1864 ~~execution be issued upon such judgment, may require a showing~~
1865 ~~that no personal or real property of the judgment debtor liable~~
1866 ~~to be levied upon in complete satisfaction of the judgment can~~
1867 ~~be found, or may require an affidavit from the claimant setting~~
1868 ~~forth the reasonable searches and inquiries undertaken and the~~
1869 ~~result of those searches and inquiries.~~

1870 ~~(c) Such person has applied any amounts recovered from the~~
1871 ~~judgment debtor, or from any other source, to the damages~~
1872 ~~awarded by the court.~~

1873 ~~(d) The act for which recovery is sought occurred on or~~
1874 ~~after January 1, 1979.~~

1875 ~~(e) The office waives compliance with the requirements of~~

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1876 ~~paragraph (a) or paragraph (b). The office may waive such~~
1877 ~~compliance if the dealer, investment adviser, or associated~~
1878 ~~person which is the subject of the claim filed with the office~~
1879 ~~is the subject of any proceeding in which a receiver has been~~
1880 ~~appointed by a court of competent jurisdiction. If the office~~
1881 ~~waives such compliance, the office may, upon petition by the~~
1882 ~~debtor or the court-appointed trustee, examiner, or receiver,~~
1883 ~~distribute funds from the Securities Guaranty Fund up to the~~
1884 ~~amount allowed under s. 517.141. Any waiver granted pursuant to~~
1885 ~~this section shall be considered a judgment for purposes of~~
1886 ~~complying with the requirements of this section and of s.~~
1887 ~~517.141.~~

1888 (4) A person is not eligible for payment from the
1889 Securities Guaranty Fund if the person has:

1890 (a) Participated or assisted in a violation of this
1891 chapter;

1892 (b) Attempted to commit or committed a violation of this
1893 chapter; or

1894 (c) Profited from a violation of this chapter.

1895 (5) An eligible person, or a receiver on behalf of an
1896 eligible person, seeking payment from the Securities Guaranty
1897 Fund must file with the office a written application on a form
1898 that the commission may by rule prescribe. The commission may
1899 establish by rule procedures for filing documents by electronic
1900 means, if such procedures provide the office with the

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1901 information and data required by this section. The application
1902 shall be filed with the office within 1 year after the date of
1903 the final judgment, the date on which restitution order has been
1904 ripe for execution, or the date of any appellate decision
1905 thereon, and the application must contain such information as
1906 the office may require, including, but not limited to:

1907 (a) The eligible person's full name, address, and contact
1908 information.

1909 (b) The receiver's full name, address, and contact
1910 information, if any.

1911 (c) The person ordered to pay restitution.

1912 (d) The eligible person's form and place of organization,
1913 if the eligible person is a business entity, and a copy of the
1914 business entity's articles of incorporation, articles of
1915 organization with amendments, trust agreement, or partnership
1916 agreement.

1917 (e) Any final judgment and a copy thereof.

1918 (f) Any restitution ordered pursuant to s. 517.191(3), and
1919 a copy thereof.

1920 (g) An affidavit stating that:

1921 1. The eligible person has made all reasonable searches
1922 and inquiries to ascertain whether the judgment debtor possesses
1923 real or personal property or other assets subject to being sold
1924 or applied in satisfaction of the final judgment and, by the
1925 eligible person's search, the eligible person has not discovered

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1926 any property or assets; or

1927 2. The eligible person has available property and assets
1928 executed on all of the wrongdoer and the final judgment remains
1929 unsatisfied.

1930 (h) An affidavit from the receiver stating the amount of
1931 restitution owed to the eligible person on whose behalf the
1932 claim is filed; the amount, if any, of any money, property, or
1933 assets paid to the eligible person on whose behalf the claim is
1934 filed by the person over whom the receiver is appointed; and the
1935 amount of any unsatisfied portion of any eligible person's order
1936 of restitution.

1937 (i) The eligible person's residence or domicile at the
1938 time of the violation of s. 517.07 or s. 517.301 which resulted
1939 in the eligible person's monetary damages.

1940 (j) The amount of any unsatisfied portion of the eligible
1941 person's final judgment.

1942 (k) Whether an appeal or motion to vacate an arbitration
1943 award has been filed.

1944 (6) If the office finds that a person is eligible for
1945 payment from the Securities Guaranty Fund and if the person has
1946 complied with the provisions of this section and the rules
1947 adopted under this section, the office shall approve such person
1948 for payment from the fund. Each eligible person or receiver,
1949 within 90 days after the office's receipt of a complete
1950 application, shall be given written notice, personally or by

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1951 mail, that the office intends to approve or deny, or has
1952 approved or denied, the application for payment from the
1953 Securities Guaranty Fund.

1954 (7) Upon receipt by the eligible person or receiver of
1955 notice of the office's decision that the eligible person's or
1956 receiver's application for payment from the Securities Guaranty
1957 Fund is approved and before any disbursement, the eligible
1958 person shall assign all right, title, and interest in the final
1959 judgment or order of restitution, to the extent of such payment,
1960 to the office on a form prescribed by commission rule.

1961 (8) The office shall deem an application for payment from
1962 the Securities Guaranty Fund abandoned if the eligible person or
1963 receiver, or any person acting on behalf of the eligible person
1964 or receiver, fails to timely complete the application as
1965 prescribed by commission rule. The time period to complete an
1966 application shall be tolled during the pendency of an appeal or
1967 motion to vacate an arbitration award.

