

1 A bill to be entitled
2 An act relating to securities; amending s. 517.021,
3 F.S.; revising definitions; defining the terms "angel
4 investor group" and "business entity"; amending s.
5 517.051, F.S.; revising the list of securities that
6 are exempt from registration requirements under
7 certain provisions; amending s. 517.061, F.S.;
8 revising the list of transactions that are exempt from
9 registration requirements under certain provisions;
10 amending s. 517.0611, F.S.; revising a short title;
11 revising provisions relating to a certain registration
12 exemption for certain securities transactions;
13 updating the federal laws or regulations with which
14 the offer or sale of securities must be in compliance;
15 revising requirements for issuers relating to the
16 registration exemption; revising requirements for the
17 notice of offering that must be filed by the issuer
18 under certain circumstances; specifying the timeframe
19 within which issuers may amend such notice after any
20 material information contained in the notice becomes
21 inaccurate; authorizing the issuer to engage in
22 general advertising and general solicitation under
23 certain circumstances; specifying requirements for
24 such advertising and solicitation; requiring the
25 issuer to provide a disclosure statement to certain

26 entities and persons within a specified timeframe;
27 revising requirements for such statement; deleting
28 requirements for the escrow agreement; conforming
29 provisions to changes made by the act; revising the
30 amount that may be received for sales of certain
31 securities; providing a limit on securities that may
32 be sold by an issuer to an investor; deleting the
33 requirement that an issuer file and provide a certain
34 annual report; conforming cross-references; revising
35 the duties of intermediaries under certain
36 circumstances; providing obligations of issuers under
37 certain circumstances; providing that certain sales
38 are voidable within a specified timeframe; providing
39 requirements for purchasers' notices to issuers to
40 void purchases; deleting provisions relating to funds
41 received from investors; creating s. 517.0612, F.S.;
42 providing a short title; providing applicability;
43 requiring that offers and sales of securities be in
44 accordance with certain federal laws and rules;
45 specifying certain requirements for issuers relating
46 to the registration exemption; specifying a limitation
47 on the amount of cash and other consideration that may
48 be received from sales of certain securities made
49 within a specified timeframe; prohibiting an issuer
50 from accepting more than a specified amount from a

51 single purchaser under certain circumstances;
52 authorizing the issuer to engage in general
53 advertising and general solicitation of the offering
54 under certain circumstances; specifying that a certain
55 prohibition is enforceable under ch. 517, F.S.;;
56 requiring that the purchaser receive a disclosure
57 statement within a specified timeframe; specifying the
58 requirements for such statement; requiring certain
59 funds to be deposited into certain bank and depository
60 institutions; prohibiting the issuer from withdrawing
61 any amount of the offering proceeds until the target
62 offering amount has been received; requiring the
63 issuer to file a notice of the offering in a certain
64 format within a specified timeframe; requiring the
65 issuer to file an amended notice within a specified
66 timeframe under certain circumstances; prohibiting
67 agents of issuers from engaging in certain acts under
68 certain circumstances; providing that sales made under
69 the exemption are voidable within a specified
70 timeframe; providing requirements for purchasers'
71 notices to issuers to void purchases; creating s.
72 517.0613, F.S.; providing construction; providing that
73 registration exemptions under certain provisions are
74 not available to issuers for certain transactions
75 under specified circumstances; providing registration

76 requirements; creating s. 517.0614, F.S.; specifying
77 criteria for determining integration of offerings for
78 the purpose of registration or qualifying for a
79 registration exemption; specifying certain
80 requirements for the integration of offerings for an
81 exempt offering for which general solicitation is
82 prohibited; specifying certain requirements for the
83 integration of offerings for two or more exempt
84 offerings that allow general solicitation; specifying
85 the circumstances under which integration analysis is
86 not required; creating s. 517.0615, F.S.; specifying
87 that certain communications are not deemed to
88 constitute general solicitation or general advertising
89 under specified circumstances; creating s. 517.0616,
90 F.S.; providing that registration exemptions under
91 certain provisions are not available to certain
92 issuers under a specified circumstance; amending s.
93 517.081, F.S.; revising the duties and authority of
94 the Financial Services Commission; authorizing the
95 commission to establish certain criteria relating to
96 the issuance of certain securities, trusts, and
97 investments; authorizing the commission to prescribe
98 certain forms and establish procedures for depositing
99 fees and filing documents and requirements and
100 standards relating to prospectuses, advertisements,

101 and other sales literature; revising the list of
102 issuers that are ineligible to submit simplified
103 offering circulars; deleting provisions that require
104 issuers to provide certain documents to the Office of
105 Financial Regulation under certain circumstances;
106 revising the requirements that must be met before the
107 office must record the registration of a security;
108 amending s. 517.101, F.S.; revising requirements for
109 written consent to service in certain suits,
110 proceedings, and actions; amending s. 517.131, F.S.;
111 defining the term "final judgment"; specifying the
112 purpose of the Securities Guaranty Fund; making
113 technical changes; revising eligibility for payment
114 from the fund; requiring eligible persons or receivers
115 seeking payment from the fund to file a certain
116 application with the office on a certain form;
117 authorizing the commission to adopt rules regarding
118 electronic filing of such application; specifying the
119 timeframe within which certain eligible persons or
120 receivers must file such application; providing
121 requirements for such applications; requiring the
122 office to approve applications for payment under
123 certain circumstances and to provide applicants with
124 certain notices within a specified timeframe;
125 requiring eligible persons or receivers to assign to

126 the office all rights, titles, and interests in final
127 judgments and orders of restitution equal to a
128 specified amount under certain circumstances;
129 requiring the office to deem an application for
130 payment abandoned under certain circumstances;
131 requiring that the time period to complete
132 applications be tolled under certain circumstances;
133 deleting provisions relating to specified notices to
134 the office and to rulemaking authority; amending s.
135 517.141, F.S.; defining terms; revising the Securities
136 Guaranty Fund disbursement amounts to which eligible
137 persons are entitled; revising provisions regarding
138 payment of aggregate claims; providing for the
139 satisfaction of claims in the event of an insufficient
140 balance in the fund; requiring payments and
141 disbursements from the Securities Guaranty Fund to be
142 made by the Chief Financial Officer or his or her
143 authorized designee, upon authorization by the office;
144 requiring such authorization to be submitted within a
145 certain timeframe; deleting provisions regarding
146 requirements for payment of claims; conforming
147 provisions to changes made by the act; specifying the
148 circumstances under which a claimant must reimburse
149 the fund for payments received from the fund;
150 providing penalties; authorizing the Department of

151 Financial Services, rather than the office, to
152 institute legal proceedings for certain compliance
153 enforcement and to recover certain interests, costs,
154 and fees; amending s. 517.191, F.S.; deleting an
155 obsolete term; revising the civil penalty amounts for
156 certain violations; authorizing the office to recover
157 certain costs and attorney fees; requiring that moneys
158 recovered be deposited in a specified trust fund;
159 specifying the liability of control persons; providing
160 an exception; specifying circumstances under which
161 certain persons are deemed to have violated ch. 517,
162 F.S.; authorizing the office to issue and serve cease
163 and desist orders and emergency cease and desist
164 orders under certain circumstances; authorizing the
165 office to impose and collect administrative fines for
166 certain violations; specifying the disposition of such
167 fines; authorizing the office to bar applications or
168 notifications for licenses and registrations under
169 certain circumstances; conforming cross-references;
170 providing construction; specifying jurisdiction of the
171 courts relating to the sale or offer of certain
172 securities; making technical changes; amending s.
173 517.211, F.S.; providing for joint and several
174 liability of control persons in certain circumstances
175 for the purposes of specified actions; specifying the

176 date on which certain interest begins accruing in an
177 action for rescission; providing construction;
178 specifying that certain civil remedies extend to
179 purchasers or sellers of securities; making technical
180 changes; repealing s. 517.221, F.S., relating to cease
181 and desist orders; repealing s. 517.241, F.S.,
182 relating to remedies; amending s. 517.301, F.S.;
183 revising the circumstances under which certain
184 activities are considered unlawful and violations of
185 law; conforming provisions to changes made by the act;
186 revising the definition of the term "investment";
187 specifying that certain misrepresentations by persons
188 issuing or selling securities are unlawful; specifying
189 that certain misrepresentations by persons registered
190 or required to be registered under certain provisions
191 or subject to certain requirements are unlawful;
192 specifying that obtaining money or property in
193 connection with the offer or sale of an investment is
194 unlawful under certain conditions; providing
195 construction; requiring disclaimers for certain
196 statements; making technical changes; repealing s.
197 517.311, F.S., relating to false representations,
198 deceptive words, and enforcement; repealing s.
199 517.312, F.S., relating to securities, investments,
200 and boiler rooms, prohibited practices, and remedies;

201 amending ss. 517.072 and 517.12, F.S.; conforming
 202 cross-references and making technical changes;
 203 amending ss. 517.1201 and 517.1202, F.S.; conforming
 204 cross-references; amending s. 517.302, F.S.;
 205 conforming a provision to changes made by the act and
 206 making a technical change; providing an effective
 207 date.

208

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

210

211 Section 1. Present subsections (3), (4), and (5) and
 212 subsections (6) through (25) of section 517.021, Florida
 213 Statutes, are redesignated as subsections (4), (5), and (6) and
 214 subsections (8) through (27), respectively, new subsections (3)
 215 and (7) are added to that section, and subsection (1) and
 216 present subsections (4), (8), (9), and (14) of that section are
 217 amended, to read:

218 517.021 Definitions.—When used in this chapter, unless the
 219 context otherwise indicates, the following terms have the
 220 following respective meanings:

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

224 (3) "Angel investor group" means a group of accredited
 225 investors who hold regular meetings and have defined processes

226 and procedures for making investment decisions, individually or
 227 among the membership of the group, and who are not associated
 228 persons, affiliates, or agents of a dealer or investment
 229 adviser.

230 (5)-(4) "Boiler room" means an enterprise in which two or
 231 more persons in a common scheme or enterprise solicit potential
 232 investors through telephone calls, e-mail, text messages, social
 233 media, chat rooms, or other electronic means ~~engage in telephone~~
 234 ~~communications with members of the public using two or more~~
 235 ~~telephones at one location, or at more than one location in a~~
 236 ~~common scheme or enterprise.~~

237 (7) "Business entity" means any corporation, partnership,
 238 limited partnership, limited liability company, proprietorship,
 239 firm, enterprise, franchise, association, self-employed
 240 individual, or trust, which may or may not be fictitiously
 241 named, doing business in this state.

242 (10) (a)-(8) "Dealer" includes, unless otherwise specified,
 243 a person, other than an associated person of a dealer, that
 244 engages, for all or part of the person's time, directly or
 245 indirectly, as agent or principal in the business of offering,
 246 buying, selling, or otherwise dealing or trading in securities
 247 issued by another person.

248 (b) The term "dealer" does not include any of the
 249 following:

250 1.(a) A licensed practicing attorney who renders or

251 performs any such services in connection with the regular
 252 practice of the attorney's profession.

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

255 ~~3.(e)~~ A trust company having trust powers that it is
 256 authorized to exercise in this state, which renders or performs
 257 services in a fiduciary capacity incidental to the exercise of
 258 its trust powers.

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

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

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

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

267 ~~a.1.~~ Is an officer, a director, a limited liability
 268 company manager or managing member, or a bona fide employee of
 269 the issuer;

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

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

276 of, the issuer other than in connection with transactions in
277 securities; and

278 ~~d.4.~~ Does not receive a commission, compensation, or other
279 consideration for the completed sale of the issuer's securities
280 apart from the compensation received for regular duties to the
281 issuer.

282 ~~(11)(9)~~ "Federal covered adviser" means a person that is
283 registered or required to be registered under s. 203 of the
284 Investment Advisers Act of 1940, as amended. The term does not
285 include any person that is excluded from the definition of
286 investment adviser under subparagraphs (16)(b)1.-7. and 9
287 ~~(14)(b)1.-8.~~

288 (16)(a) ~~(14)(a)~~ "Investment adviser" means a person, other
289 than an associated person of an investment adviser or a federal
290 covered adviser, that receives compensation, directly or
291 indirectly, and engages for all or part of the person's time,
292 directly or indirectly, or through publications or writings, in
293 the business of advising others as to the value of securities or
294 as to the advisability of investments in, purchasing of, or
295 selling of securities.

296 (b) The term does not include any of the following:

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

301 services.

302 2. A licensed practicing attorney or certified public
 303 accountant whose performance of such services is solely
 304 incidental to the practice of the attorney's or accountant's
 305 profession.

306 3. A bank authorized to do business in this state.

307 4. A bank holding company as defined in the Bank Holding
 308 Company Act of 1956, as amended, authorized to do business in
 309 this state.

310 5. A trust company having trust powers, as defined in s.
 311 658.12, which it is authorized to exercise in this state, which
 312 trust company renders or performs investment advisory services
 313 in a fiduciary capacity incidental to the exercise of its trust
 314 powers.

315 6. A person that renders investment advice exclusively to
 316 insurance or investment companies.

317 7. A person that, during the preceding 12 months, has
 318 fewer than six clients who are residents of this state. As used
 319 in this subparagraph, the term "client" has the same meaning as
 320 provided in Securities and Exchange Commission Rule 275.222-2,
 321 17 C.F.R. s. 275.222-2, as amended ~~does not hold itself out to~~
 322 ~~the general public as an investment adviser and has no more than~~
 323 ~~15 clients within 12 consecutive months in this state.~~

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

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

330 ~~9. A federal covered adviser.~~

331 9. The United States, a state, or any political
332 subdivision of a state, or any agency, authority, or
333 instrumentality of any such entity; a business entity that is
334 wholly owned directly or indirectly by such a governmental
335 entity; or any officer, agent, or employee of any such
336 governmental or business entity who is acting within the scope
337 of his or her official duties.

338 Section 2. Present subsections (9) and (10) of section
339 517.051, Florida Statutes, are redesignated as subsections (10)
340 and (11), respectively, and amended, a new subsection (9) is
341 added to that section, and subsections (1), (3), (4), and (8) of
342 that section are amended, to read:

343 517.051 Exempt securities.—The exemptions provided herein
344 from the registration requirements of s. 517.07 are self-
345 executing and do not require any filing with the office prior to
346 claiming such exemption. Any person who claims entitlement to
347 any of these exemptions bears the burden of proving such
348 entitlement in any proceeding brought under this chapter. The
349 registration provisions of s. 517.07 do not apply to any of the
350 following securities:

351 (1) A security issued or guaranteed by the United States
 352 or any territory or insular possession of the United States, by
 353 the District of Columbia, or by any state of the United States
 354 or by any political subdivision or agency or other
 355 instrumentality thereof. ~~;~~ ~~provided that~~

356 (a) ~~A~~ ~~no~~ person may not ~~shall~~ directly or indirectly offer
 357 or sell securities, other than general obligation bonds, under
 358 this subsection if the issuer or guarantor is in default or has
 359 been in default any time after December 31, 1975, as to
 360 principal or interest:

361 1. ~~(a)~~ With respect to an obligation issued by the issuer
 362 or successor of the issuer; or

363 2. ~~(b)~~ With respect to an obligation guaranteed by the
 364 guarantor or successor of the guarantor,

365
 366 except by an offering circular containing a full and fair
 367 disclosure as prescribed by rule of the commission.

368 (b) Paragraph (a) applies to a security that is an
 369 industrial or commercial development bond if payments are made
 370 or unconditionally guaranteed by a person whose securities are
 371 exempt from registration under s. 18(b)(1) of the Securities Act
 372 of 1933, as amended.

373 (3) A security issued by and which represents or will
 374 represent an interest in or a direct obligation of or be
 375 guaranteed by any of the following:

376 (a) An international bank of which the United States is a
 377 member.

378 (b) A bank organized under the laws of the United States.

379 (c) A member bank of the Federal Reserve System.

380 (d) A depository institution, when a substantial portion
 381 of its business consists of or will consist of receiving
 382 deposits or share accounts that are insured to the maximum
 383 amount authorized by statute by the Federal Deposit Insurance
 384 Corporation or the National Credit Union Share Insurance Fund ~~or~~
 385 ~~guaranteed by:~~

386 ~~(a) A national bank, a federally chartered savings and~~
 387 ~~loan association, or a federally chartered savings bank, or the~~
 388 ~~initial subscription for equity securities in such national~~
 389 ~~bank, federally chartered savings and loan association, or~~
 390 ~~federally chartered savings bank;~~

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

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

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

398 (4) A security issued or guaranteed, as to principal,
 399 interest, or dividend, by a business entity ~~corporation~~ owning
 400 or operating a railroad, another common carrier, or any other

401 public service utility; provided that such business entity
 402 ~~corporation~~ is subject to regulation or supervision whether as
 403 to its rates and charges or as to the issue of its own
 404 securities by a public commission, board, or officer of the
 405 government of the United States, of any state, territory, or
 406 insular possession of the United States, of any municipality
 407 located therein, of the District of Columbia, or of the Dominion
 408 of Canada or of any province thereof; also equipment securities
 409 based on chattel mortgages, leases, or agreements for
 410 conditional sale of cars, motive power, or other rolling stock
 411 mortgaged, leased, or sold to or furnished for the use of or
 412 upon such railroad or other public service utility corporation
 413 or where the ownership or title of such equipment is pledged or
 414 retained in accordance with ~~the provisions of~~ the laws of the
 415 United States or of any state or of the Dominion of Canada to
 416 secure the payment of such equipment securities; and also bonds,
 417 notes, or other evidences of indebtedness issued by a holding
 418 corporation and secured by collateral consisting of any
 419 securities hereinabove described; provided, further, that the
 420 collateral securities equal in fair value at least 125 percent
 421 of the par value of the bonds, notes, or other evidences of
 422 indebtedness so secured.

