

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

CS/CS/HB 311

2024

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

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, and established by the issuer, its parents, its
560 majority-owned subsidiaries, or the majority-owned subsidiaries
561 of the issuer's parent for the participation of the issuer's
562 employees, directors, managers, managing members, general
563 partners, trustees, officers, consultants, or advisors, and
564 their family members who acquire such securities from such
565 persons through gifts or domestic relations orders. This
566 includes offers or sales of such securities to all of the
567 following persons:

568 (a) Former employees, directors, managers, managing
569 members, general partners, trustees, officers, consultants, or
570 advisors, provided that the securities are issued to such
571 persons in connection with their prior employment by or services
572 to the issuer.

573 (b) Insurance agents who are exclusive insurance agents of
574 the issuer, or of the issuer's parents or subsidiaries, or who
575 derive more than 50 percent of their annual income from such

576 persons.

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

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

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

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

597 3. Before the sale, each purchaser or the purchaser's
 598 representative, if any, is provided with, or given reasonable
 599 access to, full and fair disclosure of all material information,
 600 which must include written notification of a purchaser's right

601 to void the sale under subparagraph 4.

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

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

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

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

623 3. A business entity in which a purchaser, any of the
624 persons related to such purchaser specified in subparagraph 1.,
625 and any trust or estate specified in subparagraph 2.

626 collectively are beneficial owners of more than 50 percent of
627 the equity securities or equity interest.

628 4. An accredited investor.

629
630 A business entity must be counted as one purchaser. However, if
631 the business entity is organized for the specific purpose of
632 acquiring the securities offered and is not an accredited
633 investor, each beneficial owner of equity securities or equity
634 interests in the business entity must be counted as a separate
635 purchaser. A noncontributory employee benefit plan within the
636 meaning of Title I of the Employee Retirement Income Security
637 Act of 1974 must be counted as one purchaser if the trustee
638 makes all investment decisions for the plan.

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

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

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

649 (c) The issuer reasonably believes that all purchasers are
650 purchasing for investment and not with the view to or for sale

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

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

661 a. The name, address, and telephone number of the issuer
662 of the securities.

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

665 c. A brief description of the business.

666 d. The type, number, and aggregate amount of securities
667 being offered.

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

670 f. A statement that:

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

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

674 and

675 (III) The securities have not been registered with or

676 approved by any state securities agency or the Securities and
677 Exchange Commission and are being offered and sold pursuant to
678 an exemption from registration.

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

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

685 b. After the issuer reasonably believes that the
686 prospective purchaser is an accredited investor.

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

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

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

699 (12) The isolated sale or offer for sale of securities
700 when made by or on behalf of a bona fide owner, not the issuer

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

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

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

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

724 (14) An unsolicited purchase or sale of securities on
725 order of, and as the agent for, another solely and exclusively

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

800 (a)1. The issuer of the security is actually engaged in

801 business and is not in the organizational stage or in bankruptcy
802 or receivership and is not a blank check, blind pool, or shell
803 company whose primary plan of business is to engage in a merger
804 or combination of the business with, or an acquisition of, an
805 unidentified person;

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

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

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

816 a. A description of the business and operations of the
817 issuer;

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

822 c. An audited balance sheet of the issuer as of a date
823 within 18 months before such transaction or, in the case of a
824 reorganization or merger in which parties to the reorganization
825 or merger had such audited balance sheet, a pro forma balance

826 sheet; and

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

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

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

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

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

848 e. The issuer of the security has total assets of at least
849 \$2 million based on an audited balance sheet as of a date within
850 18 months before such transaction or, in the case of a

851 reorganization or merger in which parties to the reorganization
 852 or merger had such audited balance sheet, a pro forma balance
 853 sheet.

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

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

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

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

869
 870 For purposes of this subsection, Canada, together with its
 871 provinces and territories, is designated as a foreign
 872 jurisdiction, and The Toronto Stock Exchange, Inc., is
 873 designated as a securities exchange. If, after an administrative
 874 hearing in compliance with ss. 120.569 and 120.57, the office
 875 finds that revocation is necessary or appropriate in furtherance

876 of the public interest and for the protection of investors, it
 877 may revoke the designation of a securities exchange under this
 878 subsection.

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

891 Section 4. Section 517.0611, Florida Statutes, is amended
 892 to read:

893 517.0611 The Florida Limited Offering Exemption Intrastate
 894 ~~crowdfunding.~~

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

897 (2) The registration provisions of s. 517.07 do not apply
 898 to a securities transaction conducted in accordance with this
 899 section; however, such transaction is subject to s. 517.301
 900 ~~Notwithstanding any other provision of this chapter, an offer or~~

901 ~~sale of a security by an issuer is an exempt transaction under~~
 902 ~~s. 517.061 if the offer or sale is conducted in accordance with~~
 903 ~~this section. The exemption provided in this section may not be~~
 904 ~~used in conjunction with any other exemption under s. 517.051 or~~
 905 ~~s. 517.061.~~

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

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

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

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

925 (c) May not be, ~~either~~ before or as a result of the

926 offering, an investment company as defined in s. 3 of the
927 Investment Company Act of 1940, 15 U.S.C. s. 80a-3, as amended,
928 or subject to the reporting requirements of s. 13 or s. 15(d) of
929 the Securities Exchange Act of 1934, 15 U.S.C. s. 78m or s.
930 78o(d), as amended.

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

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

945 (f) Must deposit all funds received from investors in an
946 account in ~~Execute an escrow agreement with~~ a federally insured
947 financial institution authorized to do business in this ~~the~~
948 state, and maintain all such funds in the account until the
949 target offering amount has been reached or the offering has been
950 terminated or has expired. If the target offering amount has not

951 been reached within the period specified by the issuer in the
952 disclosure statement provided to investors, or if the offering
953 is terminated or expires, the issuer must refund invested funds
954 to all investors within 10 business days after such occurrence
955 ~~for the deposit of investor funds, and ensure that all offering~~
956 ~~proceeds are provided to the issuer only when the aggregate~~
957 ~~capital raised from all investors is equal to or greater than~~
958 ~~the target offering amount.~~

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

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

976 517.101. The notice may be terminated by filing with the office
977 a notice of termination. The notice and offering expire 12
978 months after filing the notice with the office and are not
979 eligible for renewal. The notice must:

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

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

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

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

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

999 (f) ~~Require an attestation under oath that the issuer, its~~
1000 ~~predecessors, affiliated issuers, directors, officers, and~~

1001 ~~control persons, or any other person occupying a similar status~~
1002 ~~or performing a similar function, are not currently and have not~~
1003 ~~been within the past 10 years the subject of regulatory or~~
1004 ~~criminal actions involving fraud or deceit.~~

1005 ~~(g) Include documentation verifying that the issuer is~~
1006 ~~organized under the laws of the state and authorized to do~~
1007 ~~business in the state.~~

1008 ~~(h) If applicable,~~ include the intermediary's website
1009 address where the issuer's securities will be offered.

1010 (g)(i) State Include the target offering amount and the
1011 date, not to exceed 365 days, by which the target amount must be
1012 reached in order to avoid termination of the offering.

1013 (6) The issuer must amend the notice form within 10
1014 business ~~30~~ days after any material information contained in the
1015 notice becomes inaccurate ~~for any reason~~. The commission may
1016 require, by rule, an issuer who has filed a notice under this
1017 section to file amendments with the office.

1018 (7) The issuer may engage in general advertising and
1019 general solicitation of the offering to prospective investors.
1020 Any oral or written statements in advertising or solicitation of
1021 the offering which contain a material misstatement, or which
1022 fail to disclose material information, are subject to
1023 enforcement under this chapter. Any general advertising or other
1024 general announcement must state that the offering is limited and
1025 open only to residents of this state.

- 1026 (8) The issuer must provide a disclosure statement to
1027 ~~investors and the dealer or intermediary, along with a copy to~~
1028 ~~the office at the time that the notice is filed, and make~~
1029 ~~available to potential investors through the dealer or~~
1030 ~~intermediary, as applicable; to the office at the time that the~~
1031 ~~notice is filed; and to each prospective investor at least 3~~
1032 ~~days before the investor's commitment to purchase or payment of~~
1033 ~~any consideration. The,~~ a disclosure statement must contain
1034 ~~containing~~ material information about the issuer and the
1035 offering, including all of the following:
- 1036 (a) The name, legal status, physical address, e-mail
1037 address, and website address of the issuer.
- 1038 (b) The names of the directors, officers, managers,
1039 managing members, and general partners and any person occupying
1040 a similar status or performing a similar function, and the name
1041 and ownership percentage of each person holding more than 20
1042 percent of the issuer's equity interests ~~shares of the issuer.~~
- 1043 (c) A description of the current business ~~of the issuer~~
1044 and ~~the~~ anticipated business plan of the issuer.
- 1045 (d) A description of the stated purpose and intended use
1046 of the proceeds of the offering.
- 1047 (e) The target offering amount and, the deadline to reach
1048 the target offering amount, ~~and regular updates regarding the~~
1049 ~~progress of the issuer in meeting the target offering amount.~~
- 1050 (f) The price to the public of the securities ~~or the~~

1051 ~~method for determining the price. However, before the sale, each~~
1052 ~~investor must receive in writing the final price and all~~
1053 ~~required disclosures and have an opportunity to rescind the~~
1054 ~~commitment to purchase the securities.~~

1055 (g) A description of the ownership and capital structure
1056 of the issuer, including:

1057 1. Terms of the securities being offered and each class of
1058 security of the issuer, including how those terms may be
1059 modified, and a summary of the differences between such
1060 securities, including how the rights of the securities being
1061 offered may be materially limited, diluted, or qualified by
1062 rights of any other class of security of the issuer.