1968 ~~(4) Any person who files an action that may result in the~~
1969 ~~disbursement of funds from the Securities Guaranty Fund pursuant~~
1970 ~~to the provisions of s. 517.141 shall give written notice by~~
1971 ~~certified mail to the office as soon as practicable after such~~
1972 ~~action has been filed. The failure to give such notice shall not~~
1973 ~~bar a payment from the Securities Guaranty Fund if all of the~~
1974 ~~conditions specified in subsection (3) are satisfied.~~

1975 ~~(5) The commission may adopt rules pursuant to ss.~~

1976 | ~~120.536(1) and 120.54 specifying the procedures for complying~~
 1977 | ~~with subsections (2), (3), and (4), including rules for the form~~
 1978 | ~~of submission and guidelines for the sufficiency and content of~~
 1979 | ~~submissions of notices and claims.~~

1980 | Section 13. Section 517.141, Florida Statutes, is amended
 1981 | to read:

1982 | 517.141 Payment from the fund.—

1983 | (1) As used in this section, the term:

1984 | (a) "Claimant" means an eligible person under s. 517.131
 1985 | who is approved by the office for payment from the Securities
 1986 | Guaranty Fund.

1987 | (b) "Final judgment" includes an arbitration award
 1988 | confirmed by a court of competent jurisdiction.

1989 | (c) "Specified adult" has the same meaning as in s.
 1990 | 517.34(1).

1991 | (2) A claimant is entitled to disbursement from the
 1992 | Securities Guaranty Fund in the amount equal to the lesser of:

1993 | (a) The unsatisfied portion of the claimant's final
 1994 | judgment or final order of restitution, but only to the extent
 1995 | that the final judgment or final order of restitution reflects
 1996 | actual or compensatory damages, excluding postjudgment interest,
 1997 | costs, and attorney fees; or

1998 | (b)1. The amount of \$15,000; or

1999 | 2. The amount of \$25,000 if the claimant is a specified
 2000 | adult or if a specified adult is a beneficial owner or

2001 beneficiary of the claimant.

2002 ~~(1) Any person who meets all of the conditions prescribed~~
 2003 ~~in s. 517.131 may apply to the office for payment to be made to~~
 2004 ~~such person from the Securities Guaranty Fund in the amount~~
 2005 ~~equal to the unsatisfied portion of such person's judgment or~~
 2006 ~~\$10,000, whichever is less, but only to the extent and amount~~
 2007 ~~reflected in the judgment as being actual or compensatory~~
 2008 ~~damages, excluding postjudgment interest, costs, and attorney's~~
 2009 ~~fees.~~

2010 ~~(3)~~⁽²⁾ Regardless of the number of claims or claimants
 2011 involved, payments for claims shall be limited in the aggregate
 2012 to \$250,000 ~~\$100,000~~ against any one ~~dealer, investment adviser,~~
 2013 ~~or associated person.~~ If the total claim filed by a receiver on
 2014 behalf of claimants exceeds ~~claims exceed~~ the aggregate limit of
 2015 \$250,000 ~~\$100,000~~, the office shall prorate the payment to each
 2016 claimant based upon the ratio that each claimant's individual
 2017 ~~the person's~~ claim bears to the total claim ~~claims~~ filed.

2018 (4) If at any time the money in the Securities Guaranty
 2019 Fund is insufficient to satisfy a valid claim or portion of a
 2020 valid claim approved by the office, the office shall satisfy the
 2021 unpaid claim or portion of the valid claim as soon as a
 2022 sufficient amount of money has been deposited into or
 2023 transferred to the Securities Guaranty Fund. If there is more
 2024 than one unsatisfied claim outstanding, the claims shall be paid
 2025 in the sequence in which the claims were approved by final order

2026 of the office, which final order is not subject to an appeal or
 2027 other pending proceeding.

2028 (5) All payments and disbursements made from the
 2029 Securities Guaranty Fund shall be made by the Chief Financial
 2030 Officer, or his or her designee, upon authorization by the
 2031 office. The office shall submit such authorization within 30
 2032 days after the approval of an eligible person for payment from
 2033 the Securities Guaranty Fund.

2034 ~~(3) No payment shall be made on any claim against any one~~
 2035 ~~dealer, investment adviser, or associated person before the~~
 2036 ~~expiration of 2 years from the date any claimant is found by the~~
 2037 ~~office to be eligible for recovery pursuant to this section. If~~
 2038 ~~during this 2-year period more than one claim is filed against~~
 2039 ~~the same dealer, investment adviser, or associated person, or if~~
 2040 ~~the office receives notice pursuant to s. 517.131(4) that an~~
 2041 ~~action against the same dealer, investment adviser, or~~
 2042 ~~associated person is pending, all such claims and notices of~~
 2043 ~~pending claims received during this period against the same~~
 2044 ~~dealer, investment adviser, or associated person may be handled~~
 2045 ~~by the office as provided in this section. Two years after the~~
 2046 ~~first claimant against that same dealer, investment adviser, or~~
 2047 ~~associated person applies for payment pursuant to this section:~~

2048 ~~(a) The office shall determine those persons eligible for~~
 2049 ~~payment or for potential payment in the event of a pending~~
 2050 ~~action. All such persons may be entitled to receive their pro~~

2051 ~~rata shares of the fund as provided in this section.~~

2052 ~~(b) Those persons who meet all the conditions prescribed~~
 2053 ~~in s. 517.131 and who have applied for payment pursuant to this~~
 2054 ~~section will be entitled to receive their pro rata shares of the~~
 2055 ~~total disbursement.~~