423 (8) Shares or other equity interests of a business entity
 424 which represent ownership or entitle the holders of such shares
 425 or other equity interests to possession and occupancy of

426 specific apartment units in property owned by such business
 427 entity and organized and operated on a cooperative basis, solely
 428 for residential purposes ~~A note, draft, bill of exchange, or~~
 429 ~~banker's acceptance having a unit amount of \$25,000 or more~~
 430 ~~which arises out of a current transaction, or the proceeds of~~
 431 ~~which have been or are to be used for current transactions, and~~
 432 ~~which has a maturity period at the time of issuance not~~
 433 ~~exceeding 9 months exclusive of days of grace, or any renewal~~
 434 ~~thereof which has a maturity period likewise limited. This~~
 435 ~~subsection applies only to prime quality negotiable commercial~~
 436 ~~paper of a type not ordinarily purchased by the general public;~~
 437 ~~that is, paper issued to facilitate well-recognized types of~~
 438 ~~current operational business requirements and of a type eligible~~
 439 ~~for discounting by Federal Reserve banks.~~

440 (9) A member's or owner's interest in, or a retention
 441 certificate or like security given in lieu of a cash patronage
 442 dividend issued by, a not-for-profit membership entity operated
 443 either as a cooperative under the cooperative laws of a state or
 444 in accordance with the cooperative provisions of subchapter T of
 445 chapter 1 of subtitle A of the United States Internal Revenue
 446 Code, as amended, but not a member's or owner's interest,
 447 retention certificate, or like security sold or transferred to a
 448 person other than:

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

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

454 (10)-(9) A security issued by a business entity ~~corporation~~
 455 organized and operated exclusively for religious, educational,
 456 benevolent, fraternal, charitable, or reformatory purposes and
 457 not for pecuniary profit, no part of the net earnings of which
 458 ~~corporation~~ inures to the benefit of any private stockholder or
 459 individual, or any security of a fund that is excluded from the
 460 definition of an investment company under s. 3(c)(10)(B) of the
 461 Investment Company Act of 1940, as amended; provided that a ~~no~~
 462 person may not ~~shall~~ directly or indirectly offer or sell
 463 securities under this subsection except by an offering circular
 464 containing full and fair disclosure, as prescribed by the rules
 465 of the commission, of all material information, including, but
 466 not limited to, a description of the securities offered and
 467 terms of the offering, a description of the nature of the
 468 issuer's business, a statement of the purpose of the offering
 469 and the intended application by the issuer of the proceeds
 470 thereof, and financial statements of the issuer prepared in
 471 conformance with United States generally accepted accounting
 472 principles. Section 6(c) of the Philanthropy Protection Act of
 473 1995, Pub. L. No. 104-62, does ~~shall~~ not preempt any provision
 474 of this chapter.

475 (11)-(10) Any insurance or endowment policy or annuity

476 contract or optional annuity contract or self-insurance
477 agreement issued by a business entity ~~corporation~~, insurance
478 company, reciprocal insurer, or risk retention group subject to
479 the supervision of the insurance regulator or bank regulator, or
480 any agency or officer performing like functions, of any state or
481 territory of the United States or the District of Columbia.

482 Section 3. Section 517.061, Florida Statutes, is amended
483 to read:

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

486 517.061 Exempt transactions.—Except as otherwise provided
487 in subsection (11), the exemptions provided herein from the
488 registration requirements of s. 517.07 are self-executing and do
489 not require any filing with the office before being claimed. Any
490 person who claims entitlement to an exemption under this section
491 bears the burden of proving such entitlement in any proceeding
492 brought under this chapter. The registration provisions of s.
493 517.07 do not apply to any of the following transactions;
494 however, such transactions are subject to s. 517.301:

495 (1)(a) Any judicial sale or any sale by an executor, an
496 administrator, a guardian, or a conservator; any sale by a
497 receiver or trustee in insolvency or bankruptcy; any sale by an
498 assignee as defined in s. 727.103 with respect to an assignment
499 as defined in that section; or any transaction incident to a
500 judicially approved reorganization in which a security is issued

501 in exchange for one or more outstanding securities, claims, or
502 property interests.

503 (b) Except for a security exchanged in a case brought
504 under Title 11 of the United States Code, a security that is
505 issued in exchange for one or more bona fide outstanding
506 securities, claims, or property interests, or partly in such
507 exchange and partly for cash, if the terms and conditions of
508 such issuance and exchange are approved:

509 1. By a court, an official or agency of the United States,
510 a banking or insurance commission of a state or territory of the
511 United States, or another governmental authority expressly
512 authorized by law to grant such approval.

513 2. After a hearing upon the fairness of such terms and
514 conditions and at which all persons to whom issuance of
515 securities in such exchange is proposed have the right to
516 appear.

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

521 (3) A transaction involving a stock dividend or equivalent
522 equity distribution, regardless of whether the business entity
523 distributing the dividend or equivalent equity distribution is
524 the issuer, if nothing of value is given by stockholders or
525 other equity holders for the dividend or equivalent equity

526 distribution other than the surrender of a right to a cash or
527 property dividend in the event that each stockholder or other
528 equity holder may elect to take the dividend or equivalent
529 equity distribution in cash, property, or stock.

530 (4) A transaction under an offer to existing security
531 holders of the issuer, including persons that at the date of the
532 transaction are holders of convertible securities, options, or
533 warrants, if a commission or other remuneration is not paid or
534 given, directly or indirectly, for soliciting a security holder
535 in this state.

536 (5) The issuance of securities to such equity security
537 holders or creditors of a business entity in the process of a
538 reorganization of such business entity, made in good faith and
539 not for the purpose of evading this chapter, either in exchange
540 for the securities of such equity security holders or claims of
541 such creditors or partly for cash and partly in exchange for the
542 securities or claims of such equity security holders or
543 creditors.

544 (6) A transaction involving the distribution of the
545 securities of an issuer to the security holders of another
546 person in connection with a merger, consolidation, exchange of
547 securities, sale of assets, or other reorganization to which the
548 issuer, or the issuer's parent or subsidiary, and the other
549 person, or the person's parent or subsidiary, are parties.

550 (7) The offer or sale of securities, solely in connection

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551 with the transfer of ownership of an eligible privately held
552 company, through a merger and acquisition broker in accordance
553 with s. 517.12(21).

554 (8) The offer or sale of securities under a bona fide
555 employee stock purchase, savings, option, profit-sharing,
556 pension, or similar employee benefit plan, including any
557 securities, plan interests, and guarantees issued under a
558 compensatory benefit plan or compensation contract, contained in
559 a record, established by the issuer, its parents, its majority-
560 owned subsidiaries, or the majority-owned subsidiaries of the
561 issuer's parent for the participation of their employees. This
562 includes offers or sales of such securities to all of the
563 following persons:

564 (a) Directors, managers, managing members, general
565 partners, officers, consultants, and advisors.

566 (b) If the issuer is a business trust, trustees and former
567 trustees.

568 (c) Family members who acquire such securities from
569 persons described in this section through gifts or domestic
570 relations orders.

571 (d) Former employees, directors, managers, managing
572 members, general partners, officers, consultants, and advisors,
573 if those individuals were employed by or providing services to
574 the issuer when the securities were offered.

575 (e) Insurance agents who are exclusive insurance agents of

576 the issuer, or of the issuer's parents or subsidiaries, or who
577 derive more than 50 percent of their annual income from such
578 persons.

579 (9) The offer or sale of securities to a bank, trust
580 company, savings institution, insurance company, dealer,
581 investment company as defined in the Investment Company Act of
582 1940, 15 U.S.C. s. 80a-3, as amended, pension or profit-sharing
583 trust, or qualified institutional buyer, whether any of such
584 entities is acting in its individual or fiduciary capacity.

585 (10) (a) The offer or sale, by or on behalf of an issuer,
586 of its own securities if the offer or sale is part of an
587 offering made in accordance with all of the following
588 conditions:

589 1. There are no more than 35 purchasers, or the issuer
590 reasonably believes that there are no more than 35 purchasers,
591 of the securities of the issuer in this state during an offering
592 made in reliance upon this subsection or, if such offering
593 continues for a period in excess of 12 months, in any
594 consecutive 12-month period.

595 2. Neither the issuer nor any person acting on behalf of
596 the issuer offers or sells securities pursuant to this
597 subsection by means of any form of general solicitation or
598 general advertising in this state.

599 3. Before the sale, each purchaser or the purchaser's
600 representative, if any, is provided with, or given reasonable

601 access to, full and fair disclosure of all material information,
602 which must include written notification of a purchaser's right
603 to void the sale under subparagraph 4.

604 4. Any sale made pursuant to this subsection is voidable
605 by the purchaser within 3 days after the first tender of
606 consideration is made by such purchaser to the issuer by
607 notifying the issuer that the purchaser expressly voids the
608 purchase. The purchaser's notice to the issuer must be sent by
609 e-mail to the issuer's e-mail address set forth in the
610 disclosure document provided to the purchaser or purchaser's
611 representative or by hand delivery, courier service, or other
612 method by which written proof of delivery to the issuer of the
613 purchaser's election to rescind the purchase is evidenced.

614 (b) The following purchasers are excluded from the
615 calculation of the number of purchasers under subparagraph
616 (a)1.:

617 1. Any spouse or child of the purchaser or any related
618 family member who has the same principal residence as such
619 purchaser.

620 2. A trust or estate in which a purchaser, any of the
621 persons related to such purchaser specified in subparagraph 1.,
622 and any business entity specified in subparagraph 3.
623 collectively have more than 50 percent of the beneficial
624 interest, excluding any contingent interest.

625 3. A business entity in which a purchaser, any of the

626 persons related to such purchaser specified in subparagraph 1.,
627 and any trust or estate specified in subparagraph 2.
628 collectively are beneficial owners of more than 50 percent of
629 the equity securities or equity interest.

630 4. An accredited investor.

631
632 A business entity must be counted as one purchaser. However, if
633 the business entity is organized for the specific purpose of
634 acquiring the securities offered and is not an accredited
635 investor, each beneficial owner of equity securities or equity
636 interests in the business entity must be counted as a separate
637 purchaser. A noncontributory employee benefit plan within the
638 meaning of Title I of the Employee Retirement Income Security
639 Act of 1974 must be counted as one purchaser if the trustee
640 makes all investment decisions for the plan.

641 (11) Offers or sales of securities by an issuer in a
642 transaction that meets all of the following conditions:

643 (a) The offers or sales of securities are made only to
644 persons who are, or who the issuer reasonably believes are,
645 accredited investors.

646 (b) The issuer is not a business entity that has an
647 undefined business operation, lacks a business plan, lacks a
648 stated investment goal for the funds being raised, or plans to
649 engage in a merger or acquisition with an unspecified business
650 entity.

651 (c) The issuer reasonably believes that all purchasers are
652 purchasing for investment and not with the view to or for sale
653 in connection with a distribution of the security. Any resale of
654 a security sold in reliance on this exemption within 12 months
655 after sale is presumed to be with a view to distribution and not
656 for investment, except a resale pursuant to a registration
657 statement effective under this chapter or pursuant to an
658 exemption available under this chapter, the Securities Act of
659 1933, as amended, or the rules and regulations adopted
660 thereunder.

661 (d)1. A general announcement of the proposed offering,
662 made by any means, includes only the following information:

663 a. The name, address, and telephone number of the issuer
664 of the securities.

665 b. The name, a brief description, and price, if known, of
666 any security to be issued.

667 c. A brief description of the business.

668 d. The type, number, and aggregate amount of securities
669 being offered.

670 e. The name, address, and telephone number of the person
671 to contact for additional information.

672 f. A statement that:

673 (I) Sales will be made only to accredited investors;

674 (II) Money or other consideration is not being solicited
675 and will not be accepted by way of this general announcement;

676 and

677 (III) The securities have not been registered with or
678 approved by any state securities agency or the Securities and
679 Exchange Commission and are being offered and sold pursuant to
680 an exemption from registration.

681 2. The issuer, in connection with an offer, may provide
682 information in addition to the information provided in the
683 general announcement as specified in subparagraph 1. if such
684 information is delivered:

685 a. Through an electronic database that is restricted to
686 persons who have been prequalified as accredited investors; or

687 b. After the issuer reasonably believes that the
688 prospective purchaser is an accredited investor.

689 (e) The issuer does not use telephone solicitation unless,
690 before placing the call, the issuer reasonably believes that the
691 prospective purchaser to be solicited is an accredited investor.

692 (f) The issuer files with the office a notice of
693 transaction, a consent to service of process, and a copy of the
694 general announcement within 15 days after the first sale is made
695 in this state. The commission may adopt by rule procedures for
696 filing documents by electronic means.

697 (g) Dissemination of the general announcement of the
698 proposed offering to persons who are not accredited investors
699 does not disqualify the issuer from claiming the exemption under
700 this subsection.

701 (12) The isolated sale or offer for sale of securities
702 when made by or on behalf of a bona fide owner, not the issuer
703 or underwriter, of the securities, who disposes of such
704 securities for the owner's own account, and such sale is not
705 made directly or indirectly for the benefit of the issuer or an
706 underwriter of such securities or for the direct or indirect
707 promotion of any scheme or enterprise with the intent of
708 violating or evading this chapter. For purposes of this
709 subsection, isolated offers or sales include, but are not
710 limited to, an isolated offer or sale made by or on behalf of a
711 bona fide owner, rather than the issuer or underwriter, of the
712 securities if:

713 (a) The offer or sale of securities is in a transaction
714 satisfying all of the conditions specified in subparagraphs
715 (10) (a) 1., 2., and 3. and paragraph (10) (b); or

716 (b) The offer or sale of securities is in a transaction
717 exempt under s. 4(a) (1) of the Securities Act of 1933, as
718 amended, or under Securities and Exchange Commission rules or
719 regulations.

720 (13) By or for the account of a pledgeholder, a secured
721 party as defined in s. 679.1021(1)(ttt), or a mortgagee selling
722 or offering for sale or delivery in the ordinary course of
723 business and not for the purposes of avoiding the provisions of
724 this chapter, to liquidate a bona fide debt, a security pledged
725 in good faith as security for such debt.

726 (14) An unsolicited purchase or sale of securities on
 727 order of, and as the agent for, another solely and exclusively
 728 by a dealer registered pursuant to s. 517.12; provided that this
 729 exemption applies solely and exclusively to such registered
 730 dealers and does not authorize or permit the purchase or sale of
 731 securities at the direction of, and as agent for, another by any
 732 person other than a dealer so registered; and provided further
 733 that such purchase or sale may not be directly or indirectly for
 734 the benefit of the issuer or an underwriter of such securities
 735 or for the direct or indirect promotion of any scheme or
 736 enterprise with the intent of violating or evading this chapter.

737 (15) A nonissuer transaction with a federal covered
 738 adviser with investments under management in excess of \$100
 739 million acting in the exercise of discretionary authority in a
 740 signed record for the account of others.

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

743 (a) The performance of the terms of the option is
 744 guaranteed by any dealer registered under the Securities
 745 Exchange Act of 1934, as amended, which guaranty and dealer are
 746 in compliance with such requirements or rules as may be approved
 747 or adopted by the commission; or

748 (b)1. Such options transactions are cleared by the Options
 749 Clearing Corporation or any other clearinghouse recognized by
 750 commission rule;

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

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

756 (17) (a) The offer or sale of securities, as agent or
 757 principal, by a dealer registered pursuant to s. 517.12, when
 758 such securities are offered or sold at a price reasonably
 759 related to the current market price of such securities, provided
 760 that such securities are:

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

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

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

769 4. Securities, other than any security that is a federal
 770 covered security and is not subject to any registration or
 771 filing requirements under this chapter, that have been listed or
 772 approved for listing upon notice of issuance by a securities
 773 exchange registered under the Securities Exchange Act of 1934,
 774 as amended; and all securities senior to any securities so
 775 listed or approved for listing upon notice of issuance, or

776 represented by subscription rights which have been so listed or
777 approved for listing upon notice of issuance, or evidences of
778 indebtedness guaranteed by an issuer with a class of securities
779 listed or approved for listing upon notice of issuance by such
780 securities exchange, such securities to be exempt only so long
781 as such listings or approvals remain in effect. The exemption
782 provided in this subparagraph does not apply when the securities
783 are suspended from listing approval for listing or trading.

784 (b) The exemption provided in this subsection does not
785 apply if the sale is made for the direct or indirect benefit of
786 an issuer or a control person of such issuer or if such
787 securities constitute the whole or part of an unsold allotment
788 to, or subscription or participation by, a dealer as an
789 underwriter of such securities.