1063 2. A description of how the exercise of the rights held by
1064 the principal equity holders ~~shareholders~~ of the issuer could
1065 negatively impact the purchasers of the securities being
1066 offered.

1067 ~~3. The name and ownership level of each existing~~
1068 ~~shareholder who owns more than 20 percent of any class of the~~
1069 ~~securities of the issuer.~~

1070 ~~4. How the securities being offered are being valued, and~~
1071 ~~examples of methods of how such securities may be valued by the~~
1072 ~~issuer in the future, including during subsequent corporate~~
1073 ~~actions.~~

1074 ~~5. The risks to purchasers of the securities relating to~~
1075 ~~minority ownership in the issuer, the risks associated with~~

1076 ~~corporate action, including additional issuances of shares, a~~
 1077 ~~sale of the issuer or of assets of the issuer, or transactions~~
 1078 ~~with related parties.~~

1079 (h) A statement that the security being offered is not
 1080 registered under federal or state securities laws and that the
 1081 securities are subject to the limitation on resale contained in
 1082 Securities and Exchange Commission Rule 147 or Rule 147A.

1083 (i) Any issuer plans, formal or informal, to offer
 1084 additional securities in the future.

1085 (j) The risks to purchasers of the securities relating to
 1086 minority ownership in the issuer.

1087 (k)-(h) A description of the financial condition of the
 1088 issuer.

1089 1. For offerings that, in combination with all other
 1090 offerings of the issuer within the preceding 12-month period,
 1091 have ~~target~~ offering amounts of \$500,000 ~~\$100,000~~ or less, the
 1092 financial statements of the issuer may be, but are not required
 1093 to be, included description must include the most recent income
 1094 tax return filed by the issuer, if any, and a financial
 1095 statement that must be certified by the principal executive
 1096 officer of the issuer as true and complete in all material
 1097 respects.

1098 2. For offerings that, in combination with all other
 1099 offerings of the issuer within the preceding 12-month period,
 1100 have ~~target~~ offering amounts of more than \$500,000 ~~\$100,000~~, but

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

1108 3. For offerings that, in combination with all other
 1109 offerings of the issuer within the preceding 12-month period,
 1110 have ~~target~~ offering amounts of more than \$2.5 million ~~\$500,000~~,
 1111 the description must include audited financial statements
 1112 prepared in accordance with generally accepted accounting
 1113 principles by a certified public accountant, as defined in s.
 1114 473.302, who is independent of the issuer, and other
 1115 requirements as the commission may establish by rule.

1116 (1)-(i) The following statement in boldface, conspicuous
 1117 type on the front page of the disclosure statement:

1118
 1119 Neither the Securities and Exchange Commission nor any
 1120 state securities commission has approved or
 1121 disapproved these securities or determined if this
 1122 disclosure statement is truthful or complete. Any
 1123 representation to the contrary is a criminal offense.

1124
 1125 These securities are offered under, and will be sold

1126 in reliance upon, an exemption from the registration
 1127 requirements of federal and Florida securities laws.
 1128 ~~Consequently,~~ Neither the Federal Government nor the
 1129 State of Florida has reviewed the accuracy or
 1130 completeness of any offering materials. In making an
 1131 investment decision, investors must rely on their own
 1132 examination of the issuer and the terms of the
 1133 offering, including the merits and risks involved.

1134 These securities are subject to restrictions on
 1135 transferability and resale and may not be transferred
 1136 or resold except as specifically authorized by
 1137 applicable federal and state securities laws.

1138 Investing in these securities involves a speculative
 1139 risk, and investors should be able to bear the loss of
 1140 their entire investment.

1141 ~~(8) The issuer shall provide to the office a copy of the~~
 1142 ~~escrow agreement with a financial institution authorized to~~
 1143 ~~conduct business in this state. All investor funds must be~~
 1144 ~~deposited in the escrow account. The escrow agreement must~~
 1145 ~~require that all offering proceeds be released to the issuer~~
 1146 ~~only when the aggregate capital raised from all investors is~~
 1147 ~~equal to or greater than the minimum target offering amount~~
 1148 ~~specified in the disclosure statement as necessary to implement~~
 1149 ~~the business plan, and that all investors will receive a full~~
 1150 ~~return of their investment commitment if that target offering~~

1151 ~~amount is not raised by the date stated in the disclosure~~
1152 ~~statement.~~

1153 (9) The sum of all cash and other consideration received
1154 for sales of a security under this section may not exceed \$5 ~~\$1~~
1155 million, less the aggregate amount received for all sales of
1156 securities by the issuer within the 12 months preceding the
1157 first offer or sale made in reliance upon this exemption. Offers
1158 or sales to a person owning 20 percent or more of the
1159 outstanding equity interests ~~shares~~ of any class or classes of
1160 securities or to an officer, director, manager, managing member,
1161 general partner, or trustee, or a person occupying a similar
1162 status, do not count toward this limitation.

1163 (10) Unless the investor is an accredited investor, or the
1164 issuer reasonably believes that the investor is an accredited
1165 investor as defined by Rule 501 of Regulation D, adopted
1166 pursuant to the Securities Act of 1933, the aggregate amount of
1167 securities sold by an issuer to an investor in transactions
1168 exempt from registration requirements under this subsection in a
1169 12-month period may not exceed \$10,000 ~~÷~~

1170 ~~(a) The greater of \$2,000 or 5 percent of the annual~~
1171 ~~income or net worth of such investor, if the annual income or~~
1172 ~~the net worth of the investor is less than \$100,000.~~

1173 ~~(b) Ten percent of the annual income or net worth of such~~
1174 ~~investor, not to exceed a maximum aggregate amount sold of~~
1175 ~~\$100,000, if either the annual income or net worth of the~~

1176 ~~investor is equal to or exceeds \$100,000.~~

1177 ~~(11) The issuer shall file with the office and provide to~~
1178 ~~investors free of charge an annual report of the results of~~
1179 ~~operations and financial statements of the issuer within 45 days~~
1180 ~~after the end of its fiscal year, until no securities under this~~
1181 ~~offering are outstanding. The annual reports must meet the~~
1182 ~~following requirements:~~

1183 ~~(a) Include an analysis by management of the issuer of the~~
1184 ~~business operations and the financial condition of the issuer,~~
1185 ~~and disclose the compensation received by each director,~~
1186 ~~executive officer, and person having an ownership interest of 20~~
1187 ~~percent or more of the issuer, including cash compensation~~
1188 ~~earned since the previous report and on an annual basis, and any~~
1189 ~~bonuses, stock options, other rights to receive securities of~~
1190 ~~the issuer, or any affiliate of the issuer, or other~~
1191 ~~compensation received.~~

1192 ~~(b) Disclose any material change to information contained~~
1193 ~~in the disclosure statements which was not disclosed in a~~
1194 ~~previous report.~~

1195 ~~(11)-(12)-(a)~~ A notice-filing under this section must ~~shall~~
1196 be summarily suspended by the office if:

1197 (a) The payment for the filing is dishonored by the
1198 financial institution upon which the funds are drawn. For
1199 purposes of s. 120.60(6), failure to pay the required notice
1200 filing fee constitutes an immediate and serious danger to the

1201 public health, safety, and welfare. The office shall enter a
1202 final order revoking a notice-filing in which the payment for
1203 the filing is dishonored by the financial institution upon which
1204 the funds are drawn; or-

1205 (b) ~~A notice-filing under this section shall be summarily~~
1206 ~~suspended by the office if~~ The issuer made a material false
1207 statement in the issuer's notice-filing. The summary suspension
1208 remains ~~shall remain~~ in effect until a final order is entered by
1209 the office. For purposes of s. 120.60(6), a material false
1210 statement made in the issuer's notice-filing constitutes an
1211 immediate and serious danger to the public health, safety, and
1212 welfare. If an issuer made a material false statement in the
1213 issuer's notice-filing, the office must ~~shall~~ enter a final
1214 order revoking the notice-filing, issue a fine as prescribed by
1215 s. 517.191(9) ~~s. 517.221(3)~~, and issue permanent bars under s.
1216 517.191(10) ~~s. 517.221(4)~~ to the issuer and all owners,
1217 officers, directors, general partners, and control persons, or
1218 any person occupying a similar status or performing a similar
1219 function of the issuer, including title; status as a partner,
1220 trustee, sole proprietor, or similar role; and ownership
1221 percentage.

1222 ~~(12)-(13)~~ If the issuer employs the services of an
1223 intermediary, the ~~An~~ intermediary must:

1224 (a) Take measures, as established by commission rule, to
1225 reduce the risk of fraud with respect to the ~~transactions,~~

1226 ~~including verifying that the issuer is in compliance with the~~
1227 ~~requirements of this section and, if necessary, denying an~~
1228 ~~issuer access to its platform if the intermediary believes it is~~
1229 ~~unable to adequately assess the risk of fraud of the issuer or~~
1230 ~~its potential offering.~~

1231 (b) Provide ~~basic~~ information on its website regarding the
1232 high risk of investment in and limitation on the resale of
1233 exempt securities and the potential for loss of an entire
1234 investment. The ~~basic~~ information must include, but need not be
1235 limited to, all of the following:

1236 1. A description of the financial institution into which
1237 investor funds will be deposited ~~escrow agreement that the~~
1238 ~~issuer has executed~~ and the conditions for the use ~~release~~ of
1239 such funds by ~~to~~ the issuer ~~in accordance with the agreement and~~
1240 ~~subsection (4).~~

1241 2. A description of whether financial information provided
1242 by the issuer has been audited by an independent certified
1243 public accountant, as defined in s. 473.302.