2056 ~~(c) Those persons who have filed notice with the office of~~
 2057 ~~a pending claim pursuant to s. 517.131(4) but who are not yet~~
 2058 ~~eligible for payment from the fund will be entitled to receive~~
 2059 ~~their pro rata shares of the total disbursement once they have~~
 2060 ~~complied with subsection (1). However, in the event that the~~
 2061 ~~amounts they are eligible to receive pursuant to subsection (1)~~
 2062 ~~are less than their pro rata shares as determined under this~~
 2063 ~~section, any excess shall be distributed pro rata to those~~
 2064 ~~persons entitled to disbursement under this subsection whose pro~~
 2065 ~~rata shares of the total disbursement were less than the amounts~~
 2066 ~~of their claims.~~

2067 ~~(6)(4)~~ Individual claims filed by persons owning the same
 2068 joint account, or claims arising stemming from any other type of
 2069 account ~~maintained by a particular licensee~~ on which more than
 2070 one name appears, shall be treated as the claims of one eligible
 2071 claimant with respect to payment from the Securities Guaranty
 2072 Fund. If a claimant who has obtained a final judgment or final
 2073 order of restitution that ~~which~~ qualifies for disbursement under
 2074 s. 517.131 has maintained more than one account with the ~~dealer,~~
 2075 ~~investment adviser, or associated person who is the subject of~~

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2076 | the claims, for purposes of disbursement of the Securities
 2077 | Guaranty Fund, all such accounts, whether joint or individual,
 2078 | shall be considered as one account and shall entitle such
 2079 | claimant to only one distribution from the fund ~~not to exceed~~
 2080 | ~~the lesser of \$10,000 or the unsatisfied portion of such~~
 2081 | ~~claimant's judgment as provided in subsection (1)~~. To the extent
 2082 | that a claimant obtains more than one final judgment or final
 2083 | order of restitution against a person ~~dealer, investment~~
 2084 | ~~adviser, or one or more associated persons~~ arising out of the
 2085 | same transactions, occurrences, or conduct or out of such ~~the~~
 2086 | ~~dealer's, investment adviser's, or associated person's~~ handling
 2087 | of the claimant's account, the final ~~such~~ judgments or final
 2088 | orders of restitution shall be consolidated for purposes of this
 2089 | section and shall entitle the claimant to only one disbursement
 2090 | from the fund ~~not to exceed the lesser of \$10,000 or the~~
 2091 | ~~unsatisfied portion of such claimant's judgment as provided in~~
 2092 | ~~subsection (1)~~.

2093 | ~~(7)(5)~~ If the final judgment or final order of restitution
 2094 | that gave rise to the claim is overturned in any appeal or in
 2095 | any collateral proceeding, the claimant shall reimburse the
 2096 | Securities Guaranty Fund all amounts paid from the fund to the
 2097 | claimant on the claim. If the claimant satisfies the final
 2098 | judgment or final order of restitution ~~specified in s.~~
 2099 | ~~517.131(3)(a)~~, the claimant shall reimburse the Securities
 2100 | Guaranty Fund all amounts paid from the fund to the claimant on

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2101 the claim. Such reimbursement shall be paid to the Department of
 2102 Financial Services ~~office~~ within 60 days after the final
 2103 resolution of the appellate or collateral proceedings or the
 2104 satisfaction of the final judgment or final order of
 2105 restitution, with the 60-day period commencing on the date the
 2106 final order or decision is entered in such proceedings.

2107 ~~(8)(6)~~ If a claimant receives payments in excess of that
 2108 which is permitted under this chapter, the claimant shall
 2109 reimburse the Securities Guaranty Fund such excess within 60
 2110 days after the claimant receives such excess payment or after
 2111 the payment is determined to be in excess of that permitted by
 2112 law, whichever is later.

2113 (9) A claimant who knowingly and willfully files or causes
 2114 to be filed an application under s. 517.131 or documents
 2115 supporting the application any of which contain false,
 2116 incomplete, or misleading information in any material aspect
 2117 shall forfeit all payments from the Securities Guaranty Fund,
 2118 and such act violates s. 517.301(2)(c).

2119 ~~(10)(7)~~ The Department of Financial Services ~~office~~ may
 2120 institute legal proceedings to enforce compliance with this
 2121 section and with s. 517.131 to recover moneys owed to the
 2122 Securities Guaranty Fund, and shall be entitled to recover
 2123 interest, costs, and attorney ~~attorney's~~ fees in any action
 2124 brought pursuant to this section in which the department ~~office~~
 2125 prevails.

2126 ~~(8) If at any time the money in the Securities Guaranty~~
 2127 ~~Fund is insufficient to satisfy any valid claim or portion of a~~
 2128 ~~valid claim approved by the office, the office shall satisfy~~
 2129 ~~such unpaid claim or portion of such valid claim as soon as a~~
 2130 ~~sufficient amount of money has been deposited in or transferred~~
 2131 ~~to the fund. When there is more than one unsatisfied claim~~
 2132 ~~outstanding, such claims shall be paid in the order in which the~~
 2133 ~~claims were approved by final order of the office, which order~~
 2134 ~~is not subject to an appeal or other pending proceeding.~~

2135 ~~(9) Upon receipt by the claimant of the payment from the~~
 2136 ~~Securities Guaranty Fund, the claimant shall assign any~~
 2137 ~~additional right, title, and interest in the judgment, to the~~
 2138 ~~extent of such payment, to the office. If the provisions of s.~~
 2139 ~~517.131(3)(c) apply, the claimant must assign to the office any~~
 2140 ~~right, title, and interest in the debt to the extent of any~~
 2141 ~~payment by the office from the Securities Guaranty Fund.~~