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

796 (18) Any nonissuer transaction by a registered dealer, and
797 any resale transaction by a sponsor of a unit investment trust
798 registered under the Investment Company Act of 1940, as amended,
799 in a security of a class that has been outstanding in the hands
800 of the public for at least 90 days; provided that, at the time

801 of the transaction, the following conditions are met:

802 (a)1. The issuer of the security is actually engaged in
803 business and is not in the organizational stage or in bankruptcy
804 or receivership and is not a blank check, blind pool, or shell
805 company whose primary plan of business is to engage in a merger
806 or combination of the business with, or an acquisition of, an
807 unidentified person;

808 2. The security is sold at a price reasonably related to
809 the current market price of the security; and

810 3. The security does not constitute the whole or part of
811 an unsold allotment to, or a subscription or participation by,
812 the dealer as an underwriter of the security; and

813 (b)1. The security is listed in a nationally recognized
814 securities manual designated by rule of the commission or a
815 document filed with and publicly viewable through the Securities
816 and Exchange Commission electronic data gathering and retrieval
817 system and contains:

818 a. A description of the business and operations of the
819 issuer;

820 b. The names of the issuer's officers and directors, if
821 any, or, in the case of an issuer not domiciled in the United
822 States, the corporate equivalents of such persons in the
823 issuer's country of domicile;

824 c. An audited balance sheet of the issuer as of a date
825 within 18 months before such transaction or, in the case of a

826 reorganization or merger in which parties to the reorganization
827 or merger had such audited balance sheet, a pro forma balance
828 sheet; and

829 d. An audited income statement for each of the issuer's
830 immediately preceding 2 fiscal years, or for the period of
831 existence of the issuer, if in existence for less than 2 years
832 or, in the case of a reorganization or merger in which the
833 parties to the reorganization or merger had such audited income
834 statement, a pro forma income statement; or

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

838 b. The class of security is quoted, offered, purchased, or
839 sold through an alternative trading system registered under
840 Securities and Exchange Commission Regulation ATS, 17 C.F.R. s.
841 242.301, as amended, and the issuer of the security has made
842 current information publicly available in accordance with
843 Securities and Exchange Commission Rule 15c2-11, 17 C.F.R. s.
844 240.15c2-11, as amended;

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

847 d. The issuer of the security has been engaged in
848 continuous business, including predecessors, for at least 3
849 years; or

850 e. The issuer of the security has total assets of at least

851 \$2 million based on an audited balance sheet as of a date within
852 18 months before such transaction or, in the case of a
853 reorganization or merger in which parties to the reorganization
854 or merger had such audited balance sheet, a pro forma balance
855 sheet.

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

858 (20) A nonissuer transaction in an outstanding security by
859 or through a dealer registered or exempt from registration under
860 this chapter, if all of the following are true:

861 (a) The issuer is a reporting issuer in a foreign
862 jurisdiction designated by this subsection or by commission
863 rule, and the issuer has been subject to continuous reporting
864 requirements in such foreign jurisdiction for not less than 180
865 days before the transaction.

866 (b) The security is listed on the securities exchange
867 designated by this subsection or by commission rule, is a
868 security of the same issuer which is of senior or substantially
869 equal rank to the listed security, or is a warrant or right to
870 purchase or subscribe to any such security.

871
872 For purposes of this subsection, Canada, together with its
873 provinces and territories, is designated as a foreign
874 jurisdiction, and The Toronto Stock Exchange, Inc., is
875 designated as a securities exchange. If, after an administrative

876 hearing in compliance with ss. 120.569 and 120.57, the office
877 finds that revocation is necessary or appropriate in furtherance
878 of the public interest and for the protection of investors, it
879 may revoke the designation of a securities exchange under this
880 subsection.

881 (21) Other transactions exempted by commission rule upon a
882 finding by the office that the application of s. 517.07 to a
883 particular transaction is not necessary or appropriate in
884 furtherance of the public interest and for the protection of
885 investors due to the small dollar amount of the securities
886 involved or the limited character of the offering. In
887 conjunction with its adoption by rule of such exemptions, the
888 commission may exempt persons selling or offering for sale
889 securities in such a transaction from the registration
890 requirements of s. 517.12. A rule adopted by the commission
891 under this subsection may not have the effect of narrowing or
892 limiting any exemption specified in this section.

893 Section 4. Section 517.0611, Florida Statutes, is amended
894 to read:

895 517.0611 The Florida Limited Offering Exemption ~~Intrastate~~
896 ~~crowdfunding.~~—

897 (1) This section may be cited as the "Florida Limited
898 Offering ~~Intrastate Crowdfunding~~ Exemption."

899 (2) The registration provisions of s. 517.07 do not apply
900 to a securities transaction conducted in accordance with this

901 section; however, such transaction is subject to s. 517.301
 902 ~~Notwithstanding any other provision of this chapter, an offer or~~
 903 ~~sale of a security by an issuer is an exempt transaction under~~
 904 ~~s. 517.061 if the offer or sale is conducted in accordance with~~
 905 ~~this section. The exemption provided in this section may not be~~
 906 ~~used in conjunction with any other exemption under s. 517.051 or~~
 907 ~~s. 517.061.~~

908 (3) The offer or sale of securities under this section
 909 must be conducted in accordance with the requirements of the
 910 federal exemption for intrastate offerings in s. 3(a)(11) of the
 911 Securities Act of 1933, 15 U.S.C. s. 77c(a)(11), as amended, and
 912 ~~United States~~ Securities and Exchange Commission Rule 147, 17
 913 C.F.R. s. 230.147, as amended, or Securities and Exchange
 914 Commission Rule 147A, 17. C.F.R. s. 230.147A, as amended ~~adopted~~
 915 ~~pursuant to the Securities Act of 1933.~~

916 (4) An issuer ~~must~~:

917 (a) Must be a for-profit business entity that maintains
 918 ~~formed under the laws of the state, be registered with the~~
 919 ~~Secretary of State, maintain~~ its principal place of business ~~in~~
 920 ~~the state, and~~ derives ~~derive~~ its revenues primarily from
 921 operations in this ~~the~~ state.

922 (b) Must conduct transactions for an ~~the~~ offering of \$2.5
 923 million or more through a dealer registered with the office or
 924 an intermediary registered under s. 517.12 ~~s. 517.12(19)~~. For an
 925 offering of less than \$2.5 million, the issuer may, but is not

926 required to, use such a dealer or intermediary.

927 (c) May not be, ~~either~~ before or as a result of the
928 offering, an investment company as defined in s. 3 of the
929 Investment Company Act of 1940, 15 U.S.C. s. 80a-3, as amended,
930 or subject to the reporting requirements of s. 13 or s. 15(d) of
931 the Securities Exchange Act of 1934, 15 U.S.C. s. 78m or s.
932 78o(d), as amended.

933 (d) May not be a business entity that has ~~company with~~ an
934 undefined business operation, ~~a company that~~ lacks a business
935 plan, ~~a company that~~ lacks a stated investment goal for the
936 funds being raised, or ~~a company that~~ plans to engage in a
937 merger or acquisition with an unspecified business entity.

938 (e) May not be subject to a disqualification established
939 by the commission ~~or office~~ or a disqualification described in
940 s. 517.0616 or s. 517.1611 ~~or United States Securities and~~
941 ~~Exchange Commission Rule 506(d), 17 C.F.R. 230.506(d), adopted~~
942 ~~pursuant to the Securities Act of 1933.~~ Each director, officer,
943 manager, managing member, or general partner, or person
944 occupying a similar status or performing a similar function, or
945 person holding more than 20 percent of the equity interest
946 ~~shares~~ of the issuer, is subject to this paragraph requirement.

947 (f) Must deposit all funds received from investors in an
948 account in ~~Execute an escrow agreement with~~ a federally insured
949 financial institution authorized to do business in this ~~the~~
950 state, and maintain all such funds in the account until the

951 target offering amount has been reached or the offering has been
952 terminated or has expired. If the target offering amount has not
953 been reached within the period specified by the issuer in the
954 disclosure statement provided to investors, or if the offering
955 is terminated or expires, the issuer must refund invested funds
956 to all investors within 10 business days after such occurrence
957 ~~for the deposit of investor funds, and ensure that all offering~~
958 ~~proceeds are provided to the issuer only when the aggregate~~
959 ~~capital raised from all investors is equal to or greater than~~
960 ~~the target offering amount.~~

961 (g) Must use all funds in accordance with the use of
962 proceeds as disclosed to prospective investors ~~Allow investors~~
963 ~~to cancel a commitment to invest within 3 business days before~~
964 ~~the offering deadline, as stated in the disclosure statement,~~
965 ~~and issue refunds to all investors if the target offering amount~~
966 ~~is not reached by the offering deadline.~~

967 (5) The issuer must file a notice of the offering with the
968 office, in writing or in electronic form, in a format prescribed
969 by commission rule, together with a nonrefundable filing fee of
970 \$200. The filing fee must ~~shall~~ be deposited into the Regulatory
971 Trust Fund of the office. The commission may adopt rules
972 establishing procedures for the deposit of fees and the filing
973 of documents by electronic means if the procedures provide the
974 office with the information and data required by this section. A
975 notice is effective upon receipt, by the office, of the

976 completed form, filing fee, and an irrevocable written consent
977 to service of civil process, similar to that provided for in s.
978 517.101. The notice may be terminated by filing with the office
979 a notice of termination. The notice and offering expire 12
980 months after filing the notice with the office and are not
981 eligible for renewal. The notice must:

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

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

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

990 (d) Identify any predecessors, owners, officers,
991 directors, general partners, managers, managing members, ~~and~~
992 ~~control persons~~ or any person occupying a similar status or
993 performing a similar function of the issuer, including that
994 person's title, ~~his or her~~ status as a partner, trustee, or sole
995 proprietor or a similar role, and ~~his or her~~ ownership
996 percentage.

997 (e) Identify the federally insured financial institution
998 into, ~~authorized to do business in the state,~~ in which investor
999 funds will be deposited, ~~in accordance with the escrow~~
1000 ~~agreement.~~

1001 ~~(f) Require an attestation under oath that the issuer, its~~
1002 ~~predecessors, affiliated issuers, directors, officers, and~~
1003 ~~control persons, or any other person occupying a similar status~~
1004 ~~or performing a similar function, are not currently and have not~~
1005 ~~been within the past 10 years the subject of regulatory or~~
1006 ~~criminal actions involving fraud or deceit.~~

1007 ~~(g) Include documentation verifying that the issuer is~~
1008 ~~organized under the laws of the state and authorized to do~~
1009 ~~business in the state.~~

1010 ~~(h) If applicable,~~ include the intermediary's website
1011 address where the issuer's securities will be offered.

1012 ~~(g)-(i) State~~ Include the target offering amount and the
1013 date, not to exceed 365 days, by which the target amount must be
1014 reached in order to avoid termination of the offering.

1015 (6) The issuer must amend the notice form within 10
1016 business ~~30~~ days after any material information contained in the
1017 notice becomes inaccurate ~~for any reason~~. The commission may
1018 require, by rule, an issuer who has filed a notice under this
1019 section to file amendments with the office.

1020 (7) The issuer may engage in general advertising and
1021 general solicitation of the offering to prospective investors.
1022 Any oral or written statements in advertising or solicitation of
1023 the offering which contain a material misstatement, or which
1024 fail to disclose material information, are subject to
1025 enforcement under this chapter. Any general advertising or other

1026 general announcement must state that the offering is limited and
 1027 open only to residents of this state.

1028 (8) The issuer must provide a disclosure statement to
 1029 ~~investors and the dealer or intermediary, along with a copy to~~
 1030 ~~the office at the time that the notice is filed, and make~~
 1031 ~~available to potential investors through the dealer or~~
 1032 intermediary, as applicable; to the office at the time that the
 1033 notice is filed; and to each prospective investor at least 3
 1034 days before the investor's commitment to purchase or payment of
 1035 any consideration. The~~7~~ a disclosure statement must contain
 1036 ~~containing~~ material information about the issuer and the
 1037 offering, including all of the following:

1038 (a) The name, legal status, physical address, e-mail
 1039 address, and website address of the issuer.

1040 (b) The names of the directors, officers, managers,
 1041 managing members, and general partners and any person occupying
 1042 a similar status or performing a similar function, and the name
 1043 and ownership percentage of each person holding more than 20
 1044 percent of the issuer's equity interests ~~shares of the issuer.~~

1045 (c) A description of the current business ~~of the issuer~~
 1046 and ~~the~~ anticipated business plan of the issuer.

1047 (d) A description of the stated purpose and intended use
 1048 of the proceeds of the offering.

1049 (e) The target offering amount and~~7~~ the deadline to reach
 1050 the target offering amount~~7~~ ~~and regular updates regarding the~~

1051 ~~progress of the issuer in meeting the target offering amount.~~

1052 (f) The price to the public of the securities ~~or the~~
1053 ~~method for determining the price. However, before the sale, each~~
1054 ~~investor must receive in writing the final price and all~~
1055 ~~required disclosures and have an opportunity to rescind the~~
1056 ~~commitment to purchase the securities.~~

1057 (g) A description of the ownership and capital structure
1058 of the issuer, including:

1059 1. Terms of the securities being offered and each class of
1060 security of the issuer, including how those terms may be
1061 modified, and a summary of the differences between such
1062 securities, including how the rights of the securities being
1063 offered may be materially limited, diluted, or qualified by
1064 rights of any other class of security of the issuer.

1065 2. A description of how the exercise of the rights held by
1066 the principal equity holders ~~shareholders~~ of the issuer could
1067 negatively impact the purchasers of the securities being
1068 offered.

1069 ~~3. The name and ownership level of each existing~~
1070 ~~shareholder who owns more than 20 percent of any class of the~~
1071 ~~securities of the issuer.~~

1072 ~~4. How the securities being offered are being valued, and~~
1073 ~~examples of methods of how such securities may be valued by the~~
1074 ~~issuer in the future, including during subsequent corporate~~
1075 ~~actions.~~

1076 5. ~~The risks to purchasers of the securities relating to~~
1077 ~~minority ownership in the issuer, the risks associated with~~
1078 ~~corporate action, including additional issuances of shares, a~~
1079 ~~sale of the issuer or of assets of the issuer, or transactions~~
1080 ~~with related parties.~~

1081 (h) A statement that the security being offered is not
1082 registered under federal or state securities laws and that the
1083 securities are subject to the limitation on resale contained in
1084 Securities and Exchange Commission Rule 147 or Rule 147A.

1085 (i) Any issuer plans, formal or informal, to offer
1086 additional securities in the future.

1087 (j) The risks to purchasers of the securities relating to
1088 minority ownership in the issuer.

1089 (k)~~(h)~~ A description of the financial condition of the
1090 issuer.

1091 1. For offerings that, in combination with all other
1092 offerings of the issuer within the preceding 12-month period,
1093 have ~~target~~ offering amounts of \$500,000 ~~\$100,000~~ or less, the
1094 financial statements of the issuer may be, but are not required
1095 to be, included ~~description must include the most recent income-~~
1096 ~~tax return filed by the issuer, if any, and a financial~~
1097 ~~statement that must be certified by the principal executive~~
1098 ~~officer of the issuer as true and complete in all material~~
1099 ~~respects.~~

1100 2. For offerings that, in combination with all other

1101 offerings of the issuer within the preceding 12-month period,
1102 have ~~target~~ offering amounts of more than \$500,000 ~~\$100,000~~, but
1103 not more than \$2.5 million ~~\$500,000~~, the description must
1104 include financial statements prepared in accordance with
1105 generally accepted accounting principles and reviewed by a
1106 certified public accountant, as defined in s. 473.302, who is
1107 independent of the issuer, using professional standards and
1108 procedures ~~for such review~~ or standards and procedures
1109 established by commission ~~the office~~, by rule, for such purpose.

1110 3. For offerings that, in combination with all other
1111 offerings of the issuer within the preceding 12-month period,
1112 have ~~target~~ offering amounts of more than \$2.5 million ~~\$500,000~~,
1113 the description must include audited financial statements
1114 prepared in accordance with generally accepted accounting
1115 principles by a certified public accountant, as defined in s.
1116 473.302, who is independent of the issuer, and other
1117 requirements as the commission may establish by rule.

1118 (1)-(i) The following statement in boldface, conspicuous
1119 type on the front page of the disclosure statement:

1120
1121 Neither the Securities and Exchange Commission nor any
1122 state securities commission has approved or
1123 disapproved these securities or determined if this
1124 disclosure statement is truthful or complete. Any
1125 representation to the contrary is a criminal offense.

1126
 1127 These securities are offered under, and will be sold
 1128 in reliance upon, an exemption from the registration
 1129 requirements of federal and Florida securities laws.
 1130 ~~Consequently,~~ Neither the Federal Government nor the
 1131 State of Florida has reviewed the accuracy or
 1132 completeness of any offering materials. In making an
 1133 investment decision, investors must rely on their own
 1134 examination of the issuer and the terms of the
 1135 offering, including the merits and risks involved.
 1136 These securities are subject to restrictions on
 1137 transferability and resale and may not be transferred
 1138 or resold except as specifically authorized by
 1139 applicable federal and state securities laws.
 1140 Investing in these securities involves a speculative
 1141 risk, and investors should be able to bear the loss of
 1142 their entire investment.
 1143 ~~(8) The issuer shall provide to the office a copy of the~~
 1144 ~~escrow agreement with a financial institution authorized to~~
 1145 ~~conduct business in this state. All investor funds must be~~
 1146 ~~deposited in the escrow account. The escrow agreement must~~
 1147 ~~require that all offering proceeds be released to the issuer~~
 1148 ~~only when the aggregate capital raised from all investors is~~
 1149 ~~equal to or greater than the minimum target offering amount~~
 1150 ~~specified in the disclosure statement as necessary to implement~~

1151 ~~the business plan, and that all investors will receive a full~~
1152 ~~return of their investment commitment if that target offering~~
1153 ~~amount is not raised by the date stated in the disclosure~~
1154 ~~statement.~~

1155 (9) The sum of all cash and other consideration received
1156 for sales of a security under this section may not exceed \$5 ~~\$1~~
1157 million, less the aggregate amount received for all sales of
1158 securities by the issuer within the 12 months preceding the
1159 first offer or sale made in reliance upon this exemption. Offers
1160 or sales to a person owning 20 percent or more of the
1161 outstanding equity interests ~~shares~~ of any class or classes of
1162 securities or to an officer, director, manager, managing member,
1163 general partner, or trustee, or a person occupying a similar
1164 status, do not count toward this limitation.