1244 (c) Obtain from each prospective investor a zip code or
1245 residence address, a copy of a driver license, and any other
1246 proof of residency in order for the issuer or intermediary to
1247 reasonably believe that the potential investor is a resident of
1248 this state. The commission may adopt rules authorizing
1249 additional forms of identification and prescribing the process
1250 for verifying any identification presented by the prospective

1251 investor.

1252 (d) Obtain information sufficient for the issuer or

1253 intermediary to reasonably believe that a particular prospective

1254 investor is an accredited investor

1255 ~~(c) Obtain a zip code or residence address from each~~

1256 ~~potential investor who seeks to view information regarding~~

1257 ~~specific investment opportunities, in order to confirm that the~~

1258 ~~potential investor is a resident of the state.~~

1259 ~~(d) Obtain and verify a valid Florida driver license~~

1260 ~~number or Florida identification card number from each investor~~

1261 ~~before purchase of a security to confirm that the investor is a~~

1262 ~~resident of the state. The commission may adopt rules~~

1263 ~~authorizing additional forms of identification and prescribing~~

1264 ~~the process for verifying any identification presented by the~~

1265 ~~investor.~~

1266 ~~(e) Obtain an affidavit from each investor stating that~~

1267 ~~the investment being made by the investor is consistent with the~~

1268 ~~income requirements of subsection (10).~~

1269 ~~(f) Direct the release of investor funds in escrow in~~

1270 ~~accordance with subsection (4).~~

1271 ~~(g) Direct investors to transmit funds directly to the~~

1272 ~~financial institution designated in the escrow agreement to hold~~

1273 ~~the funds for the benefit of the investor.~~

1274 (e)(h) Provide a monthly update for each offering, after

1275 the first full month after the date of the offering. The update

1276 must be accessible on the intermediary's website and must
1277 display the date and amount of each sale of securities, and each
1278 cancellation of commitment to invest, in the previous calendar
1279 month.

1280 ~~(i) Require each investor to certify in writing, including~~
1281 ~~as part of such certification his or her signature and his or~~
1282 ~~her initials next to each paragraph of the certification, as~~
1283 ~~follows:~~

1284 ~~I understand and acknowledge that:~~

1285 ~~I am investing in a high-risk, speculative business~~
1286 ~~venture. I may lose all of my investment, and I can afford the~~
1287 ~~loss of my investment.~~

1288 ~~This offering has not been reviewed or approved by any~~
1289 ~~state or federal securities commission or other regulatory~~
1290 ~~authority and no regulatory authority has confirmed the accuracy~~
1291 ~~or determined the adequacy of any disclosure made to me relating~~
1292 ~~to this offering.~~

1293 ~~The securities I am acquiring in this offering are illiquid~~
1294 ~~and are subject to possible dilution. There is no ready market~~
1295 ~~for the sale of the securities. It may be difficult or~~
1296 ~~impossible for me to sell or otherwise dispose of the~~
1297 ~~securities, and I may be required to hold the securities~~
1298 ~~indefinitely.~~

1299 ~~I may be subject to tax on my share of the taxable income~~
1300 ~~and losses of the issuer, whether or not I have sold or~~

1301 ~~otherwise disposed of my investment or received any dividends or~~
1302 ~~other distributions from the issuer.~~

1303 ~~By entering into this transaction with the issuer, I am~~
1304 ~~affirmatively representing myself as being a Florida resident at~~
1305 ~~the time this contract is formed, and if this representation is~~
1306 ~~subsequently shown to be false, the contract is void.~~

1307 ~~If I resell any of the securities I am acquiring in this~~
1308 ~~offering to a person that is not a Florida resident within 9~~
1309 ~~months after the closing of the offering, my contract with the~~
1310 ~~issuer for the purchase of these securities is void.~~

1311 ~~(j) Require each investor to answer questions~~
1312 ~~demonstrating an understanding of the level of risk generally~~
1313 ~~applicable to investments in startups, emerging businesses, and~~
1314 ~~small issuers, and an understanding of the risk of illiquidity.~~

1315 ~~(f)-(k)~~ Take reasonable steps to protect personal
1316 information collected from investors, as required by s. 501.171.

1317 ~~(g)-(l)~~ Prohibit its directors, and officers, managers,
1318 managing members, general partners, employees, and agents from
1319 having any financial interest in the issuer using its services.

1320 ~~(m) Implement written policies and procedures that are~~
1321 ~~reasonably designed to achieve compliance with federal and state~~
1322 ~~securities laws; comply with the anti-money laundering~~
1323 ~~requirements of 31 C.F.R. chapter X applicable to registered~~
1324 ~~brokers; and comply with the privacy requirements of 17 C.F.R.~~
1325 ~~part 248 relating to brokers.~~

1326 ~~(13)-(14)~~ An intermediary not registered as a dealer under
1327 s. 517.12(5) may not:

1328 (a) Offer investment advice or recommendations. A refusal
1329 by an intermediary to post an offering that it deems not
1330 credible or that represents a potential for fraud may not be
1331 construed as an offer of investment advice or recommendation.

1332 (b) Solicit purchases, sales, or offers to buy securities
1333 offered or displayed on its website.

1334 (c) Compensate employees, agents, or other persons for the
1335 solicitation of, or based on the sale of, securities offered or
1336 displayed on its website.

1337 (d) Hold, manage, possess, or otherwise handle investor
1338 funds or securities.

1339 (e) Compensate promoters, finders, or lead generators for
1340 providing the intermediary with the personal identifying
1341 information of any prospective ~~potential~~ investor.

1342 (f) Engage in any other activities set forth by commission
1343 rule.

1344 (14) If the issuer does not employ a dealer or an
1345 intermediary for an offering pursuant to the exemption created
1346 under this section, the issuer must fulfill each of the
1347 obligations specified in paragraphs (12)(c)-(f).

1348 (15) Any sale made pursuant to the exemption created under
1349 this section is voidable by the purchaser within 3 days after
1350 the first tender of consideration is made by such purchaser to

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

1364 Section 5. Section 517.0612, Florida Statutes, is created
 1365 to read:

1366 517.0612 Florida Invest Local Exemption.-

1367 (1) This section may be cited as the "Florida Invest Local
 1368 Exemption."

1369 (2) The registration provisions of s. 517.07 do not apply
 1370 to a securities transaction conducted in accordance with this
 1371 section; however, such transaction is subject to s. 517.301.

1372 (3) The offer or sale of securities under this section
 1373 must meet the requirements of the federal exemption for
 1374 intrastate offerings in s. 3(a)(11) of the Securities Act of
 1375 1933, Securities and Exchange Commission Rule 147, or Securities

1376 and Exchange Commission Rule 147A, as amended.

1377 (4) The issuer must be a for-profit business entity

1378 registered with the Department of State which has its principal

1379 place of business in this state. The issuer may not be, before

1380 or as a result of the offering:

1381 (a) An investment company as defined in the Investment

1382 Company Act of 1940, as amended;

1383 (b) Subject to the reporting requirements of the

1384 Securities and Exchange Act of 1934, as amended;

1385 (c) A business entity that has an undefined business

1386 operation, lacks a business plan, lacks a stated investment goal

1387 for the funds being raised, or plans to engage in a merger or

1388 acquisition with an unspecified business entity; or

1389 (d) Subject to a disqualification as provided in s.

1390 517.0616.

1391 (5) The sum of all cash and other consideration received

1392 from all sales of the securities in reliance upon the exemption

1393 under this section may not exceed \$500,000, less the aggregate

1394 amount received for all sales of securities by the issuer within

1395 the 12 months before the first offer or sale made in reliance on

1396 this exemption.

1397 (6) (a) The issuer may not accept more than \$10,000 from

1398 any single purchaser unless any of the following apply:

1399 1. The issuer reasonably believes that the purchaser is an

1400 accredited investor.

1401 2. The purchaser is an officer, director, partner, or
1402 trustee, or an individual occupying a similar status or
1403 performing similar functions, of the issuer.

1404 3. The purchaser is an owner of 10 percent or more of the
1405 issuer's outstanding equity.

1406 (b) For purposes of this subsection, the following persons
1407 must be treated collectively as a single purchaser:

1408 1. Any spouse or child of the purchaser or any related
1409 family member who has the same primary residence as the
1410 purchaser.

1411 2. Any business entity of which the purchaser and any
1412 person related to the purchaser as provided in subparagraph 1.
1413 collectively own more than 50 percent of the equity interest.

1414 (7) The issuer may engage in general advertising and
1415 general solicitation of the offering. Any general advertising or
1416 other general announcement must state that the offer is limited
1417 and open only to residents of this state. Any oral or written
1418 statements in advertising or solicitation of the offer which
1419 contain a material misstatement, or which fail to disclose
1420 material information, are subject to enforcement under this
1421 chapter.

1422 (8) A purchaser must receive, at least 3 business days
1423 before any binding commitment to purchase or consideration paid,
1424 a disclosure statement that provides material information
1425 regarding the issuer, including, but not limited to, all of the

1426 following information:

1427 (a) The issuer's name, type of entity, and contact
1428 information.

1429 (b) The name and contact information of each director,
1430 officer, or other manager of the issuer.

1431 (c) A description of the issuer's business.

1432 (d) A description of the security being offered.

1433 (e) The total amount of the offering.

1434 (f) The intended use of proceeds from the sale of the
1435 securities.

1436 (g) The target offering amount.

1437 (h) A statement that if the target offering amount is not
1438 obtained in cash or in the value of other tangible consideration
1439 received on a date that is no more than 180 days after the
1440 commencement of the offering, the offering will be terminated,
1441 and any funds or other consideration received from purchasers
1442 must be promptly returned.

1443 (i) A statement that the security being offered is not
1444 registered under federal or state securities laws and that the
1445 securities are subject to the limitation on resale contained in
1446 Securities and Exchange Commission Rule 147 or Rule 147A.