2142 ~~(10) All payments and disbursements made from the~~
 2143 ~~Securities Guaranty Fund shall be made by the Chief Financial~~
 2144 ~~Officer upon authorization signed by the director of the office,~~
 2145 ~~or such agent as she or he may designate.~~

2146 Section 14. Section 517.191, Florida Statutes, is amended
 2147 to read:

2148 517.191 Enforcement by the office ~~Injunction to restrain~~
 2149 ~~violations; civil penalties; enforcement by Attorney General.-~~

2150 (1) When it appears to the office, either upon complaint

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2151 or otherwise, that a person has engaged or is about to engage in
2152 any act or practice constituting a violation of this chapter or
2153 a rule or order hereunder, the office may investigate; and
2154 whenever it shall believe from evidence satisfactory to it that
2155 any such person has engaged, is engaged, or is about to engage
2156 in any act or practice constituting a violation of this chapter
2157 or a rule or order hereunder, the office may, in addition to any
2158 other remedies, bring action in the name and on behalf of the
2159 state against such person and any other person concerned in or
2160 in any way participating in or about to participate in such
2161 practices or engaging therein or doing any act or acts in
2162 furtherance thereof or in violation of this chapter to enjoin
2163 such person or persons from continuing such fraudulent practices
2164 or engaging therein or doing any act or acts in furtherance
2165 thereof or in violation of this chapter. In any such court
2166 proceedings, the office may apply for, and on due showing be
2167 entitled to have issued, the court's subpoena requiring
2168 forthwith the appearance of any defendant and her or his
2169 employees, associated persons, or agents and the production of
2170 documents, books, and records that may appear necessary for the
2171 hearing of such petition, to testify or give evidence concerning
2172 the acts or conduct or things complained of in such application
2173 for injunction. In such action, the ~~equity~~ courts shall have
2174 jurisdiction of the subject matter, and a judgment may be
2175 entered awarding such injunction as may be proper.

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2176 (2) In addition to all other means provided by law for the
2177 enforcement of any temporary restraining order, temporary
2178 injunction, or permanent injunction issued in any such court
2179 proceedings, the court shall have the power and jurisdiction,
2180 upon application of the office, to impound and to appoint a
2181 receiver or administrator for the property, assets, and business
2182 of the defendant, including, but not limited to, the books,
2183 records, documents, and papers appertaining thereto. Such
2184 receiver or administrator, when appointed and qualified, shall
2185 have all powers and duties as to custody, collection,
2186 administration, winding up, and liquidation of said property and
2187 business as shall from time to time be conferred upon her or him
2188 by the court. In any such action, the court may issue orders and
2189 decrees staying all pending suits and enjoining any further
2190 suits affecting the receiver's or administrator's custody or
2191 possession of the said property, assets, and business or, in its
2192 discretion, may with the consent of the presiding judge of the
2193 circuit require that all such suits be assigned to the circuit
2194 court judge appointing the said receiver or administrator.

2195 (3) In addition to, or in lieu of, any other remedies
2196 provided by this chapter, the office may apply to the court
2197 hearing this matter for an order directing the defendant to make
2198 restitution of those sums shown by the office to have been
2199 obtained in violation of any of the provisions of this chapter.
2200 The office has standing to request such restitution on behalf of

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2201 victims in cases brought by the office under this chapter,
 2202 regardless of the appointment of an administrator or receiver
 2203 under subsection (2) or an injunction under subsection (1).
 2204 Further, such restitution shall, at the option of the court, be
 2205 payable to the administrator or receiver appointed pursuant to
 2206 this section or directly to the persons whose assets were
 2207 obtained in violation of this chapter.

2208 (4) In addition to any other remedies provided by this
 2209 chapter, the office may apply to the court hearing the matter
 2210 for, and the court shall have jurisdiction to impose, a civil
 2211 penalty against any person found to have violated any provision
 2212 of this chapter, any rule or order adopted by the commission or
 2213 office, or any written agreement entered into with the office in
 2214 an amount not to exceed:

2215 (a) The greater of \$20,000 ~~\$10,000~~ for a natural person or
 2216 \$25,000 for a business entity ~~any other person~~, or the gross
 2217 amount of any pecuniary loss to investors or pecuniary gain to a
 2218 natural person or business entity ~~such defendant~~ for each such
 2219 violation, other than a violation of s. 517.301; plus the
 2220 greater of \$50,000 for a natural person or \$250,000 for a
 2221 business entity ~~any other person~~, or the gross amount of any
 2222 pecuniary loss to investors or pecuniary gain to a natural
 2223 person or business entity ~~such defendant~~ for each violation of
 2224 s. 517.301.

2225 (b) Twice the amount of the civil penalty that would

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2226 otherwise be imposed under this subsection if a specified adult,
2227 as defined in s. 517.34(1), is a victim of a violation of this
2228 chapter.

2229
2230 All civil penalties collected pursuant to this subsection shall
2231 be deposited into the Anti-Fraud Trust Fund. The office may
2232 recover any costs and attorney fees related to the office's
2233 investigation or enforcement of this section. Notwithstanding
2234 any other law, moneys recovered by the office for costs and
2235 attorney fees collected pursuant to this subsection must be
2236 deposited into the Anti-Fraud Trust Fund.

2237 (5) For purposes of any action brought by the office under
2238 this section, a control person who controls any person found to
2239 have violated any provision of this chapter or any rule adopted
2240 under this chapter is jointly and severally liable with, and to
2241 the same extent as, the controlled person in any action brought
2242 by the office under this section unless the control person can
2243 establish by a preponderance of the evidence that he or she
2244 acted in good faith and did not directly or indirectly induce
2245 the act that constitutes the violation or cause of action.