1165 (10) Unless the investor is an accredited investor, or the
1166 issuer reasonably believes that the investor is an accredited
1167 investor ~~as defined by Rule 501 of Regulation D, adopted~~
1168 ~~pursuant to the Securities Act of 1933~~, the aggregate amount of
1169 securities sold by an issuer to an investor ~~in transactions~~
1170 ~~exempt from registration requirements under this subsection~~ in a
1171 12-month period may not exceed \$10,000 ~~÷~~

1172 ~~(a) The greater of \$2,000 or 5 percent of the annual~~
1173 ~~income or net worth of such investor, if the annual income or~~
1174 ~~the net worth of the investor is less than \$100,000.~~

1175 ~~(b) Ten percent of the annual income or net worth of such~~

1176 ~~investor, not to exceed a maximum aggregate amount sold of~~
1177 ~~\$100,000, if either the annual income or net worth of the~~
1178 ~~investor is equal to or exceeds \$100,000.~~

1179 ~~(11) The issuer shall file with the office and provide to~~
1180 ~~investors free of charge an annual report of the results of~~
1181 ~~operations and financial statements of the issuer within 45 days~~
1182 ~~after the end of its fiscal year, until no securities under this~~
1183 ~~offering are outstanding. The annual reports must meet the~~
1184 ~~following requirements:~~

1185 ~~(a) Include an analysis by management of the issuer of the~~
1186 ~~business operations and the financial condition of the issuer,~~
1187 ~~and disclose the compensation received by each director,~~
1188 ~~executive officer, and person having an ownership interest of 20~~
1189 ~~percent or more of the issuer, including cash compensation~~
1190 ~~earned since the previous report and on an annual basis, and any~~
1191 ~~bonuses, stock options, other rights to receive securities of~~
1192 ~~the issuer, or any affiliate of the issuer, or other~~
1193 ~~compensation received.~~

1194 ~~(b) Disclose any material change to information contained~~
1195 ~~in the disclosure statements which was not disclosed in a~~
1196 ~~previous report.~~

1197 ~~(11)-(12)-(a)~~ A notice-filing under this section must ~~shall~~
1198 be summarily suspended by the office if:

1199 (a) The payment for the filing is dishonored by the
1200 financial institution upon which the funds are drawn. For

1201 purposes of s. 120.60(6), failure to pay the required notice
 1202 filing fee constitutes an immediate and serious danger to the
 1203 public health, safety, and welfare. The office shall enter a
 1204 final order revoking a notice-filing in which the payment for
 1205 the filing is dishonored by the financial institution upon which
 1206 the funds are drawn; or.

1207 (b) ~~A notice-filing under this section shall be summarily~~
 1208 ~~suspended by the office if~~ The issuer made a material false
 1209 statement in the issuer's notice-filing. The summary suspension
 1210 remains ~~shall remain~~ in effect until a final order is entered by
 1211 the office. For purposes of s. 120.60(6), a material false
 1212 statement made in the issuer's notice-filing constitutes an
 1213 immediate and serious danger to the public health, safety, and
 1214 welfare. If an issuer made a material false statement in the
 1215 issuer's notice-filing, the office must ~~shall~~ enter a final
 1216 order revoking the notice-filing, issue a fine as prescribed by
 1217 s. 517.191(9) ~~s. 517.221(3)~~, and issue permanent bars under s.
 1218 517.191(10) ~~s. 517.221(4)~~ to the issuer and all owners,
 1219 officers, directors, general partners, and control persons, or
 1220 any person occupying a similar status or performing a similar
 1221 function of the issuer, including title; status as a partner,
 1222 trustee, sole proprietor, or similar role; and ownership
 1223 percentage.

1224 ~~(12)-(13)~~ If the issuer employs the services of an
 1225 intermediary, the ~~An~~ intermediary must:

1226 (a) Take measures, as established by commission rule, to
1227 reduce the risk of fraud with respect to the transactions,
1228 ~~including verifying that the issuer is in compliance with the~~
1229 ~~requirements of this section and, if necessary, denying an~~
1230 ~~issuer access to its platform if the intermediary believes it is~~
1231 ~~unable to adequately assess the risk of fraud of the issuer or~~
1232 ~~its potential offering.~~

1233 (b) Provide ~~basic~~ information on its website regarding the
1234 high risk of investment in and limitation on the resale of
1235 exempt securities and the potential for loss of an entire
1236 investment. The ~~basic~~ information must include, but need not be
1237 limited to, all of the following:

1238 1. A description of the financial institution into which
1239 investor funds will be deposited ~~escrow agreement that the~~
1240 ~~issuer has executed~~ and the conditions for the use release of
1241 such funds by ~~to~~ the issuer ~~in accordance with the agreement and~~
1242 ~~subsection (4).~~

1243 2. A description of whether financial information provided
1244 by the issuer has been audited by an independent certified
1245 public accountant, as defined in s. 473.302.

1246 (c) Obtain from each prospective investor a zip code or
1247 residence address, a copy of a driver license, and any other
1248 proof of residency in order for the issuer or intermediary to
1249 reasonably believe that the potential investor is a resident of
1250 this state. The commission may adopt rules authorizing

1251 additional forms of identification and prescribing the process
1252 for verifying any identification presented by the prospective
1253 investor.

1254 (d) Obtain information sufficient for the issuer or
1255 intermediary to reasonably believe that a particular prospective
1256 investor is an accredited investor

1257 ~~(c) Obtain a zip code or residence address from each~~
1258 ~~potential investor who seeks to view information regarding~~
1259 ~~specific investment opportunities, in order to confirm that the~~
1260 ~~potential investor is a resident of the state.~~

1261 ~~(d) Obtain and verify a valid Florida driver license~~
1262 ~~number or Florida identification card number from each investor~~
1263 ~~before purchase of a security to confirm that the investor is a~~
1264 ~~resident of the state. The commission may adopt rules~~
1265 ~~authorizing additional forms of identification and prescribing~~
1266 ~~the process for verifying any identification presented by the~~
1267 ~~investor.~~

1268 ~~(e) Obtain an affidavit from each investor stating that~~
1269 ~~the investment being made by the investor is consistent with the~~
1270 ~~income requirements of subsection (10).~~

1271 ~~(f) Direct the release of investor funds in escrow in~~
1272 ~~accordance with subsection (4).~~

1273 ~~(g) Direct investors to transmit funds directly to the~~
1274 ~~financial institution designated in the escrow agreement to hold~~
1275 ~~the funds for the benefit of the investor.~~

1276 (e)~~(h)~~ Provide a monthly update for each offering, after
1277 the first full month after the date of the offering. The update
1278 must be accessible on the intermediary's website and must
1279 display the date and amount of each sale of securities, and each
1280 cancellation of commitment to invest, in the previous calendar
1281 month.

1282 ~~(i) Require each investor to certify in writing, including~~
1283 ~~as part of such certification his or her signature and his or~~
1284 ~~her initials next to each paragraph of the certification, as~~
1285 ~~follows:~~

1286 ~~I understand and acknowledge that:~~

1287 ~~I am investing in a high-risk, speculative business~~
1288 ~~venture. I may lose all of my investment, and I can afford the~~
1289 ~~loss of my investment.~~

1290 ~~This offering has not been reviewed or approved by any~~
1291 ~~state or federal securities commission or other regulatory~~
1292 ~~authority and no regulatory authority has confirmed the accuracy~~
1293 ~~or determined the adequacy of any disclosure made to me relating~~
1294 ~~to this offering.~~

1295 ~~The securities I am acquiring in this offering are illiquid~~
1296 ~~and are subject to possible dilution. There is no ready market~~
1297 ~~for the sale of the securities. It may be difficult or~~
1298 ~~impossible for me to sell or otherwise dispose of the~~
1299 ~~securities, and I may be required to hold the securities~~
1300 ~~indefinitely.~~

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1301 ~~I may be subject to tax on my share of the taxable income~~
1302 ~~and losses of the issuer, whether or not I have sold or~~
1303 ~~otherwise disposed of my investment or received any dividends or~~
1304 ~~other distributions from the issuer.~~

1305 ~~By entering into this transaction with the issuer, I am~~
1306 ~~affirmatively representing myself as being a Florida resident at~~
1307 ~~the time this contract is formed, and if this representation is~~
1308 ~~subsequently shown to be false, the contract is void.~~

1309 ~~If I resell any of the securities I am acquiring in this~~
1310 ~~offering to a person that is not a Florida resident within 9~~
1311 ~~months after the closing of the offering, my contract with the~~
1312 ~~issuer for the purchase of these securities is void.~~

1313 ~~(j) Require each investor to answer questions~~
1314 ~~demonstrating an understanding of the level of risk generally~~
1315 ~~applicable to investments in startups, emerging businesses, and~~
1316 ~~small issuers, and an understanding of the risk of illiquidity.~~

1317 (f)~~(k)~~ Take reasonable steps to protect personal
1318 information collected from investors, as required by s. 501.171.

1319 (g)~~(l)~~ Prohibit its directors, and officers, managers,
1320 managing members, general partners, employees, and agents from
1321 having any financial interest in the issuer using its services.

1322 ~~(m) Implement written policies and procedures that are~~
1323 ~~reasonably designed to achieve compliance with federal and state~~
1324 ~~securities laws; comply with the anti-money laundering~~
1325 ~~requirements of 31 C.F.R. chapter X applicable to registered~~

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1326 ~~brokers; and comply with the privacy requirements of 17 C.F.R.~~
 1327 ~~part 248 relating to brokers.~~

1328 (13)~~(14)~~ An intermediary not registered as a dealer under
 1329 s. 517.12(5) may not:

1330 (a) Offer investment advice or recommendations. A refusal
 1331 by an intermediary to post an offering that it deems not
 1332 credible or that represents a potential for fraud may not be
 1333 construed as an offer of investment advice or recommendation.

1334 (b) Solicit purchases, sales, or offers to buy securities
 1335 offered or displayed on its website.

1336 (c) Compensate employees, agents, or other persons for the
 1337 solicitation of, or based on the sale of, securities offered or
 1338 displayed on its website.

1339 (d) Hold, manage, possess, or otherwise handle investor
 1340 funds or securities.

1341 (e) Compensate promoters, finders, or lead generators for
 1342 providing the intermediary with the personal identifying
 1343 information of any prospective ~~potential~~ investor.

1344 (f) Engage in any other activities set forth by commission
 1345 rule.

1346 (14) If the issuer does not employ a dealer or an
 1347 intermediary for an offering pursuant to the exemption created
 1348 under this section, the issuer must fulfill each of the
 1349 obligations specified in paragraphs (12) (c) - (f).

1350 (15) Any sale made pursuant to the exemption created under

1351 this section is voidable by the purchaser within 3 days after
1352 the first tender of consideration is made by such purchaser to
1353 the issuer by notifying the issuer that the purchaser expressly
1354 voids the purchase. The purchaser's notice to the issuer must be
1355 sent by e-mail to the issuer's e-mail address set forth in the
1356 disclosure statement that is provided to the purchaser or
1357 purchaser's representative or by certified mail or overnight
1358 delivery service with proof of delivery to the mailing address
1359 set forth in the disclosure statement ~~All funds received from~~
1360 ~~investors must be directed to the financial institution~~
1361 ~~designated in the escrow agreement to hold the funds and must be~~
1362 ~~used in accordance with representations made to investors by the~~
1363 ~~intermediary. If an investor cancels a commitment to invest, the~~
1364 ~~intermediary must direct the financial institution designated to~~
1365 ~~hold the funds to promptly refund the funds of the investor.~~

1366 Section 5. Section 517.0612, Florida Statutes, is created
1367 to read:

1368 517.0612 Florida Invest Local Exemption.-

1369 (1) This section may be cited as the "Florida Invest Local
1370 Exemption."

1371 (2) The registration provisions of s. 517.07 do not apply
1372 to a securities transaction conducted in accordance with this
1373 section; however, such transaction is subject to s. 517.301.

1374 (3) The offer or sale of securities under this section
1375 must meet the requirements of the federal exemption for

1376 intrastate offerings in s. 3(a)(11) of the Securities Act of
1377 1933, Securities and Exchange Commission Rule 147, or Securities
1378 and Exchange Commission Rule 147A, as amended.

1379 (4) The issuer must be a for-profit business entity
1380 registered with the Department of State which has its principal
1381 place of business in this state. The issuer may not be, before
1382 or as a result of the offering:

1383 (a) An investment company as defined in the Investment
1384 Company Act of 1940, as amended;

1385 (b) Subject to the reporting requirements of the
1386 Securities and Exchange Act of 1934, as amended;

1387 (c) A business entity that has an undefined business
1388 operation, lacks a business plan, lacks a stated investment goal
1389 for the funds being raised, or plans to engage in a merger or
1390 acquisition with an unspecified business entity; or

1391 (d) Subject to a disqualification as provided in s.
1392 517.0616.

1393 (5) The sum of all cash and other consideration received
1394 from all sales of the securities in reliance upon the exemption
1395 under this section may not exceed \$500,000, less the aggregate
1396 amount received for all sales of securities by the issuer within
1397 the 12 months before the first offer or sale made in reliance on
1398 this exemption.

1399 (6) (a) The issuer may not accept more than \$10,000 from
1400 any single purchaser unless any of the following apply:

1401 1. The issuer reasonably believes that the purchaser is an
1402 accredited investor.

1403 2. The purchaser is an officer, director, partner, or
1404 trustee, or an individual occupying a similar status or
1405 performing similar functions, of the issuer.

1406 3. The purchaser is an owner of 10 percent or more of the
1407 issuer's outstanding equity.

1408 (b) For purposes of this subsection, the following persons
1409 must be treated collectively as a single purchaser:

1410 1. Any spouse or child of the purchaser or any related
1411 family member who has the same primary residence as the
1412 purchaser.

1413 2. Any business entity of which the purchaser and any
1414 person related to the purchaser as provided in subparagraph 1.
1415 collectively own more than 50 percent of the equity interest.

1416 (7) The issuer may engage in general advertising and
1417 general solicitation of the offering. Any general advertising or
1418 other general announcement must state that the offer is limited
1419 and open only to residents of this state. Any oral or written
1420 statements in advertising or solicitation of the offer which
1421 contain a material misstatement, or which fail to disclose
1422 material information, are subject to enforcement under this
1423 chapter.

1424 (8) A purchaser must receive, at least 3 business days
1425 before any binding commitment to purchase or consideration paid,

1426 a disclosure statement that provides material information
1427 regarding the issuer, including, but not limited to, all of the
1428 following information:

1429 (a) The issuer's name, type of entity, and contact
1430 information.

1431 (b) The name and contact information of each director,
1432 officer, or other manager of the issuer.

1433 (c) A description of the issuer's business.

1434 (d) A description of the security being offered.

1435 (e) The total amount of the offering.

1436 (f) The intended use of proceeds from the sale of the
1437 securities.

1438 (g) The target offering amount.

1439 (h) A statement that if the target offering amount is not
1440 obtained in cash or in the value of other tangible consideration
1441 received on a date that is no more than 180 days after the
1442 commencement of the offering, the offering will be terminated,
1443 and any funds or other consideration received from purchasers
1444 must be promptly returned.

1445 (i) A statement that the security being offered is not
1446 registered under federal or state securities laws and that the
1447 securities are subject to the limitation on resale contained in
1448 Securities and Exchange Commission Rule 147 or Rule 147A.

1449 (j) The names and addresses of all persons who will be
1450 involved in the offer and sale of securities on behalf of the

1451 issuer.

1452 (k) The name of the bank or other depository institution
1453 into which investor funds will be deposited.

1454 (l) The following statement in boldface, conspicuous type:

1455

1456 Neither the Securities and Exchange Commission nor any
1457 state securities commission has approved or
1458 disapproved these securities or determined that this
1459 disclosure statement is truthful or complete. Any
1460 representation to the contrary is a criminal offense.

1461

1462 (9) All funds received from investors must be deposited
1463 into a bank or depository institution authorized to do business
1464 in this state. The issuer may not withdraw any amount of the
1465 offering proceeds unless the target offering amount has been
1466 received.

1467 (10) The issuer must file a notice of the offering with
1468 the office, in writing or in electronic form, in a format
1469 prescribed by commission rule, no less than 5 business days
1470 before the offering commences, along with the disclosure
1471 statement described in subsection (8). If there are any material
1472 changes to the information previously submitted, the issuer,
1473 within 3 business days after such material change, must file an
1474 amended notice.

1475 (11) An individual, entity, or entity employee who acts as

1476 an agent for the issuer in the offer or sale of securities and
1477 is not registered as a dealer under this chapter may not do
1478 either of the following:

1479 (a) Receive compensation based upon the solicitation of
1480 purchases, sales, or offers to purchase the securities.

1481 (b) Take custody of investor funds or securities.

1482 (12) Any sale made pursuant to the exemption created under
1483 this section is voidable by the purchaser within 3 days after
1484 the first tender of consideration is made by such purchaser to
1485 the issuer by notifying the issuer that the purchaser expressly
1486 voids the purchase. The purchaser's notice to the issuer must be
1487 sent by e-mail to the issuer's e-mail address set forth in the
1488 disclosure statement that is provided to a purchaser or the
1489 purchaser's representative or by hand delivery, courier service,
1490 or other method by which written proof of delivery to the issuer
1491 of the purchaser's election to rescind the purchase is
1492 evidenced.

1493 Section 6. Section 517.0613, Florida Statutes, is created
1494 to read:

1495 517.0613 Failure to comply with a securities registration
1496 exemption.—

1497 (1) Failure to meet the requirements for any exemption
1498 from securities registration does not preclude the issuer from
1499 claiming the availability of any other applicable state or
1500 federal exemption.