1447 (j) The names and addresses of all persons who will be
1448 involved in the offer and sale of securities on behalf of the
1449 issuer.

1450 (k) The name of the bank or other depository institution

1451 into which investor funds will be deposited.

1452 (1) The following statement in boldface, conspicuous type:

1453
 1454 Neither the Securities and Exchange Commission nor any
 1455 state securities commission has approved or
 1456 disapproved these securities or determined that this
 1457 disclosure statement is truthful or complete. Any
 1458 representation to the contrary is a criminal offense.

1459
 1460 (9) All funds received from investors must be deposited
 1461 into a bank or depository institution authorized to do business
 1462 in this state. The issuer may not withdraw any amount of the
 1463 offering proceeds unless the target offering amount has been
 1464 received.

1465 (10) The issuer must file a notice of the offering with
 1466 the office, in writing or in electronic form, in a format
 1467 prescribed by commission rule, no less than 5 business days
 1468 before the offering commences, along with the disclosure
 1469 statement described in subsection (8). If there are any material
 1470 changes to the information previously submitted, the issuer,
 1471 within 3 business days after such material change, must file an
 1472 amended notice.

1473 (11) An individual, entity, or entity employee who acts as
 1474 an agent for the issuer in the offer or sale of securities and
 1475 is not registered as a dealer under this chapter may not do

1476 either of the following:

1477 (a) Receive compensation based upon the solicitation of
 1478 purchases, sales, or offers to purchase the securities.

1479 (b) Take custody of investor funds or securities.

1480 (12) Any sale made pursuant to the exemption created under
 1481 this section is voidable by the purchaser within 3 days after
 1482 the first tender of consideration is made by such purchaser to
 1483 the issuer by notifying the issuer that the purchaser expressly
 1484 voids the purchase. The purchaser's notice to the issuer must be
 1485 sent by e-mail to the issuer's e-mail address set forth in the
 1486 disclosure statement that is provided to a purchaser or the
 1487 purchaser's representative or by hand delivery, courier service,
 1488 or other method by which written proof of delivery to the issuer
 1489 of the purchaser's election to rescind the purchase is
 1490 evidenced.

1491 Section 6. Section 517.0613, Florida Statutes, is created
 1492 to read:

1493 517.0613 Failure to comply with a securities registration
 1494 exemption.—

1495 (1) Failure to meet the requirements for any exemption
 1496 from securities registration does not preclude the issuer from
 1497 claiming the availability of any other applicable state or
 1498 federal exemption.

1499 (2) The exemptions created under ss. 517.061, 517.0611,
 1500 and 517.0612 are not available to an issuer for any transaction

1501 or series of transactions that, although in technical compliance
 1502 with the applicable provisions, is part of a plan or scheme to
 1503 evade the registration provisions of s. 517.07, and registration
 1504 under s. 517.07 is required in connection with such
 1505 transactions.

1506 Section 7. Section 517.0614, Florida Statutes, is created
 1507 to read:

1508 517.0614 Integration of offerings.-

1509 (1) If the safe harbors in subsection (2) do not apply, in
 1510 determining whether two or more offerings are to be treated as
 1511 one for the purpose of registration or qualifying for an
 1512 exemption from registration under this chapter, offers and sales
 1513 may not be integrated if, based on the particular facts and
 1514 circumstances, the issuer can establish either that each
 1515 offering complies with the registration requirements of this
 1516 chapter, or that an exemption from registration is available for
 1517 the particular offering, provided that any transaction or series
 1518 of transactions that, although in technical compliance with this
 1519 chapter, is part of a plan or scheme to evade the registration
 1520 requirements of this chapter will not have the effect of
 1521 avoiding integration. In making this determination:

1522 (a) For an exempt offering prohibiting general
 1523 solicitation, the issuer must have a reasonable belief, based on
 1524 the facts and circumstances, with respect to each purchaser in
 1525 the exempt offering prohibiting general solicitation, that the

1526 issuer or any person acting on the issuer's behalf:

1527 1. Did not solicit such purchaser through the use of
1528 general solicitation; or

1529 2. Established a substantive relationship with such
1530 purchaser before the commencement of the exempt offering
1531 prohibiting general solicitation, provided that a purchaser
1532 previously solicited through the use of general solicitation is
1533 not deemed to have been solicited through the use of general
1534 solicitation in the current offering if, during the 45 calendar
1535 days following such previous general solicitation:

1536 a. No offer or sale of the same or similar class of
1537 securities has been made by or on behalf of the issuer,
1538 including to such purchaser; and

1539 b. The issuer or any person acting on the issuer's behalf
1540 has not solicited such purchaser through the use of general
1541 solicitation for any other security.

1542 (b) For two or more concurrent exempt offerings permitting
1543 general solicitation, in addition to satisfying the requirements
1544 of the particular exemption relied on, general solicitation
1545 offering materials for one offering that includes information
1546 about the material terms of a concurrent offering under another
1547 exemption may constitute an offer of securities in such other
1548 offering, and therefore the offer must comply with all the
1549 requirements for, and restrictions on, offers under the
1550 exemption being relied on for such other offering, including any

1551 legend requirements and communications restrictions.

1552 (2) The integration analysis required by subsection (1) is
1553 not required if any of the following nonexclusive safe harbors
1554 apply:

1555 (a) An offering commenced more than 30 calendar days
1556 before the commencement of any other offering, or more than 30
1557 calendar days after the termination or completion of any other
1558 offering, may not be integrated with such other offering,
1559 provided that for an exempt offering for which general
1560 solicitation is not permitted which follows by 30 calendar days
1561 or more an offering that allows general solicitation, paragraph
1562 (1)(a) applies.

1563 (b) Offers and sales made in compliance with any of the
1564 following provisions are not subject to integration with other
1565 offerings:

1566 1. Section 517.051 or s. 517.061, except s. 517.061(9),
1567 (10), or (11).

1568 2. Section 517.0611 or s. 517.0612.

1569 Section 8. Section 517.0615, Florida Statutes, is created
1570 to read:

1571 517.0615 Solicitations of interest.-

1572 (1) A communication may not be deemed to constitute
1573 general solicitation or general advertising if the communication
1574 is made in connection with a seminar or meeting in which more
1575 than one issuer participates and which is sponsored by a

1576 college, a university, or another institution of higher
1577 education; a state or local government or an instrumentality
1578 thereof; a nonprofit chamber of commerce or other nonprofit
1579 organization; or an angel investor group, incubator, or
1580 accelerator, if all of the following apply:

1581 (a) Advertising for the seminar or meeting does not
1582 reference a specific offering of securities by the issuer.

1583 (b) The sponsor of the seminar or meeting does not do any
1584 of the following:

1585 1. Make investment recommendations or provide investment
1586 advice to attendees of the seminar or meeting.

1587 2. Engage in any investment negotiations between the
1588 issuer and investors attending the seminar or meeting.

1589 3. Charge attendees of the seminar or meeting any fees,
1590 other than reasonable administrative fees.

1591 4. Receive any compensation for making introductions
1592 between seminar or meeting attendees and issuers or for
1593 investment negotiations between such parties.

1594 5. Receive any compensation with respect to the seminar or
1595 meeting, which compensation would require registration or
1596 notice-filing under this chapter, the Securities Exchange Act of
1597 1934, 15 U.S.C. ss. 78a et seq., as amended, or the Investment
1598 Advisers Act of 1940, 15 U.S.C. s. 80b-1 et seq., as amended.

1599 The sponsorship of or participation in the seminar or meeting
1600 does not by itself require registration or notice-filing under

1601 this chapter.

1602 (c) The type of information regarding an offering of
1603 securities by the issuer which is communicated or distributed by
1604 or on behalf of the issuer in connection with the seminar or
1605 meeting is limited to a notification that the issuer is in the
1606 process of offering or planning to offer securities, the type
1607 and amount of securities being offered, the intended use of
1608 proceeds of the offering, and the unsubscribed amount in an
1609 offering.

1610 (d) If the event allows attendees to participate
1611 virtually, rather than in person, online participation in the
1612 event is limited to:

1613 1. Individuals that are members of, or otherwise
1614 associated with, the sponsor organization;

1615 2. Individuals that the sponsor reasonably believes are
1616 accredited investors; or

1617 3. Individuals that have been invited to the event by the
1618 sponsor based on industry or investment-related experience
1619 reasonably selected by the sponsor in good faith and disclosed
1620 in the public communications about the event.

1621 (2) Before any offers or sales are made in connection with
1622 an offering, communications by an issuer or any person
1623 authorized to act on behalf of the issuer are not deemed to
1624 constitute general solicitation or general advertising if the
1625 communication is solely for the purpose of determining whether

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

1632 (a) The communication must state all of the following:

1633 1. Money or other consideration is not being solicited
1634 and, if sent in response, will not be accepted.

1635 2. Any offer to buy the securities will not be accepted,
1636 and no part of the purchase price will be accepted.

1637 3. A person's indication of interest does not involve
1638 obligation or commitment of any kind.

1639 (b) Any written communication under this subsection may
1640 include a means by which a person may indicate to the issuer
1641 that the person is interested in a potential offering. The
1642 issuer may require the name, address, telephone number, or e-
1643 mail address in any response form included in the written
1644 communication under this paragraph.

1645 (c) A communication in accordance with this subsection is
1646 not subject to s. 501.059, regarding telephone solicitations.

1647 Section 9. Section 517.0616, Florida Statutes, is created
1648 to read:

1649 517.0616 Disqualification.—A registration exemption under
1650 s. 517.061(9), (10), or (11); s. 517.0611; or s. 517.0612 is not

1651 available to an issuer that would be disqualified under
1652 Securities and Exchange Commission Rule 506(d), 17 C.F.R. s.
1653 230.506(d), as amended, at the time the issuer makes an offer
1654 for the sale of a security.