2246 (6) For purposes of any action brought by the office under
2247 this section, a person who knowingly or recklessly provides
2248 substantial assistance to another person in violation of a
2249 provision of this chapter or of any rule adopted under this
2250 chapter is deemed to violate the provision or the rule to the

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2251 same extent as the person to whom such assistance is provided.

2252 (7) The office may issue and serve upon a person a cease
2253 and desist order if the office has reason to believe that the
2254 person violates, has violated, or is about to violate any
2255 provision of this chapter, any rule or order adopted by the
2256 commission or office, or any written agreement entered into with
2257 the office.

2258 (8) If the office finds that any conduct described in
2259 subsection (7) presents an immediate danger to the public
2260 requiring an immediate final order, the office may issue an
2261 emergency cease and desist order reciting with particularity the
2262 facts underlying such findings. The emergency cease and desist
2263 order is effective immediately upon service of a copy of the
2264 order on the respondent named in the order and remains effective
2265 for 90 days. If the office begins nonemergency cease and desist
2266 proceedings under subsection (7), the emergency cease and desist
2267 order remains effective until conclusion of the proceedings
2268 under ss. 120.569 and 120.57.

2269 (9) The office may impose and collect an administrative
2270 fine against any person found to have violated any provision of
2271 this chapter, any rule or order adopted by the commission or
2272 office, or any written agreement entered into with the office in
2273 an amount not to exceed the penalties provided in subsection
2274 (4). All fines collected under this subsection shall be
2275 deposited into the Anti-Fraud Trust Fund.

2276 (10) The office may bar, permanently or for a specific
 2277 time period, any person found to have violated any provision of
 2278 this chapter, any rule or order adopted by the commission or
 2279 office, or any written agreement entered into with the office
 2280 from submitting an application or notification for a license or
 2281 registration with the office.

2282 ~~(11)-(5)~~ In addition to all other means provided by law for
 2283 enforcing any of the provisions of this chapter, when the
 2284 Attorney General, upon complaint or otherwise, has reason to
 2285 believe that a person has engaged or is engaged in any act or
 2286 practice constituting a violation of s. 517.275 or s. 517.301,
 2287 ~~s. 517.311, or s. 517.312,~~ or any rule or order issued under
 2288 such sections, the Attorney General may investigate and bring an
 2289 action to enforce these provisions as provided in ss. 517.171,
 2290 517.201, and 517.2015 after receiving written approval from the
 2291 office. Such an action may be brought against such person and
 2292 any other person in any way participating in such act or
 2293 practice or engaging in such act or practice or doing any act in
 2294 furtherance of such act or practice, to obtain injunctive
 2295 relief, restitution, civil penalties, and any remedies provided
 2296 for in this section. The Attorney General may recover any costs
 2297 and attorney fees related to the Attorney General's
 2298 investigation or enforcement of this section. Notwithstanding
 2299 any other provision of law, moneys recovered by the Attorney
 2300 General for costs, attorney fees, and civil penalties for a

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2301 violation of s. 517.275 or, s. 517.301, ~~s. 517.311, or s.~~
 2302 ~~517.312,~~ or any rule or order issued pursuant to such sections,
 2303 shall be deposited in the Legal Affairs Revolving Trust Fund.
 2304 The Legal Affairs Revolving Trust Fund may be used to
 2305 investigate and enforce this section.

2306 (12)~~(6)~~ This section does not limit the authority of the
 2307 office to bring an administrative action against any person that
 2308 is the subject of a civil action brought pursuant to this
 2309 section or limit the authority of the office to engage in
 2310 investigations or enforcement actions with the Attorney General.
 2311 However, a person may not be subject to both a civil penalty
 2312 under subsection (4) and an administrative fine under subsection
 2313 (9) ~~s. 517.221(3)~~ as the result of the same facts.

2314 (13)~~(7)~~ Notwithstanding s. 95.11(4)(f), an enforcement
 2315 action brought under this section based on a violation of any
 2316 provision of this chapter or any rule or order issued under this
 2317 chapter shall be brought within 6 years after the facts giving
 2318 rise to the cause of action were discovered or should have been
 2319 discovered with the exercise of due diligence, but not more than
 2320 8 years after the date such violation occurred.

2321 (14) This chapter does not limit any statutory right of
 2322 the state to punish a person for a violation of a law.

2323 (15) When not in conflict with the Constitution or laws of
 2324 the United States, the courts of this state have the same
 2325 jurisdiction over civil suits instituted in connection with the

2326 sale or offer of sale of securities under any laws of the United
 2327 States as the courts of this state may have under similar cases
 2328 instituted under the laws of this state.