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1501 (2) The exemptions created under ss. 517.061, 517.0611,
1502 and 517.0612 are not available to an issuer for any transaction
1503 or series of transactions that, although in technical compliance
1504 with the applicable provisions, is part of a plan or scheme to
1505 evade the registration provisions of s. 517.07, and registration
1506 under s. 517.07 is required in connection with such
1507 transactions.

1508 Section 7. Section 517.0614, Florida Statutes, is created
1509 to read:

1510 517.0614 Integration of offerings.-

1511 (1) If the safe harbors in subsection (2) do not apply, in
1512 determining whether two or more offerings are to be treated as
1513 one for the purpose of registration or qualifying for an
1514 exemption from registration under this chapter, offers and sales
1515 may not be integrated if, based on the particular facts and
1516 circumstances, the issuer can establish either that each
1517 offering complies with the registration requirements of this
1518 chapter, or that an exemption from registration is available for
1519 the particular offering, provided that any transaction or series
1520 of transactions that, although in technical compliance with this
1521 chapter, is part of a plan or scheme to evade the registration
1522 requirements of this chapter will not have the effect of
1523 avoiding integration. In making this determination:

1524 (a) For an exempt offering prohibiting general
1525 solicitation, the issuer must have a reasonable belief, based on

1526 the facts and circumstances, with respect to each purchaser in
1527 the exempt offering prohibiting general solicitation, that the
1528 issuer or any person acting on the issuer's behalf:

1529 1. Did not solicit such purchaser through the use of
1530 general solicitation; or

1531 2. Established a substantive relationship with such
1532 purchaser before the commencement of the exempt offering
1533 prohibiting general solicitation, provided that a purchaser
1534 previously solicited through the use of general solicitation is
1535 not deemed to have been solicited through the use of general
1536 solicitation in the current offering if, during the 45 calendar
1537 days following such previous general solicitation:

1538 a. No offer or sale of the same or similar class of
1539 securities has been made by or on behalf of the issuer,
1540 including to such purchaser; and

1541 b. The issuer or any person acting on the issuer's behalf
1542 has not solicited such purchaser through the use of general
1543 solicitation for any other security.

1544 (b) For two or more concurrent exempt offerings permitting
1545 general solicitation, in addition to satisfying the requirements
1546 of the particular exemption relied on, general solicitation
1547 offering materials for one offering that includes information
1548 about the material terms of a concurrent offering under another
1549 exemption may constitute an offer of securities in such other
1550 offering, and therefore the offer must comply with all the

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1551 requirements for, and restrictions on, offers under the
1552 exemption being relied on for such other offering, including any
1553 legend requirements and communications restrictions.

1554 (2) The integration analysis required by subsection (1) is
1555 not required if any of the following nonexclusive safe harbors
1556 apply:

1557 (a) An offering commenced more than 30 calendar days
1558 before the commencement of any other offering, or more than 30
1559 calendar days after the termination or completion of any other
1560 offering, may not be integrated with such other offering,
1561 provided that for an exempt offering for which general
1562 solicitation is not permitted which follows by 30 calendar days
1563 or more an offering that allows general solicitation, paragraph
1564 (1)(a) applies.

1565 (b) Offers and sales made in compliance with any of the
1566 following provisions are not subject to integration with other
1567 offerings:

1568 1. Section 517.051 or s. 517.061, except s. 517.061(9),
1569 (10), or (11).

1570 2. Section 517.0611 or s. 517.0612.

1571 Section 8. Section 517.0615, Florida Statutes, is created
1572 to read:

1573 517.0615 Solicitations of interest.-

1574 (1) A communication may not be deemed to constitute
1575 general solicitation or general advertising if the communication

1576 is made in connection with a seminar or meeting in which more
1577 than one issuer participates and which is sponsored by a
1578 college, a university, or another institution of higher
1579 education; a state or local government or an instrumentality
1580 thereof; a nonprofit chamber of commerce or other nonprofit
1581 organization; or an angel investor group, incubator, or
1582 accelerator, if all of the following apply:

1583 (a) Advertising for the seminar or meeting does not
1584 reference a specific offering of securities by the issuer.

1585 (b) The sponsor of the seminar or meeting does not do any
1586 of the following:

1587 1. Make investment recommendations or provide investment
1588 advice to attendees of the seminar or meeting.

1589 2. Engage in any investment negotiations between the
1590 issuer and investors attending the seminar or meeting.

1591 3. Charge attendees of the seminar or meeting any fees,
1592 other than reasonable administrative fees.

1593 4. Receive any compensation for making introductions
1594 between seminar or meeting attendees and issuers or for
1595 investment negotiations between such parties.

1596 5. Receive any compensation with respect to the seminar or
1597 meeting, which compensation would require registration or
1598 notice-filing under this chapter, the Securities Exchange Act of
1599 1934, 15 U.S.C. ss. 78a et seq., as amended, or the Investment
1600 Advisers Act of 1940, 15 U.S.C. s. 80b-1 et seq., as amended.

1601 The sponsorship of or participation in the seminar or meeting
1602 does not by itself require registration or notice-filing under
1603 this chapter.

1604 (c) The type of information regarding an offering of
1605 securities by the issuer which is communicated or distributed by
1606 or on behalf of the issuer in connection with the seminar or
1607 meeting is limited to a notification that the issuer is in the
1608 process of offering or planning to offer securities, the type
1609 and amount of securities being offered, the intended use of
1610 proceeds of the offering, and the unsubscribed amount in an
1611 offering.

1612 (d) If the event allows attendees to participate
1613 virtually, rather than in person, online participation in the
1614 event is limited to:

1615 1. Individuals that are members of, or otherwise
1616 associated with, the sponsor organization;

1617 2. Individuals that the sponsor reasonably believes are
1618 accredited investors; or

1619 3. Individuals that have been invited to the event by the
1620 sponsor based on industry or investment-related experience
1621 reasonably selected by the sponsor in good faith and disclosed
1622 in the public communications about the event.

1623 (2) Before any offers or sales are made in connection with
1624 an offering, communications by an issuer or any person
1625 authorized to act on behalf of the issuer are not deemed to

1626 constitute general solicitation or general advertising if the
1627 communication is solely for the purpose of determining whether
1628 there is any interest in a contemplated securities offering.
1629 Requirements imposed under this chapter on written or oral
1630 statements made in the course of such communication may be
1631 enforced as provided in this chapter. The solicitation or
1632 acceptance of money or other consideration or of any commitment,
1633 binding or otherwise, from any person is prohibited.

1634 (a) The communication must state all of the following:

1635 1. Money or other consideration is not being solicited
1636 and, if sent in response, will not be accepted.

1637 2. Any offer to buy the securities will not be accepted,
1638 and no part of the purchase price will be accepted.

1639 3. A person's indication of interest does not involve
1640 obligation or commitment of any kind.

1641 (b) Any written communication under this subsection may
1642 include a means by which a person may indicate to the issuer
1643 that the person is interested in a potential offering. The
1644 issuer may require the name, address, telephone number, or e-
1645 mail address in any response form included in the written
1646 communication under this paragraph.

1647 (c) A communication in accordance with this subsection is
1648 not subject to s. 501.059, regarding telephone solicitations.

1649 Section 9. Section 517.0616, Florida Statutes, is created
1650 to read:

1651 517.0616 Disqualification.—A registration exemption under
1652 s. 517.061(9), (10), or (11); s. 517.0611; or s. 517.0612 is not
1653 available to an issuer that would be disqualified under
1654 Securities and Exchange Commission Rule 506(d), 17 C.F.R. s.
1655 230.506(d), as amended, at the time the issuer makes an offer
1656 for the sale of a security.

1657 Section 10. Present subsections (4) through (8) of section
1658 517.081, Florida Statutes, are redesignated as subsections (6)
1659 through (10), respectively, new subsections (4) and (5) are
1660 added to that section, and subsection (2), paragraph (g) of
1661 subsection (3), and present subsection (7) of that section are
1662 amended, to read:

1663 517.081 Registration procedure.—

1664 (2) The office shall receive and act upon applications for
1665 the registration of ~~to have securities registered, and the~~
1666 ~~commission may prescribe forms on which it may require such~~
1667 ~~applications to be submitted.~~ Applications must ~~shall~~ be duly
1668 signed by the applicant, sworn to by any person having knowledge
1669 of the facts, and filed with the office. ~~The commission may~~
1670 ~~establish, by rule, procedures for depositing fees and filing~~
1671 ~~documents by electronic means provided such procedures provide~~
1672 ~~the office with the information and data required by this~~
1673 ~~section.~~ An application may be made either by the issuer of the
1674 securities for which registration is applied or by any
1675 registered dealer desiring to sell such securities ~~the same~~

1676 within the state.

1677 (3) The office may require the applicant to submit to the
1678 office the following information concerning the issuer and such
1679 other relevant information as the office may in its judgment
1680 deem necessary to enable it to ascertain whether such securities
1681 shall be registered pursuant to the provisions of this section:

1682 (g)~~1.~~ A specimen copy of the securities certificate, if
1683 applicable, and a copy of any circular, prospectus,
1684 advertisement, or other description of such securities.

1685 ~~2. The commission shall adopt a form for a simplified~~
1686 ~~offering circular to register, under this section, securities~~
1687 ~~that are sold in offerings in which the aggregate offering price~~
1688 ~~in any consecutive 12-month period does not exceed the amount~~
1689 ~~provided in s. 3(b) of the Securities Act of 1933, as amended.~~
1690 ~~The following issuers shall not be eligible to submit a~~
1691 ~~simplified offering circular adopted pursuant to this~~
1692 ~~subparagraph:~~

1693 ~~a. An issuer seeking to register securities for resale by~~
1694 ~~persons other than the issuer.~~

1695 ~~b. An issuer that is subject to any of the~~
1696 ~~disqualifications described in 17 C.F.R. s. 230.262, adopted~~
1697 ~~pursuant to the Securities Act of 1933, as amended, or that has~~
1698 ~~been or is engaged or is about to engage in an activity that~~
1699 ~~would be grounds for denial, revocation, or suspension under s.~~
1700 ~~517.111. For purposes of this subparagraph, an issuer includes~~

1701 ~~an issuer's director, officer, general partner, manager or~~
1702 ~~managing member, trustee, or equity owner who owns at least 10~~
1703 ~~percent of the ownership interests of the issuer, promoter, or~~
1704 ~~selling agent of the securities to be offered or any officer,~~
1705 ~~director, partner, or manager or managing member of such selling~~
1706 ~~agent.~~

1707 ~~e. An issuer that is a development-stage company that~~
1708 ~~either has no specific business plan or purpose or has indicated~~
1709 ~~that its business plan is to merge with an unidentified company~~
1710 ~~or companies.~~

1711 ~~d. An issuer of offerings in which the specific business~~
1712 ~~or properties cannot be described.~~

1713 ~~e. Any issuer the office determines is ineligible because~~
1714 ~~the form does not provide full and fair disclosure of material~~
1715 ~~information for the type of offering to be registered by the~~
1716 ~~issuer.~~

1717 ~~f. Any issuer that has failed to provide the office the~~
1718 ~~reports required for a previous offering registered pursuant to~~
1719 ~~this subparagraph.~~

1720
1721 ~~As a condition precedent to qualifying for use of the simplified~~
1722 ~~offering circular, an issuer shall agree to provide the office~~
1723 ~~with an annual financial report containing a balance sheet as of~~
1724 ~~the end of the issuer's fiscal year and a statement of income~~
1725 ~~for such year, prepared in accordance with United States~~

1726 ~~generally accepted accounting principles and accompanied by an~~
1727 ~~independent accountant's report. If the issuer has more than 100~~
1728 ~~security holders at the end of a fiscal year, the financial~~
1729 ~~statements must be audited. Annual financial reports must be~~
1730 ~~filed with the office within 90 days after the close of the~~
1731 ~~issuer's fiscal year for each of the first 5 years following the~~
1732 ~~effective date of the registration.~~

1733 (4) The commission may, by rule:

1734 (a) Establish criteria relating to the issuance of equity
1735 securities, debt securities, insurance company securities, real
1736 estate investment trusts, oil and gas investments, and other
1737 investments. In establishing these criteria, the commission may
1738 consider the rules and regulations of the Securities and
1739 Exchange Commission and statements of policy by the North
1740 American Securities Administrators Association, Inc., relating
1741 to the registration of securities offerings. The criteria must
1742 include all of the following:

1743 1. The promoter's equity investment ratio.

1744 2. The financial condition of the issuer.

1745 3. The voting rights of shareholders.

1746 4. The grant of options or warrants to underwriters and
1747 others.

1748 5. Loans and other transactions with affiliates of the
1749 issuer.

1750 6. The use, escrow, or refund of proceeds of the offering.

1751 (b) Prescribe forms requiring applications for the
1752 registration of securities to be submitted to the office,
1753 including a simplified offering circular to register, under this
1754 section, securities that are sold in offerings in which the
1755 aggregate offering price in any consecutive 12-month period does
1756 not exceed the amount provided in s. 3(b) of the Securities Act
1757 of 1933, as amended.

1758 (c) Establish procedures for depositing fees and filing
1759 documents by electronic means, provided that such procedures
1760 provide the office with the information and data required by
1761 this section.

1762 (d) Establish requirements and standards for the filing,
1763 content, and circulation of a preliminary, final, or amended
1764 prospectus, advertisements, and other sales literature. In
1765 establishing such requirements and standards, the commission
1766 shall consider the rules and regulations of the Securities and
1767 Exchange Commission relating to requirements for preliminary,
1768 final, or amended or supplemented prospectuses and the rules of
1769 the Financial Industry Regulatory Authority relating to
1770 advertisements and sales literature.

1771 (5) All of the following issuers are not eligible to
1772 submit a simplified offering circular:

1773 (a) An issuer that is subject to any of the
1774 disqualifications described in Securities and Exchange
1775 Commission Rule 262, 17 C.F.R. s. 230.262, as amended, or that

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1776 has been or is engaged or is about to engage in an activity that
1777 would be grounds for denial, revocation, or suspension under s.
1778 517.111. For purposes of this paragraph, an issuer includes an
1779 issuer's director, officer, general partner, manager or managing
1780 member, trustee, or a person owning at least 10 percent of the
1781 ownership interests of the issuer; a promoter or selling agent
1782 of the securities to be offered; or any officer, director,
1783 partner, or manager or managing member of such selling agent.

1784 (b) An issuer that is a development-stage company that
1785 either has no specific business plan or purpose or has indicated
1786 that its business plan is to merge with an unidentified business
1787 entity or entities.

1788 (c) An issuer of offerings in which the specific business
1789 or properties cannot be described.

1790 (d) An issuer that the office determines is ineligible
1791 because the simplified circular does not provide full and fair
1792 disclosure of material information for the type of offering to
1793 be registered by the issuer.

1794 (9) (a) ~~(7)~~ The office shall record the registration of a
1795 security in the register of securities if, upon examination of
1796 an ~~any~~ application, it finds that all of the following
1797 requirements are met: ~~the office~~

- 1798 1. The application is complete.
- 1799 2. The fee imposed in subsection (8) has been paid.
- 1800 3. The sale of the security would not be fraudulent and

1801 would not work or tend to work a fraud upon the purchaser.

1802 4. The terms of the sale of such securities would be fair,
1803 just, and equitable.

1804 5. The enterprise or business of the issuer is not based
1805 upon unsound business principles.

1806 (b) Upon registration, the security may be sold by the
1807 issuer or any registered dealer, subject, however, to the
1808 further order of the office ~~shall find that the sale of the~~
1809 ~~security referred to therein would not be fraudulent and would~~
1810 ~~not work or tend to work a fraud upon the purchaser, that the~~
1811 ~~terms of the sale of such securities would be fair, just, and~~
1812 ~~equitable, and that the enterprise or business of the issuer is~~
1813 ~~not based upon unsound business principles, it shall record the~~
1814 ~~registration of such security in the register of securities; and~~
1815 ~~thereupon such security so registered may be sold by any~~
1816 ~~registered dealer, subject, however, to the further order of the~~
1817 ~~office. In order to determine if an offering is fair, just, and~~
1818 ~~equitable, the commission may by rule establish requirements and~~
1819 ~~standards for the filing, content, and circulation of any~~
1820 ~~preliminary, final, or amended prospectus and other sales~~
1821 ~~literature and may by rule establish merit qualification~~
1822 ~~criteria relating to the issuance of equity securities, debt~~
1823 ~~securities, insurance company securities, real estate investment~~
1824 ~~trusts, and other traditional and nontraditional investments,~~
1825 ~~including, but not limited to, oil and gas investments. The~~

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1826 ~~criteria may include such elements as the promoter's equity~~
1827 ~~investment ratio, the financial condition of the issuer, the~~
1828 ~~voting rights of shareholders, the grant of options or warrants~~
1829 ~~to underwriters and others, loans and other affiliated~~
1830 ~~transaction, the use or refund of proceeds of the offering, and~~
1831 ~~such other relevant criteria as the office in its judgment may~~
1832 ~~deem necessary to such determination.~~

1833 Section 11. Subsection (2) of section 517.101, Florida
1834 Statutes, is amended to read:

1835 517.101 Consent to service.—

1836 (2) Any such action must ~~shall~~ be brought either in the
1837 county of the plaintiff's residence or in the county in which
1838 the office has its official headquarters. The written consent
1839 must ~~shall~~ be authenticated by the seal of the ~~said~~ issuer, if
1840 it has a seal, and by the acknowledged signature of a director,
1841 manager, managing member, general partner, trustee, or officer
1842 of the issuer ~~member of the copartnership or company, or by the~~
1843 ~~acknowledged signature of any officer of the incorporated or~~
1844 ~~unincorporated association, if it be an incorporated or~~
1845 ~~unincorporated association, duly authorized by resolution of the~~
1846 ~~board of directors, trustees, or managers of the corporation or~~
1847 ~~association, and~~ must ~~shall~~ in such case be accompanied by a
1848 duly certified copy of the resolution of the issuer's board of
1849 directors, trustees, managers, managing members, or general
1850 partners ~~or managers of the corporation or association,~~

1851 authorizing the signer to execute the consent ~~officers to~~
 1852 ~~execute the same~~. In case any process or pleadings mentioned in
 1853 this chapter are served upon the office, service must ~~it shall~~
 1854 be by duplicate copies, one of which must ~~shall~~ be filed in the
 1855 office and the other ~~another~~ immediately forwarded by the office
 1856 by registered mail to the principal office of the issuer against
 1857 which the ~~said~~ process or pleadings are directed.