1655 Section 10. Present subsections (4) through (8) of section
1656 517.081, Florida Statutes, are redesignated as subsections (6)
1657 through (10), respectively, new subsections (4) and (5) are
1658 added to that section, and subsection (2), paragraph (g) of
1659 subsection (3), and present subsection (7) of that section are
1660 amended, to read:

1661 517.081 Registration procedure.—

1662 (2) The office shall receive and act upon applications for
1663 the registration of ~~to have securities registered, and the~~
1664 ~~commission may prescribe forms on which it may require such~~
1665 ~~applications to be submitted.~~ Applications must ~~shall~~ be duly
1666 signed by the applicant, sworn to by any person having knowledge
1667 of the facts, and filed with the office. ~~The commission may~~
1668 ~~establish, by rule, procedures for depositing fees and filing~~
1669 ~~documents by electronic means provided such procedures provide~~
1670 ~~the office with the information and data required by this~~
1671 ~~section.~~ An application may be made either by the issuer of the
1672 securities for which registration is applied or by any
1673 registered dealer desiring to sell such securities ~~the same~~
1674 within the state.

1675 (3) The office may require the applicant to submit to the

1676 office the following information concerning the issuer and such
 1677 other relevant information as the office may in its judgment
 1678 deem necessary to enable it to ascertain whether such securities
 1679 shall be registered pursuant to the provisions of this section:

1680 (g)~~1~~. A specimen copy of the securities certificate, if
 1681 applicable, and a copy of any circular, prospectus,
 1682 advertisement, or other description of such securities.

1683 ~~2. The commission shall adopt a form for a simplified~~
 1684 ~~offering circular to register, under this section, securities~~
 1685 ~~that are sold in offerings in which the aggregate offering price~~
 1686 ~~in any consecutive 12-month period does not exceed the amount~~
 1687 ~~provided in s. 3(b) of the Securities Act of 1933, as amended.~~
 1688 ~~The following issuers shall not be eligible to submit a~~
 1689 ~~simplified offering circular adopted pursuant to this~~
 1690 ~~subparagraph:~~

1691 ~~a. An issuer seeking to register securities for resale by~~
 1692 ~~persons other than the issuer.~~

1693 ~~b. An issuer that is subject to any of the~~
 1694 ~~disqualifications described in 17 C.F.R. s. 230.262, adopted~~
 1695 ~~pursuant to the Securities Act of 1933, as amended, or that has~~
 1696 ~~been or is engaged or is about to engage in an activity that~~
 1697 ~~would be grounds for denial, revocation, or suspension under s.~~
 1698 ~~517.111. For purposes of this subparagraph, an issuer includes~~
 1699 ~~an issuer's director, officer, general partner, manager or~~
 1700 ~~managing member, trustee, or equity owner who owns at least 10~~

1701 ~~percent of the ownership interests of the issuer, promoter, or~~
1702 ~~selling agent of the securities to be offered or any officer,~~
1703 ~~director, partner, or manager or managing member of such selling~~
1704 ~~agent.~~

1705 ~~e. An issuer that is a development-stage company that~~
1706 ~~either has no specific business plan or purpose or has indicated~~
1707 ~~that its business plan is to merge with an unidentified company~~
1708 ~~or companies.~~

1709 ~~d. An issuer of offerings in which the specific business~~
1710 ~~or properties cannot be described.~~

1711 ~~e. Any issuer the office determines is ineligible because~~
1712 ~~the form does not provide full and fair disclosure of material~~
1713 ~~information for the type of offering to be registered by the~~
1714 ~~issuer.~~

1715 ~~f. Any issuer that has failed to provide the office the~~
1716 ~~reports required for a previous offering registered pursuant to~~
1717 ~~this subparagraph.~~

1718
1719 ~~As a condition precedent to qualifying for use of the simplified~~
1720 ~~offering circular, an issuer shall agree to provide the office~~
1721 ~~with an annual financial report containing a balance sheet as of~~
1722 ~~the end of the issuer's fiscal year and a statement of income~~
1723 ~~for such year, prepared in accordance with United States~~
1724 ~~generally accepted accounting principles and accompanied by an~~
1725 ~~independent accountant's report. If the issuer has more than 100~~

1726 ~~security holders at the end of a fiscal year, the financial~~
1727 ~~statements must be audited. Annual financial reports must be~~
1728 ~~filed with the office within 90 days after the close of the~~
1729 ~~issuer's fiscal year for each of the first 5 years following the~~
1730 ~~effective date of the registration.~~

1731 (4) The commission may, by rule:

1732 (a) Establish criteria relating to the issuance of equity
1733 securities, debt securities, insurance company securities, real
1734 estate investment trusts, oil and gas investments, and other
1735 investments. In establishing these criteria, the commission may
1736 consider the rules and regulations of the Securities and
1737 Exchange Commission and statements of policy by the North
1738 American Securities Administrators Association, Inc., relating
1739 to the registration of securities offerings. The criteria must
1740 include all of the following:

1741 1. The promoter's equity investment ratio.

1742 2. The financial condition of the issuer.

1743 3. The voting rights of shareholders.

1744 4. The grant of options or warrants to underwriters and
1745 others.

1746 5. Loans and other transactions with affiliates of the
1747 issuer.

1748 6. The use, escrow, or refund of proceeds of the offering.

1749 (b) Prescribe forms requiring applications for the
1750 registration of securities to be submitted to the office,

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

1756 (c) Establish procedures for depositing fees and filing
1757 documents by electronic means, provided that such procedures
1758 provide the office with the information and data required by
1759 this section.

1760 (d) Establish requirements and standards for the filing,
1761 content, and circulation of a preliminary, final, or amended
1762 prospectus, advertisements, and other sales literature. In
1763 establishing such requirements and standards, the commission
1764 shall consider the rules and regulations of the Securities and
1765 Exchange Commission relating to requirements for preliminary,
1766 final, or amended or supplemented prospectuses and the rules of
1767 the Financial Industry Regulatory Authority relating to
1768 advertisements and sales literature.

1769 (5) All of the following issuers are not eligible to
1770 submit a simplified offering circular:

1771 (a) An issuer that is subject to any of the
1772 disqualifications described in Securities and Exchange
1773 Commission Rule 262, 17 C.F.R. s. 230.262, as amended, or that
1774 has been or is engaged or is about to engage in an activity that
1775 would be grounds for denial, revocation, or suspension under s.

1776 517.111. For purposes of this paragraph, an issuer includes an
 1777 issuer's director, officer, general partner, manager or managing
 1778 member, trustee, or a person owning at least 10 percent of the
 1779 ownership interests of the issuer; a promoter or selling agent
 1780 of the securities to be offered; or any officer, director,
 1781 partner, or manager or managing member of such selling agent.

1782 (b) An issuer that is a development-stage company that
 1783 either has no specific business plan or purpose or has indicated
 1784 that its business plan is to merge with an unidentified business
 1785 entity or entities.

1786 (c) An issuer of offerings in which the specific business
 1787 or properties cannot be described.

1788 (d) An issuer that the office determines is ineligible
 1789 because the simplified circular does not provide full and fair
 1790 disclosure of material information for the type of offering to
 1791 be registered by the issuer.

1792 (9)(a)-(7) The office shall record the registration of a
 1793 security in the register of securities if, upon examination of
 1794 an ~~any~~ application, it finds that all of the following
 1795 requirements are met: ~~the office~~

- 1796 1. The application is complete.
- 1797 2. The fee imposed in subsection (8) has been paid.
- 1798 3. The sale of the security would not be fraudulent and
 1799 would not work or tend to work a fraud upon the purchaser.
- 1800 4. The terms of the sale of such securities would be fair,

1801 just, and equitable.

1802 5. The enterprise or business of the issuer is not based
1803 upon unsound business principles.

1804 (b) Upon registration, the security may be sold by the
1805 issuer or any registered dealer, subject, however, to the
1806 further order of the office ~~shall find that the sale of the~~
1807 ~~security referred to therein would not be fraudulent and would~~
1808 ~~not work or tend to work a fraud upon the purchaser, that the~~
1809 ~~terms of the sale of such securities would be fair, just, and~~
1810 ~~equitable, and that the enterprise or business of the issuer is~~
1811 ~~not based upon unsound business principles, it shall record the~~
1812 ~~registration of such security in the register of securities; and~~
1813 ~~thereupon such security so registered may be sold by any~~
1814 ~~registered dealer, subject, however, to the further order of the~~
1815 ~~office. In order to determine if an offering is fair, just, and~~
1816 ~~equitable, the commission may by rule establish requirements and~~
1817 ~~standards for the filing, content, and circulation of any~~
1818 ~~preliminary, final, or amended prospectus and other sales~~
1819 ~~literature and may by rule establish merit qualification~~
1820 ~~criteria relating to the issuance of equity securities, debt~~
1821 ~~securities, insurance company securities, real estate investment~~
1822 ~~trusts, and other traditional and nontraditional investments,~~
1823 ~~including, but not limited to, oil and gas investments. The~~
1824 ~~criteria may include such elements as the promoter's equity~~
1825 ~~investment ratio, the financial condition of the issuer, the~~

1826 ~~voting rights of shareholders, the grant of options or warrants~~
1827 ~~to underwriters and others, loans and other affiliated~~
1828 ~~transaction, the use or refund of proceeds of the offering, and~~
1829 ~~such other relevant criteria as the office in its judgment may~~
1830 ~~deem necessary to such determination.~~

1831 Section 11. Subsection (2) of section 517.101, Florida
1832 Statutes, is amended to read:

1833 517.101 Consent to service.—

1834 (2) Any such action must ~~shall~~ be brought either in the
1835 county of the plaintiff's residence or in the county in which
1836 the office has its official headquarters. The written consent
1837 must ~~shall~~ be authenticated by the seal of the ~~said~~ issuer, if
1838 it has a seal, and by the acknowledged signature of a director,
1839 manager, managing member, general partner, trustee, or officer
1840 of the issuer ~~member of the copartnership or company, or by the~~
1841 ~~acknowledged signature of any officer of the incorporated or~~
1842 ~~unincorporated association, if it be an incorporated or~~
1843 ~~unincorporated association, duly authorized by resolution of the~~
1844 ~~board of directors, trustees, or managers of the corporation or~~
1845 ~~association, and~~ must ~~shall~~ in such case be accompanied by a
1846 duly certified copy of the resolution of the issuer's board of
1847 directors, trustees, managers, managing members, or general
1848 partners ~~or managers of the corporation or association,~~
1849 authorizing the signer to execute the consent ~~officers to~~
1850 ~~execute the same.~~ In case any process or pleadings mentioned in

1851 | this chapter are served upon the office, service must ~~it shall~~
 1852 | be by duplicate copies, one of which must ~~shall~~ be filed in the
 1853 | office and the other ~~another~~ immediately forwarded by the office
 1854 | by registered mail to the principal office of the issuer against
 1855 | which the ~~said~~ process or pleadings are directed.