2329 Section 15. Subsections (3) through (6) of section
 2330 517.211, Florida Statutes, are renumbered as subsections (4)
 2331 through (7), respectively, present subsection (3) is amended, a
 2332 new subsection (3) and subsections (8) and (9) are added to that
 2333 section, and subsection (1) is republished, to read:

2334 517.211 Private remedies available in cases of unlawful
 2335 sale.—

2336 (1) Every sale made in violation of either s. 517.07 or s.
 2337 517.12(1), (3), (4), (8), (10), (12), (15), or (17) may be
 2338 rescinded at the election of the purchaser, except a sale made
 2339 in violation of the provisions of s. 517.1202(3) relating to a
 2340 renewal of a branch office notification shall not be subject to
 2341 this section, and a sale made in violation of the provisions of
 2342 s. 517.12(12) relating to filing a change of address amendment
 2343 shall not be subject to this section. Each person making the
 2344 sale and every director, officer, partner, or agent of or for
 2345 the seller, if the director, officer, partner, or agent has
 2346 personally participated or aided in making the sale, is jointly
 2347 and severally liable to the purchaser in an action for
 2348 rescission, if the purchaser still owns the security, or for
 2349 damages, if the purchaser has sold the security. No purchaser
 2350 otherwise entitled will have the benefit of this subsection who

2351 has refused or failed, within 30 days of receipt, to accept an
 2352 offer made in writing by the seller, if the purchaser has not
 2353 sold the security, to take back the security in question and to
 2354 refund the full amount paid by the purchaser or, if the
 2355 purchaser has sold the security, to pay the purchaser an amount
 2356 equal to the difference between the amount paid for the security
 2357 and the amount received by the purchaser on the sale of the
 2358 security, together, in either case, with interest on the full
 2359 amount paid for the security by the purchaser at the legal rate,
 2360 pursuant to s. 55.03, for the period from the date of payment by
 2361 the purchaser to the date of repayment, less the amount of any
 2362 income received by the purchaser on the security.

2363 (3) For purposes of any action brought under this section,
 2364 a control person who controls any person found to have violated
 2365 any provision specified in subsection (1) is jointly and
 2366 severally liable with, and to the same extent as, such
 2367 controlled person in any action brought under this section
 2368 unless the control person can establish by a preponderance of
 2369 the evidence that he or she acted in good faith and did not
 2370 directly or indirectly induce the act that constitutes the
 2371 violation or cause of action.

2372 (4)~~(3)~~ In an action for rescission:

2373 (a) A purchaser may recover the consideration paid for the
 2374 security or investment, plus interest thereon at the legal rate
 2375 from the date of purchase, less the amount of any income

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2376 received by the purchaser on the security or investment upon
 2377 tender of the security or investment.

2378 (b) A seller may recover the security upon tender of the
 2379 consideration paid for the security, plus interest at the legal
 2380 rate from the date of purchase, less the amount of any income
 2381 received by the defendant on the security.

2382 (8) This chapter does not limit any statutory or common-
 2383 law right of a person to bring an action in a court for an act
 2384 involved in the sale of securities or investments.

2385 (9) The same civil remedies provided by the laws of the
 2386 United States for the purchasers or sellers of securities in
 2387 interstate commerce extend also to purchasers or sellers of
 2388 securities under this chapter.

2389 Section 16. Section 517.221, Florida Statutes, is
 2390 repealed.

2391 Section 17. Section 517.241, Florida Statutes, is
 2392 repealed.

2393 Section 18. Section 517.301, Florida Statutes, is amended
 2394 to read:

2395 517.301 Fraudulent transactions; falsification or
 2396 concealment of facts.-

2397 ~~(1)(2)~~ As used in ~~For purposes of ss. 517.311 and 517.312~~
 2398 ~~and~~ this section, the term "investment" means any commitment of
 2399 money or property principally induced by a representation that
 2400 an economic benefit may be derived from such commitment, except

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2401 that the term does not include a commitment of money or property
 2402 for:

2403 ~~(a) the purchase of a business opportunity, business~~
 2404 ~~enterprise, or real property through a person licensed under~~
 2405 ~~chapter 475 or registered under former chapter 498; or~~

2406 ~~(b) The purchase of tangible personal property through a~~
 2407 ~~person not engaged in telephone solicitation, where said~~
 2408 ~~property is offered and sold in accordance with the following~~
 2409 ~~conditions:~~

2410 ~~1. There are no specific representations or guarantees~~
 2411 ~~made by the offeror or seller as to the economic benefit to be~~
 2412 ~~derived from the purchase;~~

2413 ~~2. The tangible property is delivered to the purchaser~~
 2414 ~~within 30 days after sale, except that such 30-day period may be~~
 2415 ~~extended by the office if market conditions so warrant; and~~

2416 ~~3. The seller has offered the purchaser a full refund~~
 2417 ~~policy in writing, exercisable by the purchaser within 10 days~~
 2418 ~~of the date of delivery of such tangible personal property,~~
 2419 ~~except that the amount of such refund may not exceed the bid~~
 2420 ~~price in effect at the time the property is returned to the~~
 2421 ~~seller. If the applicable sellers' market is closed at the time~~
 2422 ~~the property is returned to the seller for a refund, the amount~~
 2423 ~~of such refund shall be based on the bid price for such property~~
 2424 ~~at the next opening of such market.~~

2425 (2)-(1) It is unlawful and a violation of the provisions of

2426 | this chapter for a person:

2427 | (a) In connection with the rendering of any investment
 2428 | advice or in connection with the offer, sale, or purchase of any
 2429 | investment or security, including any security exempted under
 2430 | the provisions of s. 517.051 and including any security sold in
 2431 | a transaction exempted under the provisions of s. 517.061, s.
 2432 | 517.0611, or s. 517.0612, directly or indirectly:

2433 | 1. To employ any device, scheme, or artifice to defraud;

2434 | 2. To obtain money or property by means of any untrue
 2435 | statement of a material fact or any omission to state a material
 2436 | fact necessary in order to make the statements made, in the
 2437 | light of the circumstances under which they were made, not
 2438 | misleading; or

2439 | 3. To engage in any transaction, practice, or course of
 2440 | business which operates or would operate as a fraud or deceit
 2441 | upon a person.