1858 Section 12. Section 517.131, Florida Statutes, is amended
 1859 to read:

1860 517.131 Securities Guaranty Fund.—

1861 (1) As used in this section, the term "final judgment"
 1862 includes an arbitration award confirmed by a court of competent
 1863 jurisdiction.

1864 (2)(a) The Chief Financial Officer shall establish a
 1865 Securities Guaranty Fund to provide monetary relief to victims
 1866 of securities violations under this chapter who are entitled to
 1867 monetary damages or restitution and cannot recover the full
 1868 amount of such monetary damages or restitution from the
 1869 wrongdoer. An amount not exceeding 20 percent of all revenues
 1870 received as assessment fees pursuant to s. 517.12(9) and (10)
 1871 for dealers and investment advisers or s. 517.1201 for federal
 1872 covered advisers and an amount not exceeding 10 percent of all
 1873 revenues received as assessment fees pursuant to s. 517.12(9)
 1874 and (10) for associated persons must ~~shall~~ be part of the
 1875 regular registration ~~license~~ fee and must ~~shall~~ be transferred

1876 to or deposited in the Securities Guaranty Fund.

1877 (b) If the balance in the Securities Guaranty Fund at any
 1878 time exceeds \$1.5 million, transfer of assessment fees to the
 1879 ~~this~~ fund must ~~shall~~ be discontinued at the end of that
 1880 registration license year, and transfer of such assessment fees
 1881 may ~~shall~~ not resume ~~be resumed~~ unless the fund balance is
 1882 reduced below \$1 million by disbursement made in accordance with
 1883 s. 517.141.

1884 ~~(2) The Securities Guaranty Fund shall be disbursed as~~
 1885 ~~provided in s. 517.141 to a person who is adjudged by a court of~~
 1886 ~~competent jurisdiction to have suffered monetary damages as a~~
 1887 ~~result of any of the following acts committed by a dealer,~~
 1888 ~~investment adviser, or associated person who was licensed under~~
 1889 ~~this chapter at the time the act was committed:~~

1890 ~~(a) A violation of s. 517.07.~~

1891 ~~(b) A violation of s. 517.301.~~

1892 (3) A Any person is eligible for payment ~~to seek recovery~~
 1893 from the Securities Guaranty Fund if:

1894 (a) The act for which recovery is sought occurred on or
 1895 after October 1, 2024, and the person:

1896 1. Holds an unsatisfied final judgment in which a
 1897 wrongdoer was found to have violated s. 517.07 or s. 517.301;

1898 2. Has applied any amount recovered from the judgment
 1899 debtor or any other source to the damages awarded by the court
 1900 or arbitrator; and

1901 3. Is a natural person who was a resident of this state,
 1902 or is a business entity that was domiciled in this state, at the
 1903 time of the violation of s. 517.07 or s. 517.301; or

1904 (b) The person is a receiver appointed pursuant to s.
 1905 517.191(2) by a court of competent jurisdiction for a wrongdoer
 1906 ordered to pay restitution under s. 517.191(3) as a result of a
 1907 violation of s. 517.07 or s. 517.301 which has requested payment
 1908 from the Securities Guaranty Fund on behalf of a person eligible
 1909 for payment under paragraph (a)

1910 ~~(a) Such person has received final judgment in a court of~~
 1911 ~~competent jurisdiction in any action wherein the cause of action~~
 1912 ~~was based on a violation of those sections referred to in~~
 1913 ~~subsection (2).~~

1914 ~~(b) Such person has made all reasonable searches and~~
 1915 ~~inquiries to ascertain whether the judgment debtor possesses~~
 1916 ~~real or personal property or other assets subject to being sold~~
 1917 ~~or applied in satisfaction of the judgment, and by her or his~~
 1918 ~~search the person has discovered no property or assets; or she~~
 1919 ~~or he has discovered property and assets and has taken all~~
 1920 ~~necessary action and proceedings for the application thereof to~~
 1921 ~~the judgment, but the amount thereby realized was insufficient~~
 1922 ~~to satisfy the judgment. To verify compliance with such~~
 1923 ~~condition, the office may require such person to have a writ of~~
 1924 ~~execution be issued upon such judgment, may require a showing~~
 1925 ~~that no personal or real property of the judgment debtor liable~~

1926 ~~to be levied upon in complete satisfaction of the judgment can~~
 1927 ~~be found, or may require an affidavit from the claimant setting~~
 1928 ~~forth the reasonable searches and inquiries undertaken and the~~
 1929 ~~result of those searches and inquiries.~~

1930 ~~(c) Such person has applied any amounts recovered from the~~
 1931 ~~judgment debtor, or from any other source, to the damages~~
 1932 ~~awarded by the court.~~

1933 ~~(d) The act for which recovery is sought occurred on or~~
 1934 ~~after January 1, 1979.~~

1935 ~~(e) The office waives compliance with the requirements of~~
 1936 ~~paragraph (a) or paragraph (b). The office may waive such~~
 1937 ~~compliance if the dealer, investment adviser, or associated~~
 1938 ~~person which is the subject of the claim filed with the office~~
 1939 ~~is the subject of any proceeding in which a receiver has been~~
 1940 ~~appointed by a court of competent jurisdiction. If the office~~
 1941 ~~waives such compliance, the office may, upon petition by the~~
 1942 ~~debtor or the court-appointed trustee, examiner, or receiver,~~
 1943 ~~distribute funds from the Securities Guaranty Fund up to the~~
 1944 ~~amount allowed under s. 517.141. Any waiver granted pursuant to~~
 1945 ~~this section shall be considered a judgment for purposes of~~
 1946 ~~complying with the requirements of this section and of s.~~
 1947 ~~517.141.~~

1948 (4) A person who has done any of the following is not
 1949 eligible for payment from the Securities Guaranty Fund:

1950 (a) Participated or assisted in a violation of this

1951 chapter.

1952 (b) Attempted to commit or committed a violation of this

1953 chapter.

1954 (c) Profited from a violation of this chapter.

1955 (5) An eligible person, or a receiver on behalf of the

1956 eligible person, seeking payment from the Securities Guaranty

1957 Fund must file with the office a written application on a form

1958 that the commission may prescribe by rule. The commission may

1959 adopt by rule procedures for filing documents by electronic

1960 means, provided that such procedures provide the office with the

1961 information and data required by this section. The application

1962 must be filed with the office within 1 year after the date of

1963 the final judgment, the date on which a restitution order has

1964 been ripe for execution, or the date of any appellate decision

1965 thereon, and, at minimum, must contain all of the following

1966 information:

1967 (a) The eligible person's and, if applicable, the

1968 receiver's full name, address, and contact information.

1969 (b) The person ordered to pay restitution.

1970 (c) If the eligible person is a business entity, the

1971 eligible person's type and place of organization and, as

1972 applicable, a copy, as amended, of its articles of

1973 incorporation, articles of organization, trust agreement, or

1974 partnership agreement.

1975 (d) Any final judgment and a copy thereof.

1976 (e) Any restitution order pursuant to s. 517.191(3), and a
 1977 copy thereof.

1978 (f) An affidavit from the eligible person stating either
 1979 one of the following:

1980 1. That the eligible person has made all reasonable
 1981 searches and inquiries to ascertain whether the judgment debtor
 1982 possesses real or personal property or other assets subject to
 1983 being sold or applied in satisfaction of the final judgment and,
 1984 by the eligible person's search, that the eligible person has
 1985 not discovered any property or assets.

1986 2. That the eligible person has taken necessary action on
 1987 the property and assets of the wrongdoers but the final judgment
 1988 remains unsatisfied.

1989 (g) If the application is filed by the receiver, an
 1990 affidavit from the receiver stating the amount of restitution
 1991 owed to the eligible person on whose behalf the claim is filed;
 1992 the amount of any money, property, or assets paid to the
 1993 eligible person on whose behalf the claim is filed by the person
 1994 over whom the receiver is appointed; and the amount of any
 1995 unsatisfied portion of any eligible person's order of
 1996 restitution.

1997 (h) The eligible person's residence or domicile at the
 1998 time of the violation of s. 517.07 or s. 517.301 which resulted
 1999 in the eligible person's monetary damages.

2000 (i) The amount of any unsatisfied portion of the eligible

2001 person's final judgment.

2002 (j) Whether an appeal or motion to vacate an arbitration

2003 award has been filed.

2004 (6) If the office finds that a person is eligible for

2005 payment from the Securities Guaranty Fund and if the person has

2006 complied with this section and the rules adopted under this

2007 section, the office must approve payment to such person from the

2008 fund. Within 90 days after the office's receipt of a complete

2009 application, each eligible person or receiver must be given

2010 written notice, personally or by mail, that the office intends

2011 to approve or deny, or has approved or denied, the application

2012 for payment from the Securities Guaranty Fund.

2013 (7) Upon receipt by the eligible person or receiver of

2014 notice of the office's decision that the eligible person's or

2015 receiver's application for payment from the Securities Guaranty

2016 Fund is approved, and before any disbursement, the eligible

2017 person shall assign to the office on a form prescribed by

2018 commission rule all right, title, and interest in the final

2019 judgment or order of restitution equal to the amount of such

2020 payment.

2021 (8) The office shall deem an application for payment from

2022 the Securities Guaranty Fund abandoned if the eligible person or

2023 receiver, or any person acting on behalf of the eligible person

2024 or receiver, fails to timely complete the application as

2025 prescribed by commission rule. The time period to complete an

2026 application must be tolled during the pendency of an appeal or
 2027 motion to vacate an arbitration award.

2028 ~~(4) Any person who files an action that may result in the~~
 2029 ~~disbursement of funds from the Securities Guaranty Fund pursuant~~
 2030 ~~to the provisions of s. 517.141 shall give written notice by~~
 2031 ~~certified mail to the office as soon as practicable after such~~
 2032 ~~action has been filed. The failure to give such notice shall not~~
 2033 ~~bar a payment from the Securities Guaranty Fund if all of the~~
 2034 ~~conditions specified in subsection (3) are satisfied.~~

2035 ~~(5) The commission may adopt rules pursuant to ss.~~
 2036 ~~120.536(1) and 120.54 specifying the procedures for complying~~
 2037 ~~with subsections (2), (3), and (4), including rules for the form~~
 2038 ~~of submission and guidelines for the sufficiency and content of~~
 2039 ~~submissions of notices and claims.~~

2040 Section 13. Section 517.141, Florida Statutes, is amended
 2041 to read:

2042 517.141 Payment from the fund.—

2043 (1) As used in this section, the term:

2044 (a) "Claimant" means a person determined eligible for
 2045 payment under s. 517.131 that is approved by the office for
 2046 payment from the Securities Guaranty Fund.

2047 (b) "Final judgment" includes an arbitration award
 2048 confirmed by a court of competent jurisdiction.

2049 (c) "Specified adult" has the same meaning as in s.
 2050 517.34(1).

2051 (2) A claimant is entitled to disbursement from the
 2052 Securities Guaranty Fund in the amount equal to the lesser of:
 2053 (a) The unsatisfied portion of the claimant's final
 2054 judgment or final order of restitution, but only to the extent
 2055 that the final judgment or final order of restitution reflects
 2056 actual or compensatory damages, excluding postjudgment interest,
 2057 costs, and attorney fees; or
 2058 (b)1. The sum of \$15,000; or
 2059 2. If the claimant is a specified adult or if a specified
 2060 adult is a beneficial owner or beneficiary of the claimant, the
 2061 sum of \$25,000 ~~Any person who meets all of the conditions~~
 2062 ~~prescribed in s. 517.131 may apply to the office for payment to~~
 2063 ~~be made to such person from the Securities Guaranty Fund in the~~
 2064 ~~amount equal to the unsatisfied portion of such person's~~
 2065 ~~judgment or \$10,000, whichever is less, but only to the extent~~
 2066 ~~and amount reflected in the judgment as being actual or~~
 2067 ~~compensatory damages, excluding postjudgment interest, costs,~~
 2068 ~~and attorney's fees.~~
 2069 (3)~~(2)~~ ~~Regardless of the number of claims or claimants~~
 2070 ~~involved, payments for claims~~ are ~~shall be~~ limited in the
 2071 aggregate to \$250,000 ~~\$100,000~~ against any one ~~dealer,~~
 2072 ~~investment adviser, or associated person.~~ If the total claim
 2073 filed by a receiver on behalf of multiple claimants exceeds
 2074 ~~claims exceed~~ the aggregate limit of \$250,000 ~~\$100,000~~, the
 2075 office must ~~shall~~ prorate the payment to each claimant based

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2076 upon the ratio that each claimant's individual ~~the person's~~
2077 claim bears to the total claim ~~claims~~ filed.

2078 (4) If at any time the balance in the Securities Guaranty
2079 Fund is insufficient to satisfy a valid claim or portion of a
2080 valid claim approved by the office, the office must satisfy the
2081 unpaid claim or portion of the valid claim as soon as a
2082 sufficient amount of money has been deposited into or
2083 transferred to the Securities Guaranty Fund. If more than one
2084 unsatisfied claim is outstanding, the claims must be paid in the
2085 sequence in which the claims were approved by final order of the
2086 office, which final order is not subject to an appeal or other
2087 pending proceeding.

2088 (5) All payments and disbursements made from the
2089 Securities Guaranty Fund must be made by the Chief Financial
2090 Officer, or his or her designee, upon authorization by the
2091 office. The office shall submit such authorization within 30
2092 days after the approval of an eligible person for payment from
2093 the Securities Guaranty Fund

2094 ~~(3) No payment shall be made on any claim against any one~~
2095 ~~dealer, investment adviser, or associated person before the~~
2096 ~~expiration of 2 years from the date any claimant is found by the~~
2097 ~~office to be eligible for recovery pursuant to this section. If~~
2098 ~~during this 2-year period more than one claim is filed against~~
2099 ~~the same dealer, investment adviser, or associated person, or if~~
2100 ~~the office receives notice pursuant to s. 517.131(4) that an~~

2101 ~~action against the same dealer, investment adviser, or~~
2102 ~~associated person is pending, all such claims and notices of~~
2103 ~~pending claims received during this period against the same~~
2104 ~~dealer, investment adviser, or associated person may be handled~~
2105 ~~by the office as provided in this section. Two years after the~~
2106 ~~first claimant against that same dealer, investment adviser, or~~
2107 ~~associated person applies for payment pursuant to this section:~~
2108 ~~(a) The office shall determine those persons eligible for~~
2109 ~~payment or for potential payment in the event of a pending~~
2110 ~~action. All such persons may be entitled to receive their pro~~
2111 ~~rata shares of the fund as provided in this section.~~
2112 ~~(b) Those persons who meet all the conditions prescribed~~
2113 ~~in s. 517.131 and who have applied for payment pursuant to this~~
2114 ~~section will be entitled to receive their pro rata shares of the~~
2115 ~~total disbursement.~~
2116 ~~(c) Those persons who have filed notice with the office of~~
2117 ~~a pending claim pursuant to s. 517.131(4) but who are not yet~~
2118 ~~eligible for payment from the fund will be entitled to receive~~
2119 ~~their pro rata shares of the total disbursement once they have~~
2120 ~~complied with subsection (1). However, in the event that the~~
2121 ~~amounts they are eligible to receive pursuant to subsection (1)~~
2122 ~~are less than their pro rata shares as determined under this~~
2123 ~~section, any excess shall be distributed pro rata to those~~
2124 ~~persons entitled to disbursement under this subsection whose pro~~
2125 ~~rata shares of the total disbursement were less than the amounts~~

2126 ~~of their claims.~~

2127 (6)~~(4)~~ Individual claims filed by persons owning the same

2128 joint account, or claims arising ~~stemming~~ from any other type of

2129 account ~~maintained by a particular licensee~~ on which more than

2130 one name appears, must ~~shall~~ be treated as the claims of one

2131 eligible claimant with respect to payment from the Securities

2132 Guaranty Fund. If a claimant who has obtained a final judgment

2133 or final order of restitution that ~~which~~ qualifies for

2134 disbursement under s. 517.131 has maintained more than one

2135 account with the ~~dealer, investment adviser, or associated~~

2136 person who is the subject of the claims, for purposes of

2137 disbursement of the Securities Guaranty Fund, all such accounts,

2138 whether joint or individual, must ~~shall~~ be considered as one

2139 account and ~~shall~~ entitle such claimant to only one distribution

2140 from the fund ~~not to exceed the lesser of \$10,000 or the~~

2141 ~~unsatisfied portion of such claimant's judgment as provided in~~

2142 ~~subsection (1).~~ To the extent that a claimant obtains more than

2143 one final judgment or final order of restitution against a

2144 person ~~dealer, investment adviser, or one or more associated~~

2145 ~~persons~~ arising out of the same transactions, occurrences, or

2146 conduct or out of such ~~the dealer's, investment adviser's, or~~

2147 ~~associated~~ person's handling of the claimant's account, the

2148 final ~~such~~ judgments or final orders of restitution must ~~shall~~

2149 be consolidated for purposes of this section and ~~shall~~ entitle

2150 the claimant to only one disbursement from the fund ~~not to~~

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2151 ~~exceed the lesser of \$10,000 or the unsatisfied portion of such~~
2152 ~~claimant's judgment as provided in subsection (1).~~

2153 (7)-(5) If the final judgment or final order of restitution
2154 that gave rise to the claim is overturned in any appeal or in
2155 any collateral proceeding, the claimant must ~~shall~~ reimburse the
2156 Securities Guaranty Fund all amounts paid from the fund to the
2157 claimant on the claim. If the claimant satisfies the final
2158 judgment or final order of restitution ~~specified in s.~~

2159 ~~517.131(3)(a)~~, the claimant must ~~shall~~ reimburse the Securities
2160 Guaranty Fund all amounts paid from the fund to the claimant on
2161 the claim. Such reimbursement must ~~shall~~ be paid to the
2162 Department of Financial Services ~~office~~ within 60 days after the
2163 final resolution of the appellate or collateral proceedings or
2164 the satisfaction of the final judgment or order of restitution,
2165 with the 60-day period commencing on the date the final order or
2166 decision is entered in such proceedings.