1856 | Section 12. Section 517.131, Florida Statutes, is amended
 1857 | to read:

1858 | 517.131 Securities Guaranty Fund.—

1859 | (1) As used in this section, the term "final judgment"
 1860 | includes an arbitration award confirmed by a court of competent
 1861 | jurisdiction.

1862 | (2)(a) The Chief Financial Officer shall establish a
 1863 | Securities Guaranty Fund to provide monetary relief to victims
 1864 | of securities violations under this chapter who are entitled to
 1865 | monetary damages or restitution and cannot recover the full
 1866 | amount of such monetary damages or restitution from the
 1867 | wrongdoer. An amount not exceeding 20 percent of all revenues
 1868 | received as assessment fees pursuant to s. 517.12(9) and (10)
 1869 | for dealers and investment advisers or s. 517.1201 for federal
 1870 | covered advisers and an amount not exceeding 10 percent of all
 1871 | revenues received as assessment fees pursuant to s. 517.12(9)
 1872 | and (10) for associated persons must ~~shall~~ be part of the
 1873 | regular registration ~~license~~ fee and must ~~shall~~ be transferred
 1874 | to or deposited in the Securities Guaranty Fund.

1875 | (b) If the balance in the Securities Guaranty Fund at any

1876 | time exceeds \$1.5 million, transfer of assessment fees to the
 1877 | ~~this~~ fund must ~~shall~~ be discontinued at the end of that
 1878 | registration ~~license~~ year, and transfer of such assessment fees
 1879 | may ~~shall~~ not resume ~~be resumed~~ unless the fund balance is
 1880 | reduced below \$1 million by disbursement made in accordance with
 1881 | s. 517.141.

1882 | ~~(2) The Securities Guaranty Fund shall be disbursed as~~
 1883 | ~~provided in s. 517.141 to a person who is adjudged by a court of~~
 1884 | ~~competent jurisdiction to have suffered monetary damages as a~~
 1885 | ~~result of any of the following acts committed by a dealer,~~
 1886 | ~~investment adviser, or associated person who was licensed under~~
 1887 | ~~this chapter at the time the act was committed:~~

1888 | ~~(a) A violation of s. 517.07.~~

1889 | ~~(b) A violation of s. 517.301.~~

1890 | (3) A Any person is eligible for payment ~~to seek recovery~~
 1891 | from the Securities Guaranty Fund if:

1892 | (a) The act for which recovery is sought occurred on or
 1893 | after October 1, 2024, and the person:

1894 | 1. Holds an unsatisfied final judgment in which a
 1895 | wrongdoer was found to have violated s. 517.07 or s. 517.301;

1896 | 2. Has applied any amount recovered from the judgment
 1897 | debtor or any other source to the damages awarded by the court
 1898 | or arbitrator; and

1899 | 3. Is a natural person who was a resident of this state,
 1900 | or is a business entity that was domiciled in this state, at the

1901 time of the violation of s. 517.07 or s. 517.301; or
 1902 (b) The person is a receiver appointed pursuant to s.
 1903 517.191(2) by a court of competent jurisdiction for a wrongdoer
 1904 ordered to pay restitution under s. 517.191(3) as a result of a
 1905 violation of s. 517.07 or s. 517.301 which has requested payment
 1906 from the Securities Guaranty Fund on behalf of a person eligible
 1907 for payment under paragraph (a)
 1908 ~~(a) Such person has received final judgment in a court of~~
 1909 ~~competent jurisdiction in any action wherein the cause of action~~
 1910 ~~was based on a violation of those sections referred to in~~
 1911 ~~subsection (2).~~
 1912 ~~(b) Such person has made all reasonable searches and~~
 1913 ~~inquiries to ascertain whether the judgment debtor possesses~~
 1914 ~~real or personal property or other assets subject to being sold~~
 1915 ~~or applied in satisfaction of the judgment, and by her or his~~
 1916 ~~search the person has discovered no property or assets; or she~~
 1917 ~~or he has discovered property and assets and has taken all~~
 1918 ~~necessary action and proceedings for the application thereof to~~
 1919 ~~the judgment, but the amount thereby realized was insufficient~~
 1920 ~~to satisfy the judgment. To verify compliance with such~~
 1921 ~~condition, the office may require such person to have a writ of~~
 1922 ~~execution be issued upon such judgment, may require a showing~~
 1923 ~~that no personal or real property of the judgment debtor liable~~
 1924 ~~to be levied upon in complete satisfaction of the judgment can~~
 1925 ~~be found, or may require an affidavit from the claimant setting~~

1926 ~~forth the reasonable searches and inquiries undertaken and the~~
 1927 ~~result of those searches and inquiries.~~

1928 ~~(c) Such person has applied any amounts recovered from the~~
 1929 ~~judgment debtor, or from any other source, to the damages~~
 1930 ~~awarded by the court.~~

1931 ~~(d) The act for which recovery is sought occurred on or~~
 1932 ~~after January 1, 1979.~~

1933 ~~(e) The office waives compliance with the requirements of~~
 1934 ~~paragraph (a) or paragraph (b). The office may waive such~~
 1935 ~~compliance if the dealer, investment adviser, or associated~~
 1936 ~~person which is the subject of the claim filed with the office~~
 1937 ~~is the subject of any proceeding in which a receiver has been~~
 1938 ~~appointed by a court of competent jurisdiction. If the office~~
 1939 ~~waives such compliance, the office may, upon petition by the~~
 1940 ~~debtor or the court-appointed trustee, examiner, or receiver,~~
 1941 ~~distribute funds from the Securities Guaranty Fund up to the~~
 1942 ~~amount allowed under s. 517.141. Any waiver granted pursuant to~~
 1943 ~~this section shall be considered a judgment for purposes of~~
 1944 ~~complying with the requirements of this section and of s.~~
 1945 ~~517.141.~~

1946 (4) A person who has done any of the following is not
 1947 eligible for payment from the Securities Guaranty Fund:

1948 (a) Participated or assisted in a violation of this
 1949 chapter.

1950 (b) Attempted to commit or committed a violation of this

1951 | chapter.

1952 | (c) Profited from a violation of this chapter.

1953 | (5) An eligible person, or a receiver on behalf of the

1954 | eligible person, seeking payment from the Securities Guaranty

1955 | Fund must file with the office a written application on a form

1956 | that the commission may prescribe by rule. The commission may

1957 | adopt by rule procedures for filing documents by electronic

1958 | means, provided that such procedures provide the office with the

1959 | information and data required by this section. The application

1960 | must be filed with the office within 1 year after the date of

1961 | the final judgment, the date on which a restitution order has

1962 | been ripe for execution, or the date of any appellate decision

1963 | thereon, and, at minimum, must contain all of the following

1964 | information:

1965 | (a) The eligible person's and, if applicable, the

1966 | receiver's full name, address, and contact information.

1967 | (b) The person ordered to pay restitution.

1968 | (c) If the eligible person is a business entity, the

1969 | eligible person's type and place of organization and, as

1970 | applicable, a copy, as amended, of its articles of

1971 | incorporation, articles of organization, trust agreement, or

1972 | partnership agreement.

1973 | (d) Any final judgment and a copy thereof.

1974 | (e) Any restitution order pursuant to s. 517.191(3), and a

1975 | copy thereof.

1976 (f) An affidavit from the eligible person stating either
1977 one of the following:

1978 1. That the eligible person has made all reasonable
1979 searches and inquiries to ascertain whether the judgment debtor
1980 possesses real or personal property or other assets subject to
1981 being sold or applied in satisfaction of the final judgment and,
1982 by the eligible person's search, that the eligible person has
1983 not discovered any property or assets.

1984 2. That the eligible person has taken necessary action on
1985 the property and assets of the wrongdoers but the final judgment
1986 remains unsatisfied.

1987 (g) If the application is filed by the receiver, an
1988 affidavit from the receiver stating the amount of restitution
1989 owed to the eligible person on whose behalf the claim is filed;
1990 the amount of any money, property, or assets paid to the
1991 eligible person on whose behalf the claim is filed by the person
1992 over whom the receiver is appointed; and the amount of any
1993 unsatisfied portion of any eligible person's order of
1994 restitution.

1995 (h) The eligible person's residence or domicile at the
1996 time of the violation of s. 517.07 or s. 517.301 which resulted
1997 in the eligible person's monetary damages.

1998 (i) The amount of any unsatisfied portion of the eligible
1999 person's final judgment.

2000 (j) Whether an appeal or motion to vacate an arbitration

2001 award has been filed.