2442 | (b) Through the use of any means, to publish, give
 2443 | publicity to, or circulate any notice, circular, advertisement,
 2444 | newspaper, article, letter, investment service, communication,
 2445 | or broadcast which, though not purporting to offer a security
 2446 | for sale, describes such security for a consideration received
 2447 | or to be received directly or indirectly from an issuer,
 2448 | underwriter, or dealer, or from an agent or employee of an
 2449 | issuer, underwriter, or dealer, without fully disclosing the
 2450 | receipt, whether past or prospective, of such consideration and

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2451 the amount of the consideration.

2452 (c) In any matter within the jurisdiction of the office,
2453 to knowingly and willfully falsify, conceal, or cover up, by any
2454 trick, scheme, or device, a material fact, make any false,
2455 fictitious, or fraudulent statement or representation, or make
2456 or use any false writing or document, knowing the same to
2457 contain any false, fictitious, or fraudulent statement or entry.

2458 (3) It is unlawful for a person in issuing or selling a
2459 security within the state, including a security exempted under
2460 s. 517.051 and including a transaction exempted under s.
2461 517.061, s. 517.0611, or s. 517.0612, to misrepresent that such
2462 security or business entity has been guaranteed, sponsored,
2463 recommended, or approved by the state or an agency or officer of
2464 the state or by the United States or an agency or officer of the
2465 United States.

2466 (4) It is unlawful for a person registered or required to
2467 be registered, or subject to the notice requirements, under any
2468 section of this chapter, including such persons and issuers
2469 within the purview of s. 517.051, s. 517.061, s. 517.0611, s.
2470 517.0612, or s. 517.081, to misrepresent that such person has
2471 been sponsored, recommended, or approved or that such person's
2472 abilities or qualifications have in any respect been passed upon
2473 by the state or an agency or officer of the state or by the
2474 United States or an agency or officer of the United States.

2475 (5) It is unlawful and a violation of this chapter for a

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2476 person in connection with the offer or sale of an investment to
2477 obtain money or property by means of:

2478 (a) A misrepresentation that the investment offered or
2479 sold is guaranteed, sponsored, recommended, or approved by the
2480 state or an agency or officer of the state or by the United
2481 States or an agency or officer of the United States; or

2482 (b) A misrepresentation that such person is sponsored,
2483 recommended, or approved or that such person's abilities or
2484 qualifications have in any respect been passed upon by the state
2485 or an agency or officer of the state or by the United States or
2486 an agency or officer of the United States.

2487 (6)(a) No provision of subsection (3) or subsection (4)
2488 shall be construed to prohibit a statement that a person or
2489 security is registered or has made a notice filing under this
2490 chapter if such statement is required by the provisions of this
2491 chapter or rules adopted thereunder, if such statement is true
2492 in fact, and if the effect of such statement is not
2493 misrepresented.

2494 (b) A statement that a person is registered made in
2495 connection with the offer or sale of a security under the
2496 provisions of this chapter must include the following
2497 disclaimer: "Registration does not imply that such person has
2498 been sponsored, recommended, or approved by the state or an
2499 agency or officer of the state or by the United States or an
2500 agency or officer of the United States."

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2501 1. If the statement of registration is made in writing,
 2502 the disclaimer must immediately follow such statement and must
 2503 be in the same size and style of print as the statement of
 2504 registration.

2505 2. If the statement of registration is made orally, the
 2506 disclaimer shall be made or broadcast with the same force and
 2507 effect as the statement of registration.

2508 (7) It is unlawful and a violation of this chapter for a
 2509 person to directly or indirectly manage, supervise, control, or
 2510 own, alone or in association with others, a boiler room in this
 2511 state which sells or offers for sale a security or investment in
 2512 violation of subsection (2), subsection (3), subsection (4),
 2513 subsection (5), or subsection (6).

2514 Section 19. Section 517.311, Florida Statutes, is
 2515 repealed.

2516 Section 20. Section 517.312, Florida Statutes, is
 2517 repealed.

2518 Section 21. Subsections (1), (2), and (3) of section
 2519 517.072, Florida Statutes, are amended to read:

2520 517.072 Viatical settlement investments.—

2521 (1) The exemptions provided for by s. 517.051(6) ~~ss.~~
 2522 ~~517.051(6), (8), and (11) (10)~~ do not apply to a viatical
 2523 settlement investment.

2524 (2) The offering of a viatical settlement investment is
 2525 not an exempt transaction under s. 517.061(10), (12), (13) ~~s.~~

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2526 | ~~517.061(2), (3), (8), (11)~~, and (18), regardless of whether the
 2527 | offering otherwise complies with the conditions of that section,
 2528 | unless such offering is to a qualified institutional buyer.

2529 | (3) The registration provisions of ss. 517.07 and 517.12
 2530 | do not apply to any of the following transactions in viatical
 2531 | settlement investments; however, such transactions in viatical
 2532 | settlement investments are subject to s. 517.301 ~~the provisions~~
 2533 | ~~of ss. 517.301, 517.311, and 517.312:~~

2534 | (a) The transfer or assignment of an interest in a
 2535 | previously viaticated policy from a natural person who transfers
 2536 | or assigns no more than one such interest in a single calendar
 2537 | year.

2538 | (b) The provision of stop-loss coverage to a viatical
 2539 | settlement provider, financing entity, or related provider
 2540 | trust, as those terms are defined in s. 626.9911, by an
 2541 | authorized or eligible insurer.

2542 | (c) The transfer or assignment of a viaticated policy from
 2543 | a licensed viatical settlement provider to another licensed
 2544 | viatical settlement provider, a related provider trust, a
 2545 | financing entity, or a special purpose entity, as those terms
 2546 | are defined in s. 626.9911, or to a contingency insurer,
 2547 | provided such transfer or assignment is not the direct or
 2548 | indirect promotion of any scheme or enterprise with the intent
 2549 | of violating or evading any provision of this chapter.