2167 (8)-(6) If a claimant receives payments in excess of that
2168 which is permitted under this chapter, the claimant must ~~shall~~
2169 reimburse the Securities Guaranty Fund such excess within 60
2170 days after the claimant receives such excess payment or after
2171 the payment is determined to be in excess of that permitted by
2172 law, whichever is later.

2173 (9) A claimant who knowingly and willfully files or causes
2174 to be filed an application under s. 517.131 or documents
2175 supporting the application, any of which contain false,

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2176 incomplete, or misleading information in any material aspect,
2177 forfeits all payments from the Securities Guaranty Fund and
2178 commits a violation of s. 517.301(1)(c).

2179 (10)~~(7)~~ The Department of Financial Services ~~office~~ may
2180 institute legal proceedings to enforce compliance with this
2181 section and with s. 517.131 to recover moneys owed to the
2182 Securities Guaranty Fund, and is ~~shall be~~ entitled to recover
2183 interest, costs, and attorney ~~attorney's~~ fees in any action
2184 brought pursuant to this section in which the department ~~office~~
2185 prevails.

2186 ~~(8) If at any time the money in the Securities Guaranty~~
2187 ~~Fund is insufficient to satisfy any valid claim or portion of a~~
2188 ~~valid claim approved by the office, the office shall satisfy~~
2189 ~~such unpaid claim or portion of such valid claim as soon as a~~
2190 ~~sufficient amount of money has been deposited in or transferred~~
2191 ~~to the fund. When there is more than one unsatisfied claim~~
2192 ~~outstanding, such claims shall be paid in the order in which the~~
2193 ~~claims were approved by final order of the office, which order~~
2194 ~~is not subject to an appeal or other pending proceeding.~~

2195 ~~(9) Upon receipt by the claimant of the payment from the~~
2196 ~~Securities Guaranty Fund, the claimant shall assign any~~
2197 ~~additional right, title, and interest in the judgment, to the~~
2198 ~~extent of such payment, to the office. If the provisions of s.~~
2199 ~~517.131(3)(c) apply, the claimant must assign to the office any~~
2200 ~~right, title, and interest in the debt to the extent of any~~

2201 ~~payment by the office from the Securities Guaranty Fund.~~
 2202 ~~(10) All payments and disbursements made from the~~
 2203 ~~Securities Guaranty Fund shall be made by the Chief Financial~~
 2204 ~~Officer upon authorization signed by the director of the office,~~
 2205 ~~or such agent as she or he may designate.~~
 2206 Section 14. Section 517.191, Florida Statutes, is amended
 2207 to read:
 2208 517.191 Enforcement by the Office of Financial Regulation
 2209 ~~Injunction to restrain violations; civil penalties; enforcement~~
 2210 ~~by Attorney General.—~~
 2211 (1) When it appears to the office, either upon complaint
 2212 or otherwise, that a person has engaged or is about to engage in
 2213 any act or practice constituting a violation of this chapter or
 2214 a rule or order hereunder, the office may investigate; and
 2215 whenever it shall believe from evidence satisfactory to it that
 2216 any such person has engaged, is engaged, or is about to engage
 2217 in any act or practice constituting a violation of this chapter
 2218 or a rule or order hereunder, the office may, in addition to any
 2219 other remedies, bring action in the name and on behalf of the
 2220 state against such person and any other person concerned in or
 2221 in any way participating in or about to participate in such
 2222 practices or engaging therein or doing any act or acts in
 2223 furtherance thereof or in violation of this chapter to enjoin
 2224 such person or persons from continuing such fraudulent practices
 2225 or engaging therein or doing any act or acts in furtherance

2226 | thereof or in violation of this chapter. In any such court
 2227 | proceedings, the office may apply for, and on due showing be
 2228 | entitled to have issued, the court's subpoena requiring
 2229 | forthwith the appearance of any defendant and her or his
 2230 | employees, associated persons, or agents and the production of
 2231 | documents, books, and records that may appear necessary for the
 2232 | hearing of such petition, to testify or give evidence concerning
 2233 | the acts or conduct or things complained of in such application
 2234 | for injunction. In such action, the ~~equity~~ courts shall have
 2235 | jurisdiction of the subject matter, and a judgment may be
 2236 | entered awarding such injunction as may be proper.

2237 | (2) In addition to all other means provided by law for the
 2238 | enforcement of any temporary restraining order, temporary
 2239 | injunction, or permanent injunction issued in any such court
 2240 | proceedings, the court shall have the power and jurisdiction,
 2241 | upon application of the office, to impound and to appoint a
 2242 | receiver or administrator for the property, assets, and business
 2243 | of the defendant, including, but not limited to, the books,
 2244 | records, documents, and papers appertaining thereto. Such
 2245 | receiver or administrator, when appointed and qualified, shall
 2246 | have all powers and duties as to custody, collection,
 2247 | administration, winding up, and liquidation of such ~~said~~
 2248 | property and business as may ~~shall from time to time~~ be
 2249 | conferred upon her or him by the court. In any such action, the
 2250 | court may issue orders and decrees staying all pending suits and

2251 enjoining any further suits affecting the receiver's or
 2252 administrator's custody or possession of such ~~the said~~ property,
 2253 assets, and business or, in its discretion, may with the consent
 2254 of the presiding judge of the circuit require that all such
 2255 suits be assigned to the circuit court judge appointing such ~~the~~
 2256 ~~said~~ receiver or administrator.

2257 (3) In addition to, or in lieu of, any other remedies
 2258 provided by this chapter, the office may apply to the court
 2259 hearing the ~~this~~ matter for an order directing the defendant to
 2260 make restitution of those sums shown by the office to have been
 2261 obtained in violation of ~~any of the provisions of~~ this chapter.
 2262 The office has standing to request such restitution on behalf of
 2263 victims in cases brought by the office under this chapter,
 2264 regardless of the appointment of an administrator or receiver
 2265 under subsection (2) or an injunction under subsection (1).
 2266 Further, such restitution must ~~shall~~, at the option of the
 2267 court, be payable to the administrator or receiver appointed
 2268 pursuant to this section or directly to the persons whose assets
 2269 were obtained in violation of this chapter.

2270 (4) In addition to any other remedies provided by this
 2271 chapter, the office may apply to the court hearing the matter
 2272 for, and the court has ~~shall have~~ jurisdiction to impose, a
 2273 civil penalty against any person found to have violated ~~any~~
 2274 ~~provision of~~ this chapter, any rule or order adopted by the
 2275 commission or the office, or any written agreement entered into

2276 | with the office in an amount not to exceed any of the following:

2277 | (a) The greater of \$20,000 ~~\$10,000~~ for a natural person or
 2278 | \$25,000 for a business entity ~~any other person~~, or the gross
 2279 | amount of any pecuniary loss to investors or pecuniary gain to a
 2280 | natural person or business entity ~~such defendant~~ for each such
 2281 | violation, other than a violation of s. 517.301, plus the
 2282 | greater of \$50,000 for a natural person or \$250,000 for a
 2283 | business entity ~~any other person~~, or the gross amount of any
 2284 | pecuniary loss to investors or pecuniary gain to a natural
 2285 | person or business entity ~~such defendant~~ for each violation of
 2286 | s. 517.301.

2287 | (b) Twice the amount of the civil penalty that would
 2288 | otherwise be imposed under this subsection if a specified adult,
 2289 | as defined in s. 517.34(1), is the victim of a violation of this
 2290 | chapter.

2291 |
 2292 | All civil penalties collected pursuant to this subsection must
 2293 | ~~shall~~ be deposited into the Anti-Fraud Trust Fund. The office
 2294 | may recover any costs and attorney fees related to its
 2295 | investigation or enforcement of this section. Notwithstanding
 2296 | any other law, such moneys recovered by the office must be
 2297 | deposited into the Anti-Fraud Trust Fund.

2298 | (5) For purposes of any action brought by the office under
 2299 | this section, a control person who controls any person found to
 2300 | have violated this chapter or any rule adopted thereunder is

2301 jointly and severally liable with, and to the same extent as,
2302 the controlled person in any action brought by the office under
2303 this section unless the control person can establish by a
2304 preponderance of the evidence that he or she acted in good faith
2305 and did not directly or indirectly induce the act that
2306 constitutes the violation or cause of action.

2307 (6) For purposes of any action brought by the office under
2308 this section, a person who knowingly or recklessly provides
2309 substantial assistance to another person in violation of this
2310 chapter or any rule adopted thereunder is deemed to violate this
2311 chapter or the rule to the same extent as the person to whom
2312 such assistance is provided.

2313 (7) The office may issue and serve upon a person a cease
2314 and desist order if the office has reason to believe that the
2315 person violates, has violated, or is about to violate this
2316 chapter, any commission or office rule or order, or any written
2317 agreement entered into with the office.

2318 (8) If the office finds that any conduct described in
2319 subsection (7) presents an immediate danger to the public,
2320 requiring an immediate final order, the office may issue an
2321 emergency cease and desist order reciting with particularity the
2322 facts underlying such findings. The emergency cease and desist
2323 order is effective immediately upon service of a copy of the
2324 order on the respondent named in the order and remains effective
2325 for 90 days after issuance. If the office begins nonemergency

2326 cease and desist proceedings under subsection (7), the emergency
2327 cease and desist order remains effective until the conclusion of
2328 the proceedings under ss. 120.569 and 120.57.

2329 (9) The office may impose and collect an administrative
2330 fine against any person found to have violated any provision of
2331 this chapter, any rule or order adopted by the commission or
2332 office, or any written agreement entered into with the office in
2333 an amount not to exceed the penalties provided in subsection
2334 (4). All fines collected under this subsection must be deposited
2335 into the Anti-Fraud Trust Fund.

2336 (10) The office may bar, permanently or for a specific
2337 period of time, any person found to have violated this chapter,
2338 any rule or order adopted by the commission or office, or any
2339 written agreement entered into with the office from submitting
2340 an application or notification for a license or registration
2341 with the office.

2342 (11) In addition to all other means provided by law for
2343 enforcing any of the provisions of this chapter, when the
2344 Attorney General, upon complaint or otherwise, has reason to
2345 believe that a person has engaged or is engaged in any act or
2346 practice constituting a violation of s. 517.275 ~~or~~ s. 517.301,
2347 s. 517.311, or s. 517.312, or any rule or order issued under
2348 such sections, the Attorney General may investigate and bring an
2349 action to enforce these provisions as provided in ss. 517.171,
2350 517.201, and 517.2015 after receiving written approval from the

2351 office. Such an action may be brought against such person and
 2352 any other person in any way participating in such act or
 2353 practice or engaging in such act or practice or doing any act in
 2354 furtherance of such act or practice, to obtain injunctive
 2355 relief, restitution, civil penalties, and any remedies provided
 2356 for in this section. The Attorney General may recover any costs
 2357 and attorney fees related to the Attorney General's
 2358 investigation or enforcement of this section. Notwithstanding
 2359 any other provision of law, moneys recovered by the Attorney
 2360 General for costs, attorney fees, and civil penalties for a
 2361 violation of s. 517.275 or, s. 517.301, ~~s. 517.311, or s.~~
 2362 ~~517.312,~~ or any rule or order issued pursuant to such sections,
 2363 must ~~shall~~ be deposited in the Legal Affairs Revolving Trust
 2364 Fund. The Legal Affairs Revolving Trust Fund may be used to
 2365 investigate and enforce this section.

2366 ~~(12)-(6)~~ This section does not limit the authority of the
 2367 office to bring an administrative action against any person that
 2368 is the subject of a civil action brought pursuant to this
 2369 section or limit the authority of the office to engage in
 2370 investigations or enforcement actions with the Attorney General.
 2371 However, a person may not be subject to both a civil penalty
 2372 under subsection (4) and an administrative fine under subsection
 2373 (9) ~~s. 517.221(3)~~ as the result of the same facts.

2374 ~~(13)-(7)~~ Notwithstanding s. 95.11(4)(f), an enforcement
 2375 action brought under this section based on a violation of ~~any~~

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2376 ~~provision of~~ this chapter or any rule or order issued under this
 2377 chapter shall be brought within 6 years after the facts giving
 2378 rise to the cause of action were discovered or should have been
 2379 discovered with the exercise of due diligence, but not more than
 2380 8 years after the date such violation occurred.

2381 (14) This chapter does not limit any statutory right of
 2382 the state to punish a person for a violation of a law.

2383 (15) When not in conflict with the Constitution or laws of
 2384 the United States, the courts of this state have the same
 2385 jurisdiction over civil suits instituted in connection with the
 2386 sale or offer of sale of securities under any laws of the United
 2387 States as the courts of this state may have with regard to
 2388 similar cases instituted under the laws of this state.

2389 Section 15. Section 517.211, Florida Statutes, is amended
 2390 to read:

2391 517.211 Private remedies available in cases of unlawful
 2392 sale.—

2393 (1) Every sale made in violation of either s. 517.07 or s.
 2394 517.12(1), (3), (4), (8), (10), (12), (15), or (17) may be
 2395 rescinded at the election of the purchaser; however, ~~except~~ a
 2396 sale made in violation of the provisions of s. 517.1202(3)
 2397 relating to a renewal of a branch office notification or ~~shall~~
 2398 ~~not be subject to this section, and a sale made~~ in violation of
 2399 the provisions of s. 517.12(12) relating to filing a change of
 2400 address amendment is ~~shall~~ not be subject to this section. Each

2401 person making the sale and every director, officer, partner, or
 2402 agent of or for the seller, if the director, officer, partner,
 2403 or agent has personally participated or aided in making the
 2404 sale, is jointly and severally liable to the purchaser in an
 2405 action for rescission, if the purchaser still owns the security,
 2406 or for damages, if the purchaser has sold the security. No
 2407 purchaser otherwise entitled will have the benefit of this
 2408 subsection who has refused or failed, within 30 days after ~~of~~
 2409 receipt, to accept an offer made in writing by the seller, if
 2410 the purchaser has not sold the security, to take back the
 2411 security in question and to refund the full amount paid by the
 2412 purchaser or, if the purchaser has sold the security, to pay the
 2413 purchaser an amount equal to the difference between the amount
 2414 paid for the security and the amount received by the purchaser
 2415 on the sale of the security, together, in either case, with
 2416 interest on the full amount paid for the security by the
 2417 purchaser at the legal rate, pursuant to s. 55.03, for the
 2418 period from the date of payment by the purchaser to the date of
 2419 repayment, less the amount of any income received by the
 2420 purchaser on the security.

2421 (2) Any person purchasing or selling a security in
 2422 violation of s. 517.301, and every director, officer, partner,
 2423 or agent of or for the purchaser or seller, if the director,
 2424 officer, partner, or agent has personally participated or aided
 2425 in making the sale or purchase, is jointly and severally liable

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2426 to the person selling the security to or purchasing the security
2427 from such person in an action for rescission, if the plaintiff
2428 still owns the security, or for damages, if the plaintiff has
2429 sold the security.

2430 (3) For purposes of any action brought under this section,
2431 a control person who controls any person found to have violated
2432 any provision specified in subsection (1) is jointly and
2433 severally liable with, and to the same extent as, such
2434 controlled person in any action brought under this section
2435 unless the control person can establish by a preponderance of
2436 the evidence that he or she acted in good faith and did not
2437 directly or indirectly induce the act that constitutes the
2438 violation or cause of action.

2439 (4) In an action for rescission:

2440 (a) A purchaser may recover the consideration paid for the
2441 security or investment, plus interest thereon at the legal rate
2442 from the date of purchase, less the amount of any income
2443 received by the purchaser on the security or investment upon
2444 tender of the security or investment.

2445 (b) A seller may recover the security upon tender of the
2446 consideration paid for the security, plus interest at the legal
2447 rate from the date of purchase, less the amount of any income
2448 received by the defendant on the security.

2449 ~~(5)-(4)~~ In an action for damages brought by a purchaser of
2450 a security or investment, the plaintiff must ~~shall~~ recover an

2451 amount equal to the difference between:

2452 (a) The consideration paid for the security or investment,
 2453 plus interest thereon at the legal rate from the date of
 2454 purchase; and

2455 (b) The value of the security or investment at the time it
 2456 was disposed of by the plaintiff, plus the amount of any income
 2457 received on the security or investment by the plaintiff.

2458 ~~(6)-(5)~~ In an action for damages brought by a seller of a
 2459 security, the plaintiff shall recover an amount equal to the
 2460 difference between:

2461 (a) The value of the security at the time of the
 2462 complaint, plus the amount of any income received by the
 2463 defendant on the security; and

2464 (b) The consideration received for the security, plus
 2465 interest at the legal rate from the date of sale.