2002 (6) If the office finds that a person is eligible for
 2003 payment from the Securities Guaranty Fund and if the person has
 2004 complied with this section and the rules adopted under this
 2005 section, the office must approve payment to such person from the
 2006 fund. Within 90 days after the office's receipt of a complete
 2007 application, each eligible person or receiver must be given
 2008 written notice, personally or by mail, that the office intends
 2009 to approve or deny, or has approved or denied, the application
 2010 for payment from the Securities Guaranty Fund.

2011 (7) Upon receipt by the eligible person or receiver of
 2012 notice of the office's decision that the eligible person's or
 2013 receiver's application for payment from the Securities Guaranty
 2014 Fund is approved, and before any disbursement, the eligible
 2015 person shall assign to the office on a form prescribed by
 2016 commission rule all right, title, and interest in the final
 2017 judgment or order of restitution equal to the amount of such
 2018 payment.

2019 (8) The office shall deem an application for payment from
 2020 the Securities Guaranty Fund abandoned if the eligible person or
 2021 receiver, or any person acting on behalf of the eligible person
 2022 or receiver, fails to timely complete the application as
 2023 prescribed by commission rule. The time period to complete an
 2024 application must be tolled during the pendency of an appeal or
 2025 motion to vacate an arbitration award.

2026 ~~(4) Any person who files an action that may result in the~~
 2027 ~~disbursement of funds from the Securities Guaranty Fund pursuant~~
 2028 ~~to the provisions of s. 517.141 shall give written notice by~~
 2029 ~~certified mail to the office as soon as practicable after such~~
 2030 ~~action has been filed. The failure to give such notice shall not~~
 2031 ~~bar a payment from the Securities Guaranty Fund if all of the~~
 2032 ~~conditions specified in subsection (3) are satisfied.~~

2033 ~~(5) The commission may adopt rules pursuant to ss.~~
 2034 ~~120.536(1) and 120.54 specifying the procedures for complying~~
 2035 ~~with subsections (2), (3), and (4), including rules for the form~~
 2036 ~~of submission and guidelines for the sufficiency and content of~~
 2037 ~~submissions of notices and claims.~~

2038 Section 13. Section 517.141, Florida Statutes, is amended
 2039 to read:

2040 517.141 Payment from the fund.—

2041 (1) As used in this section, the term:

2042 (a) "Claimant" means a person determined eligible for
 2043 payment under s. 517.131 that is approved by the office for
 2044 payment from the Securities Guaranty Fund.

2045 (b) "Final judgment" includes an arbitration award
 2046 confirmed by a court of competent jurisdiction.

2047 (c) "Specified adult" has the same meaning as in s.
 2048 517.34(1).

2049 (2) A claimant is entitled to disbursement from the
 2050 Securities Guaranty Fund in the amount equal to the lesser of:

2051 (a) The unsatisfied portion of the claimant's final
 2052 judgment or final order of restitution, but only to the extent
 2053 that the final judgment or final order of restitution reflects
 2054 actual or compensatory damages, excluding postjudgment interest,
 2055 costs, and attorney fees; or

2056 (b)1. The sum of \$15,000; or

2057 2. If the claimant is a specified adult or if a specified
 2058 adult is a beneficial owner or beneficiary of the claimant, the
 2059 sum of \$25,000 ~~Any person who meets all of the conditions~~
 2060 ~~prescribed in s. 517.131 may apply to the office for payment to~~
 2061 ~~be made to such person from the Securities Guaranty Fund in the~~
 2062 ~~amount equal to the unsatisfied portion of such person's~~
 2063 ~~judgment or \$10,000, whichever is less, but only to the extent~~
 2064 ~~and amount reflected in the judgment as being actual or~~
 2065 ~~compensatory damages, excluding postjudgment interest, costs,~~
 2066 ~~and attorney's fees.~~

2067 (3)(2) ~~Regardless of the number of claims or claimants~~
 2068 ~~involved, payments for claims are shall be limited in the~~
 2069 ~~aggregate to \$250,000 \$100,000 against any one dealer,~~
 2070 ~~investment adviser, or associated person. If the total claim~~
 2071 ~~filed by a receiver on behalf of multiple claimants exceeds~~
 2072 ~~elaims exceed the aggregate limit of \$250,000 \$100,000, the~~
 2073 ~~office must shall prorate the payment to each claimant based~~
 2074 ~~upon the ratio that each claimant's individual ~~the person's~~~~
 2075 ~~claim bears to the total claim ~~elaims~~ filed.~~

2076 (4) If at any time the balance in the Securities Guaranty
2077 Fund is insufficient to satisfy a valid claim or portion of a
2078 valid claim approved by the office, the office must satisfy the
2079 unpaid claim or portion of the valid claim as soon as a
2080 sufficient amount of money has been deposited into or
2081 transferred to the Securities Guaranty Fund. If more than one
2082 unsatisfied claim is outstanding, the claims must be paid in the
2083 sequence in which the claims were approved by final order of the
2084 office, which final order is not subject to an appeal or other
2085 pending proceeding.

2086 (5) All payments and disbursements made from the
2087 Securities Guaranty Fund must be made by the Chief Financial
2088 Officer, or his or her designee, upon authorization by the
2089 office. The office shall submit such authorization within 30
2090 days after the approval of an eligible person for payment from
2091 the Securities Guaranty Fund

2092 ~~(3) No payment shall be made on any claim against any one~~
2093 ~~dealer, investment adviser, or associated person before the~~
2094 ~~expiration of 2 years from the date any claimant is found by the~~
2095 ~~office to be eligible for recovery pursuant to this section. If~~
2096 ~~during this 2-year period more than one claim is filed against~~
2097 ~~the same dealer, investment adviser, or associated person, or if~~
2098 ~~the office receives notice pursuant to s. 517.131(4) that an~~
2099 ~~action against the same dealer, investment adviser, or~~
2100 ~~associated person is pending, all such claims and notices of~~

2101 ~~pending claims received during this period against the same~~
2102 ~~dealer, investment adviser, or associated person may be handled~~
2103 ~~by the office as provided in this section. Two years after the~~
2104 ~~first claimant against that same dealer, investment adviser, or~~
2105 ~~associated person applies for payment pursuant to this section:~~

2106 ~~(a) The office shall determine those persons eligible for~~
2107 ~~payment or for potential payment in the event of a pending~~
2108 ~~action. All such persons may be entitled to receive their pro~~
2109 ~~rata shares of the fund as provided in this section.~~

2110 ~~(b) Those persons who meet all the conditions prescribed~~
2111 ~~in s. 517.131 and who have applied for payment pursuant to this~~
2112 ~~section will be entitled to receive their pro rata shares of the~~
2113 ~~total disbursement.~~

2114 ~~(c) Those persons who have filed notice with the office of~~
2115 ~~a pending claim pursuant to s. 517.131(4) but who are not yet~~
2116 ~~eligible for payment from the fund will be entitled to receive~~
2117 ~~their pro rata shares of the total disbursement once they have~~
2118 ~~complied with subsection (1). However, in the event that the~~
2119 ~~amounts they are eligible to receive pursuant to subsection (1)~~
2120 ~~are less than their pro rata shares as determined under this~~
2121 ~~section, any excess shall be distributed pro rata to those~~
2122 ~~persons entitled to disbursement under this subsection whose pro~~
2123 ~~rata shares of the total disbursement were less than the amounts~~
2124 ~~of their claims.~~

2125 ~~(6)-(4)~~ Individual claims filed by persons owning the same

CS/CS/HB 311

2024

2126 joint account, or claims arising ~~stemming~~ from any other type of
2127 account ~~maintained by a particular licensee~~ on which more than
2128 one name appears, must ~~shall~~ be treated as the claims of one
2129 eligible claimant with respect to payment from the Securities
2130 Guaranty Fund. If a claimant who has obtained a final judgment
2131 or final order of restitution that ~~which~~ qualifies for
2132 disbursement under s. 517.131 has maintained more than one
2133 account with the ~~dealer, investment adviser, or associated~~
2134 person who is the subject of the claims, for purposes of
2135 disbursement of the Securities Guaranty Fund, all such accounts,
2136 whether joint or individual, must ~~shall~~ be considered as one
2137 account and ~~shall~~ entitle such claimant to only one distribution
2138 from the fund ~~not to exceed the lesser of \$10,000 or the~~
2139 ~~unsatisfied portion of such claimant's judgment as provided in~~
2140 ~~subsection (1)~~. To the extent that a claimant obtains more than
2141 one final judgment or final order of restitution against a
2142 person ~~dealer, investment adviser, or one or more associated~~
2143 ~~persons~~ arising out of the same transactions, occurrences, or
2144 conduct or out of such ~~the dealer's, investment adviser's, or~~
2145 ~~associated~~ person's handling of the claimant's account, the
2146 final ~~such~~ judgments or final orders of restitution must ~~shall~~
2147 be consolidated for purposes of this section and ~~shall~~ entitle
2148 the claimant to only one disbursement from the fund ~~not to~~
2149 ~~exceed the lesser of \$10,000 or the unsatisfied portion of such~~
2150 ~~claimant's judgment as provided in subsection (1)~~.

Page 86 of 112

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

hb0311-02-c2

2151 (7)-(5) If the final judgment or final order of restitution
 2152 that gave rise to the claim is overturned in any appeal or in
 2153 any collateral proceeding, the claimant must ~~shall~~ reimburse the
 2154 Securities Guaranty Fund all amounts paid from the fund to the
 2155 claimant on the claim. If the claimant satisfies the final
 2156 judgment or final order of restitution ~~specified in s.~~
 2157 ~~517.131(3)(a)~~, the claimant must ~~shall~~ reimburse the Securities
 2158 Guaranty Fund all amounts paid from the fund to the claimant on
 2159 the claim. Such reimbursement must ~~shall~~ be paid to the
 2160 Department of Financial Services ~~office~~ within 60 days after the
 2161 final resolution of the appellate or collateral proceedings or
 2162 the satisfaction of the final judgment or order of restitution,
 2163 with the 60-day period commencing on the date the final order or
 2164 decision is entered in such proceedings.