2550 | (d) The transfer or assignment of a viaticated policy to a

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2551 bank, trust company, savings institution, insurance company,
2552 dealer, investment company as defined in the Investment Company
2553 Act of 1940, as amended, pension or profit-sharing trust,
2554 qualified institutional buyer, or an accredited investor,
2555 provided such transfer or assignment is not for the direct or
2556 indirect promotion of any scheme or enterprise with the intent
2557 of violating or evading any provision of this chapter.

2558 (e) The transfer or assignment of a viaticated policy by a
2559 conservator of a viatical settlement provider appointed by a
2560 court of competent jurisdiction who transfers or assigns
2561 ownership of viaticated policies pursuant to that court's order.

2562 Section 22. Subsections (2) and (20) and paragraph (c) of
2563 subsection (21) of section 517.12, Florida Statutes, are amended
2564 to read:

2565 517.12 Registration of dealers, associated persons,
2566 intermediaries, and investment advisers.—

2567 (2) The registration requirements of this section do not
2568 apply in a transaction exempted by s. 517.061(1)-(6), (8), (9),
2569 (12), and (13) ~~s. 517.061(1)-(10), (12), (14), and (15)~~.

2570 (20) The registration requirements of this section do not
2571 apply to any general lines insurance agent or life insurance
2572 agent licensed under chapter 626, for the sale of a security as
2573 defined in s. 517.021(25)(g) ~~s. 517.021(23)(g)~~, if the
2574 individual is directly authorized by the issuer to offer or sell
2575 the security on behalf of the issuer and the issuer is a

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2576 | federally chartered savings bank subject to regulation by the
 2577 | Federal Deposit Insurance Corporation. Actions under this
 2578 | subsection shall constitute activity under the insurance agent's
 2579 | license for purposes of ss. 626.611 and 626.621.

2580 | (21)

2581 | (c) A merger and acquisition broker engaged in a
 2582 | transaction exempt under s. 517.061(7) ~~s. 517.061(22)~~ is exempt
 2583 | from registration under this section unless the merger and
 2584 | acquisition broker:

2585 | 1. Directly or indirectly, in connection with the transfer
 2586 | of ownership of an eligible privately held company, receives,
 2587 | holds, transmits, or has custody of the funds or securities to
 2588 | be exchanged by the parties to the transaction;

2589 | 2. Engages on behalf of an issuer in a public offering of
 2590 | any class of securities which is registered, or which is
 2591 | required to be registered, with the United States Securities and
 2592 | Exchange Commission under the Securities Exchange Act of 1934,
 2593 | 15 U.S.C. ss. 78a et seq., or with the office under s. 517.07;
 2594 | or for which the issuer files, or is required to file, periodic
 2595 | information, documents, and reports under s. 15(d) of the
 2596 | Securities Exchange Act of 1934, 15 U.S.C. s. 78o(d);

2597 | 3. Engages on behalf of any party in a transaction
 2598 | involving a public shell company;

2599 | 4. Is subject to a suspension or revocation of
 2600 | registration under s. 15(b)(4) of the Securities Exchange Act of

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2601 1934, 15 U.S.C. s. 78o(b)(4);

2602 5. Is subject to a statutory disqualification described in
 2603 s. 3(a)(39) of the Securities Exchange Act of 1934, 15 U.S.C. s.
 2604 78c(a)(39);

2605 6. Is subject to a disqualification under the United
 2606 States Securities and Exchange Commission Rule 506(d), 17 C.F.R.
 2607 s. 230.506(d); or

2608 7. Is subject to a final order described in s. 15(b)(4)(H)
 2609 of the Securities Exchange Act of 1934, 15 U.S.C. s.
 2610 78o(b)(4)(H).

2611 Section 23. Subsection (4) of section 517.1202, Florida
 2612 Statutes, is amended to read:

2613 517.1202 Notice-filing requirements for branch offices.—

2614 (4) A branch office notice-filing under this section shall
 2615 be summarily suspended by the office if the notice-filer fails
 2616 to provide to the office, within 30 days after a written request
 2617 by the office, all of the information required by this section
 2618 and the rules adopted under this section. The summary suspension
 2619 shall be in effect for the branch office until such time as the
 2620 notice-filer submits the requested information to the office,
 2621 pays a fine as prescribed by s. 517.191(9) ~~s. 517.221(3)~~, and a
 2622 final order is entered. At such time, the suspension shall be
 2623 lifted. For purposes of s. 120.60(6), failure to provide all
 2624 information required by this section and the underlying rules
 2625 constitutes immediate and serious danger to the public health,

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2626 safety, and welfare. If the notice-filer fails to provide all of
2627 the requested information within a period of 90 days, the
2628 notice-filing shall be revoked by the office.

2629 Section 24. Subsection (2) of section 517.302, Florida
2630 Statutes, is amended to read:

2631 517.302 Criminal penalties; alternative fine; Anti-Fraud
2632 Trust Fund; time limitation for criminal prosecution.—

2633 (2) Any person who violates the provisions of s. 517.301
2634 ~~s. 517.312(1)~~ by obtaining money or property of an aggregate
2635 value exceeding \$50,000 from five or more persons is guilty of a
2636 felony of the first degree, punishable as provided in s.
2637 775.082, s. 775.083, or s. 775.084.

2638 Section 25. This act shall take effect October 1, 2024.