2466 ~~(7)-(6)~~ In any action brought under this section, including
 2467 an appeal, the court shall award reasonable attorney ~~attorneys'~~
 2468 fees to the prevailing party unless the court finds that the
 2469 award of such fees would be unjust.

2470 (8) This chapter does not limit any statutory or common-
 2471 law right of a person to bring an action in a court for an act
 2472 involved in the sale of securities or investments.

2473 (9) The same civil remedies provided by the laws of the
 2474 United States for the purchasers or sellers of securities in
 2475 interstate commerce also extend to purchasers or sellers of

2476 | securities under this chapter.

2477 | Section 16. Section 517.221, Florida Statutes, is
 2478 | repealed.

2479 | Section 17. Section 517.241, Florida Statutes, is
 2480 | repealed.

2481 | Section 18. Section 517.301, Florida Statutes, is amended
 2482 | to read:

2483 | 517.301 Fraudulent transactions; falsification or
 2484 | concealment of facts.—

2485 | (1) It is unlawful and a violation of ~~the provisions of~~
 2486 | this chapter for a person:

2487 | (a) In connection with the rendering of any investment
 2488 | advice or in connection with the offer, sale, or purchase of any
 2489 | investment or security, including any security exempted under
 2490 | ~~the provisions of~~ s. 517.051 and including any security sold in
 2491 | a transaction exempted under ~~the provisions of~~ s. 517.061, s.
 2492 | 517.0611, or s. 517.0612, directly or indirectly:

2493 | 1. To employ any device, scheme, or artifice to defraud;

2494 | 2. To obtain money or property by means of any untrue
 2495 | statement of a material fact or any omission to state a material
 2496 | fact necessary in order to make the statements made, in the
 2497 | light of the circumstances under which they were made, not
 2498 | misleading; or

2499 | 3. To engage in any transaction, practice, or course of
 2500 | business which operates or would operate as a fraud or deceit

2501 upon a person.

2502 (b) By use of any means, to publish, give publicity to, or
2503 circulate any notice, circular, advertisement, newspaper,
2504 article, letter, investment service, communication, or broadcast
2505 that, although ~~which, though~~ not purporting to offer a security
2506 for sale, describes such security for a consideration received
2507 or to be received directly or indirectly from an issuer,
2508 underwriter, or dealer, or from an agent or employee of an
2509 issuer, underwriter, or dealer, without fully disclosing the
2510 receipt, whether past or prospective, of such consideration and
2511 the amount of the consideration.

2512 (c) In any matter within the jurisdiction of the office,
2513 to knowingly and willfully falsify, conceal, or cover up, by any
2514 trick, scheme, or device, a material fact, make any false,
2515 fictitious, or fraudulent statement or representation, or make
2516 or use any false writing or document, knowing the same to
2517 contain any false, fictitious, or fraudulent statement or entry.

2518 (2) For purposes of ~~ss. 517.311 and 517.312 and~~ this
2519 section, the term "investment" means any commitment of money or
2520 property principally induced by a representation that an
2521 economic benefit may be derived from such commitment, except
2522 that the term does not include a commitment of money or property
2523 for:

2524 (a) The purchase of a business opportunity, business
2525 enterprise, or real property through a person licensed under

2526 chapter 475 or registered under former chapter 498; or

2527 (b) The purchase of tangible personal property through a
2528 person not engaged in telephone solicitation, electronic mail,
2529 text messages, social media, or other electronic means where
2530 ~~said property is offered and sold in accordance with the~~
2531 ~~following conditions:~~

2532 1. ~~there are no specific representations or guarantees~~
2533 ~~made by the offeror or seller as to the economic benefit to be~~
2534 ~~derived from the purchase.~~

2535 2. ~~The tangible property is delivered to the purchaser~~
2536 ~~within 30 days after sale, except that such 30-day period may be~~
2537 ~~extended by the office if market conditions so warrant; and~~

2538 3. ~~The seller has offered the purchaser a full refund~~
2539 ~~policy in writing, exercisable by the purchaser within 10 days~~
2540 ~~of the date of delivery of such tangible personal property,~~
2541 ~~except that the amount of such refund may not exceed the bid~~
2542 ~~price in effect at the time the property is returned to the~~
2543 ~~seller. If the applicable sellers' market is closed at the time~~
2544 ~~the property is returned to the seller for a refund, the amount~~
2545 ~~of such refund shall be based on the bid price for such property~~
2546 ~~at the next opening of such market.~~

2547 (3) It is unlawful for a person in issuing or selling a
2548 security within this state, including a security exempted under
2549 s. 517.051 and including a transaction exempted under s.
2550 517.061, s. 517.0611, or s. 517.0612, to misrepresent that such

2551 security or business entity has been guaranteed, sponsored,
 2552 recommended, or approved by the state or an agency or officer of
 2553 the state or by the United States or an agency or officer of the
 2554 United States.

2555 (4) It is unlawful for a person registered or required to
 2556 be registered, or subject to the notice requirements, under this
 2557 chapter, including such persons and issuers who are subject to
 2558 s. 517.051, s. 517.061, s. 517.0611, s. 517.0612, or s. 517.081,
 2559 to misrepresent that such person has been sponsored,
 2560 recommended, or approved, or that such person's abilities or
 2561 qualifications have in any respect been approved, by the state
 2562 or an agency or officer of the state or by the United States or
 2563 an agency or officer of the United States.

2564 (5) It is unlawful and a violation of this chapter for a
 2565 person in connection with the offer or sale of an investment to
 2566 obtain money or property by means of:

2567 (a) A misrepresentation that the investment offered or
 2568 sold is guaranteed, sponsored, recommended, or approved by the
 2569 state or an agency or officer of the state or by the United
 2570 States or an agency or officer of the United States; or

2571 (b) A misrepresentation that such person is sponsored,
 2572 recommended, or approved, or that such person's abilities or
 2573 qualifications have in any respect been examined, by the state
 2574 or an agency or officer of the state or by the United States or
 2575 an agency or officer of the United States.

2576 (6) (a) Subsection (3) or subsection (4) may not be
2577 construed to prohibit a statement that a person or security is
2578 registered or has made a notice filing under this chapter if
2579 such statement is required by this chapter or rules promulgated
2580 thereunder and is true in fact and if the effect of such
2581 statement is not a misrepresentation.

2582 (b) A statement that a person is registered made in
2583 connection with the offer or sale of a security under this
2584 chapter must include the following disclaimer: "Registration
2585 does not imply that such person has been sponsored, recommended,
2586 or approved by the state or an agency or officer of the state or
2587 by the United States or an agency or officer of the United
2588 States."

2589 1. If the statement of registration is made in writing,
2590 the disclaimer must immediately follow such statement and must
2591 be in the same size and style of print as the statement of
2592 registration.

2593 2. If the statement of registration is made orally, the
2594 disclaimer must be made or broadcast with the same force and
2595 effect as the statement of registration.

2596 (7) It is unlawful and a violation of this chapter for a
2597 person to directly or indirectly manage, supervise, control, or
2598 own, either alone or in association with others, a boiler room
2599 in this state which sells or offers for sale a security or
2600 investment in violation of subsection (1), subsection (3),

2601 subsection (4), subsection (5), or subsection (6).

2602 Section 19. Section 517.311, Florida Statutes, is
 2603 repealed.

2604 Section 20. Section 517.312, Florida Statutes, is
 2605 repealed.

2606 Section 21. Subsections (1), (2), and (3) of section
 2607 517.072, Florida Statutes, are amended to read:

2608 517.072 Viatical settlement investments.—

2609 (1) The exemptions provided for by s. 517.051(6) and (11)
 2610 ~~ss. 517.051(6), (8), and (10)~~ do not apply to a viatical
 2611 settlement investment.

2612 (2) The offering of a viatical settlement investment is
 2613 not an exempt transaction under s. 517.061(10), (12), (13), and
 2614 (18) ~~s. 517.061(2), (3), (8), (11), and (18)~~, regardless of
 2615 whether the offering otherwise complies with the conditions of
 2616 that section, unless such offering is to a qualified
 2617 institutional buyer.

2618 (3) The registration provisions of ss. 517.07 and 517.12
 2619 do not apply to any of the following transactions in viatical
 2620 settlement investments; however, such transactions in viatical
 2621 settlement investments are subject to s. 517.301 ~~the provisions~~
 2622 ~~of ss. 517.301, 517.311, and 517.312:~~

2623 (a) The transfer or assignment of an interest in a
 2624 previously viaticated policy from a natural person who transfers
 2625 or assigns no more than one such interest in a single calendar

2626 | year.

2627 | (b) The provision of stop-loss coverage to a viatical
2628 | settlement provider, financing entity, or related provider
2629 | trust, as those terms are defined in s. 626.9911, by an
2630 | authorized or eligible insurer.

2631 | (c) The transfer or assignment of a viaticated policy from
2632 | a licensed viatical settlement provider to another licensed
2633 | viatical settlement provider, a related provider trust, a
2634 | financing entity, or a special purpose entity, as those terms
2635 | are defined in s. 626.9911, or to a contingency insurer,
2636 | provided that such transfer or assignment is not the direct or
2637 | indirect promotion of any scheme or enterprise with the intent
2638 | of violating or evading ~~any provision of~~ this chapter.

2639 | (d) The transfer or assignment of a viaticated policy to a
2640 | bank, trust company, savings institution, insurance company,
2641 | dealer, investment company as defined in the Investment Company
2642 | Act of 1940, as amended, pension or profit-sharing trust,
2643 | qualified institutional buyer, or an accredited investor,
2644 | provided such transfer or assignment is not for the direct or
2645 | indirect promotion of any scheme or enterprise with the intent
2646 | of violating or evading any provision of this chapter.

2647 | (e) The transfer or assignment of a viaticated policy by a
2648 | conservator of a viatical settlement provider appointed by a
2649 | court of competent jurisdiction who transfers or assigns
2650 | ownership of viaticated policies pursuant to that court's order.

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2651 Section 22. Subsection (2), paragraph (a) of subsection
2652 (9), paragraph (j) of subsection (16), subsection (20), and
2653 paragraphs (b) and (c) of subsection (21) of section 517.12,
2654 Florida Statutes, are amended to read:

2655 517.12 Registration of dealers, associated persons,
2656 intermediaries, and investment advisers.—

2657 (2) The registration requirements of this section do not
2658 apply in a transaction exempted by s. 517.061(1)-(6), (8), (9),
2659 (12), and (13) ~~s. 517.061(1)-(10), (12), (14), and (15)~~.

2660 (9)(a) An applicant for registration shall pay an
2661 assessment fee of \$200, in the case of a dealer or investment
2662 adviser, or \$50, in the case of an associated person. An
2663 associated person may be assessed an additional fee to cover the
2664 cost for the fingerprints to be processed by the office. Such
2665 fee shall be determined by rule of the commission. Such fees
2666 become the revenue of the state, except for those assessments
2667 provided for under s. 517.131(2) ~~s. 517.131(1)~~ until such time
2668 as the Securities Guaranty Fund satisfies the statutory limits,
2669 and are not returnable in the event that registration is
2670 withdrawn or not granted.

2671 (16)

2672 (j) All fees collected under this subsection become the
2673 revenue of the state, except those assessments provided for
2674 under s. 517.131(2) ~~s. 517.131(1)~~, until the Securities Guaranty
2675 Fund has satisfied the statutory limits. Such fees are not

2676 returnable if a notice-filing is withdrawn.

2677 (20) The registration requirements of this section do not
2678 apply to any general lines insurance agent or life insurance
2679 agent licensed under chapter 626, with regard to ~~for~~ the sale of
2680 a security as defined in s. 517.021(25)(g) ~~s. 517.021(23)(g)~~, if
2681 the individual is directly authorized by the issuer to offer or
2682 sell the security on behalf of the issuer and the issuer is a
2683 federally chartered savings bank subject to regulation by the
2684 Federal Deposit Insurance Corporation. Actions under this
2685 subsection ~~shall~~ constitute activity under the insurance agent's
2686 license for purposes of ss. 626.611 and 626.621.

2687 (21)

2688 (b) Prior to the completion of any securities transaction
2689 described in s. 517.061(7) ~~s. 517.061(22)~~, a merger and
2690 acquisition broker must receive written assurances from the
2691 control person with the largest percentage of ownership for both
2692 the buyer and seller engaged in the transaction that:

2693 1. After the transaction is completed, any person who
2694 acquires securities or assets of the eligible privately held
2695 company, acting alone or in concert, will be a control person of
2696 the eligible privately held company or will be a control person
2697 for the business conducted with the assets of the eligible
2698 privately held company; and

2699 2. If any person is offered securities in exchange for
2700 securities or assets of the eligible privately held company,

2701 such person will, before becoming legally bound to complete the
2702 transaction, receive or be given reasonable access to the most
2703 recent year-end financial statements of the issuer of the
2704 securities offered in exchange. The most recent year-end
2705 financial statements shall be customarily prepared by the
2706 issuer's management in the normal course of operations. If the
2707 financial statements of the issuer are audited, reviewed, or
2708 compiled, the most recent year-end financial statements must
2709 include any related statement by the independent certified
2710 public accountant; a balance sheet dated not more than 120 days
2711 before the date of the exchange offer; and information
2712 pertaining to the management, business, results of operations
2713 for the period covered by the foregoing financial statements,
2714 and material loss contingencies of the issuer.

2715 (c) A merger and acquisition broker engaged in a
2716 transaction exempt under s. 517.061(7) ~~s. 517.061(22)~~ is exempt
2717 from registration under this section unless the merger and
2718 acquisition broker:

2719 1. Directly or indirectly, in connection with the transfer
2720 of ownership of an eligible privately held company, receives,
2721 holds, transmits, or has custody of the funds or securities to
2722 be exchanged by the parties to the transaction;

2723 2. Engages on behalf of an issuer in a public offering of
2724 any class of securities which is registered, or which is
2725 required to be registered, with the United States Securities and

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2726 Exchange Commission under the Securities Exchange Act of 1934,
 2727 15 U.S.C. ss. 78a et seq., or with the office under s. 517.07;
 2728 or for which the issuer files, or is required to file, periodic
 2729 information, documents, and reports under s. 15(d) of the
 2730 Securities Exchange Act of 1934, 15 U.S.C. s. 78o(d);

2731 3. Engages on behalf of any party in a transaction
 2732 involving a public shell company;

2733 4. Is subject to a suspension or revocation of
 2734 registration under s. 15(b) (4) of the Securities Exchange Act of
 2735 1934, 15 U.S.C. s. 78o(b) (4);

2736 5. Is subject to a statutory disqualification described in
 2737 s. 3(a) (39) of the Securities Exchange Act of 1934, 15 U.S.C. s.
 2738 78c(a) (39);

2739 6. Is subject to a disqualification under the United
 2740 States Securities and Exchange Commission Rule 506(d), 17 C.F.R.
 2741 s. 230.506(d); or

2742 7. Is subject to a final order described in s. 15(b) (4) (H)
 2743 of the Securities Exchange Act of 1934, 15 U.S.C. s.
 2744 78o(b) (4) (H).

2745 Section 23. Subsection (6) of section 517.1201, Florida
 2746 Statutes, is amended to read:

2747 517.1201 Notice filing requirements for federal covered
 2748 advisers.—

2749 (6) All fees collected under this section become the
 2750 revenue of the state, except for those assessments provided for

2751 under s. 517.131(2) ~~s. 517.131(1)~~ until such time as the
2752 Securities Guaranty Fund satisfies the statutory limits, and are
2753 not returnable in the event that a notice filing is withdrawn.

2754 Section 24. Subsections (4) and (8) of section 517.1202,
2755 Florida Statutes, are amended to read:

2756 517.1202 Notice-filing requirements for branch offices.—

2757 (4) A branch office notice-filing under this section shall
2758 be summarily suspended by the office if the notice-filer fails
2759 to provide to the office, within 30 days after a written request
2760 by the office, all of the information required by this section
2761 and the rules adopted under this section. The summary suspension
2762 shall be in effect for the branch office until such time as the
2763 notice-filer submits the requested information to the office,
2764 pays a fine as prescribed by s. 517.191(9) ~~s. 517.221(3)~~, and a
2765 final order is entered. At such time, the suspension shall be
2766 lifted. For purposes of s. 120.60(6), failure to provide all
2767 information required by this section and the underlying rules
2768 constitutes immediate and serious danger to the public health,
2769 safety, and welfare. If the notice-filer fails to provide all of
2770 the requested information within a period of 90 days, the
2771 notice-filing shall be revoked by the office.

2772 (8) All fees collected under this section become the
2773 revenue of the state, except for those assessments provided for
2774 under s. 517.131(2) ~~s. 517.131(1)~~ until such time as the
2775 Securities Guaranty Fund satisfies the statutory limits, and are

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2776 | not returnable in the event that a branch office notice-filing
2777 | is withdrawn.

2778 | Section 25. Subsection (2) of section 517.302, Florida
2779 | Statutes, is amended to read:

2780 | 517.302 Criminal penalties; alternative fine; Anti-Fraud
2781 | Trust Fund; time limitation for criminal prosecution.—

2782 | (2) Any person who violates s. 517.301 ~~the provisions of~~
2783 | ~~s. 517.312(1)~~ by obtaining money or property of an aggregate
2784 | value exceeding \$50,000 from five or more persons is guilty of a
2785 | felony of the first degree, punishable as provided in s.
2786 | 775.082, s. 775.083, or s. 775.084.

2787 | Section 26. This act shall take effect October 1, 2024.