2165 (8)-(6) If a claimant receives payments in excess of that
 2166 which is permitted under this chapter, the claimant must ~~shall~~
 2167 reimburse the Securities Guaranty Fund such excess within 60
 2168 days after the claimant receives such excess payment or after
 2169 the payment is determined to be in excess of that permitted by
 2170 law, whichever is later.

2171 (9) A claimant who knowingly and willfully files or causes
 2172 to be filed an application under s. 517.131 or documents
 2173 supporting the application, any of which contain false,
 2174 incomplete, or misleading information in any material aspect,
 2175 forfeits all payments from the Securities Guaranty Fund and

2176 commits a violation of s. 517.301(1)(c).

2177 (10)~~(7)~~ The Department of Financial Services ~~office~~ may
 2178 institute legal proceedings to enforce compliance with this
 2179 section and with s. 517.131 to recover moneys owed to the
 2180 Securities Guaranty Fund, and is ~~shall be~~ entitled to recover
 2181 interest, costs, and attorney ~~attorney's~~ fees in any action
 2182 brought pursuant to this section in which the department ~~office~~
 2183 prevails.

2184 ~~(8) If at any time the money in the Securities Guaranty~~
 2185 ~~Fund is insufficient to satisfy any valid claim or portion of a~~
 2186 ~~valid claim approved by the office, the office shall satisfy~~
 2187 ~~such unpaid claim or portion of such valid claim as soon as a~~
 2188 ~~sufficient amount of money has been deposited in or transferred~~
 2189 ~~to the fund. When there is more than one unsatisfied claim~~
 2190 ~~outstanding, such claims shall be paid in the order in which the~~
 2191 ~~claims were approved by final order of the office, which order~~
 2192 ~~is not subject to an appeal or other pending proceeding.~~

2193 ~~(9) Upon receipt by the claimant of the payment from the~~
 2194 ~~Securities Guaranty Fund, the claimant shall assign any~~
 2195 ~~additional right, title, and interest in the judgment, to the~~
 2196 ~~extent of such payment, to the office. If the provisions of s.~~
 2197 ~~517.131(3)(c) apply, the claimant must assign to the office any~~
 2198 ~~right, title, and interest in the debt to the extent of any~~
 2199 ~~payment by the office from the Securities Guaranty Fund.~~

2200 ~~(10) All payments and disbursements made from the~~

2201 ~~Securities Guaranty Fund shall be made by the Chief Financial~~
 2202 ~~Officer upon authorization signed by the director of the office,~~
 2203 ~~or such agent as she or he may designate.~~

2204 Section 14. Section 517.191, Florida Statutes, is amended
 2205 to read:

2206 517.191 Enforcement by the Office of Financial Regulation
 2207 ~~Injunction to restrain violations; civil penalties; enforcement~~
 2208 ~~by Attorney General.-~~

2209 (1) When it appears to the office, either upon complaint
 2210 or otherwise, that a person has engaged or is about to engage in
 2211 any act or practice constituting a violation of this chapter or
 2212 a rule or order hereunder, the office may investigate; and
 2213 whenever it shall believe from evidence satisfactory to it that
 2214 any such person has engaged, is engaged, or is about to engage
 2215 in any act or practice constituting a violation of this chapter
 2216 or a rule or order hereunder, the office may, in addition to any
 2217 other remedies, bring action in the name and on behalf of the
 2218 state against such person and any other person concerned in or
 2219 in any way participating in or about to participate in such
 2220 practices or engaging therein or doing any act or acts in
 2221 furtherance thereof or in violation of this chapter to enjoin
 2222 such person or persons from continuing such fraudulent practices
 2223 or engaging therein or doing any act or acts in furtherance
 2224 thereof or in violation of this chapter. In any such court
 2225 proceedings, the office may apply for, and on due showing be

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

2235 | (2) In addition to all other means provided by law for the
 2236 | enforcement of any temporary restraining order, temporary
 2237 | injunction, or permanent injunction issued in any such court
 2238 | proceedings, the court shall have the power and jurisdiction,
 2239 | upon application of the office, to impound and to appoint a
 2240 | receiver or administrator for the property, assets, and business
 2241 | of the defendant, including, but not limited to, the books,
 2242 | records, documents, and papers appertaining thereto. Such
 2243 | receiver or administrator, when appointed and qualified, shall
 2244 | have all powers and duties as to custody, collection,
 2245 | administration, winding up, and liquidation of such ~~said~~
 2246 | property and business as may ~~shall from time to time~~ be
 2247 | conferred upon her or him by the court. In any such action, the
 2248 | court may issue orders and decrees staying all pending suits and
 2249 | enjoining any further suits affecting the receiver's or
 2250 | administrator's custody or possession of such ~~the said~~ property,

2251 assets, and business or, in its discretion, may with the consent
 2252 of the presiding judge of the circuit require that all such
 2253 suits be assigned to the circuit court judge appointing such ~~the~~
 2254 ~~said~~ receiver or administrator.

2255 (3) In addition to, or in lieu of, any other remedies
 2256 provided by this chapter, the office may apply to the court
 2257 hearing the ~~this~~ matter for an order directing the defendant to
 2258 make restitution of those sums shown by the office to have been
 2259 obtained in violation of ~~any of the provisions of~~ this chapter.
 2260 The office has standing to request such restitution on behalf of
 2261 victims in cases brought by the office under this chapter,
 2262 regardless of the appointment of an administrator or receiver
 2263 under subsection (2) or an injunction under subsection (1).
 2264 Further, such restitution must ~~shall~~, at the option of the
 2265 court, be payable to the administrator or receiver appointed
 2266 pursuant to this section or directly to the persons whose assets
 2267 were obtained in violation of this chapter.

2268 (4) In addition to any other remedies provided by this
 2269 chapter, the office may apply to the court hearing the matter
 2270 for, and the court has ~~shall have~~ jurisdiction to impose, a
 2271 civil penalty against any person found to have violated ~~any~~
 2272 ~~provision of~~ this chapter, any rule or order adopted by the
 2273 commission or the office, or any written agreement entered into
 2274 with the office in an amount not to exceed any of the following:

2275 (a) The greater of \$20,000 ~~\$10,000~~ for a natural person or

2276 \$25,000 for a business entity ~~any other person~~, or the gross
 2277 amount of any pecuniary loss to investors or pecuniary gain to a
 2278 natural person or business entity ~~such defendant~~ for each such
 2279 violation, other than a violation of s. 517.301, plus the
 2280 greater of \$50,000 for a natural person or \$250,000 for a
 2281 business entity ~~any other person~~, or the gross amount of any
 2282 pecuniary loss to investors or pecuniary gain to a natural
 2283 person or business entity ~~such defendant~~ for each violation of
 2284 s. 517.301.

2285 (b) Twice the amount of the civil penalty that would
 2286 otherwise be imposed under this subsection if a specified adult,
 2287 as defined in s. 517.34(1), is the victim of a violation of this
 2288 chapter.

2289
 2290 All civil penalties collected pursuant to this subsection must
 2291 ~~shall~~ be deposited into the Anti-Fraud Trust Fund. The office
 2292 may recover any costs and attorney fees related to its
 2293 investigation or enforcement of this section. Notwithstanding
 2294 any other law, such moneys recovered by the office must be
 2295 deposited into the Anti-Fraud Trust Fund.

2296 (5) For purposes of any action brought by the office under
 2297 this section, a control person who controls any person found to
 2298 have violated this chapter or any rule adopted thereunder is
 2299 jointly and severally liable with, and to the same extent as,
 2300 the controlled person in any action brought by the office under

2301 this section unless the control person can establish by a
2302 preponderance of the evidence that he or she acted in good faith
2303 and did not directly or indirectly induce the act that
2304 constitutes the violation or cause of action.

2305 (6) For purposes of any action brought by the office under
2306 this section, a person who knowingly or recklessly provides
2307 substantial assistance to another person in violation of this
2308 chapter or any rule adopted thereunder is deemed to violate this
2309 chapter or the rule to the same extent as the person to whom
2310 such assistance is provided.

2311 (7) The office may issue and serve upon a person a cease
2312 and desist order if the office has reason to believe that the
2313 person violates, has violated, or is about to violate this
2314 chapter, any commission or office rule or order, or any written
2315 agreement entered into with the office.

2316 (8) If the office finds that any conduct described in
2317 subsection (7) presents an immediate danger to the public,
2318 requiring an immediate final order, the office may issue an
2319 emergency cease and desist order reciting with particularity the
2320 facts underlying such findings. The emergency cease and desist
2321 order is effective immediately upon service of a copy of the
2322 order on the respondent named in the order and remains effective
2323 for 90 days after issuance. If the office begins nonemergency
2324 cease and desist proceedings under subsection (7), the emergency
2325 cease and desist order remains effective until the conclusion of

2326 | the proceedings under ss. 120.569 and 120.57.

2327 | (9) The office may impose and collect an administrative
 2328 | fine against any person found to have violated any provision of
 2329 | this chapter, any rule or order adopted by the commission or
 2330 | office, or any written agreement entered into with the office in
 2331 | an amount not to exceed the penalties provided in subsection
 2332 | (4). All fines collected under this subsection must be deposited
 2333 | into the Anti-Fraud Trust Fund.

2334 | (10) The office may bar, permanently or for a specific
 2335 | period of time, any person found to have violated this chapter,
 2336 | any rule or order adopted by the commission or office, or any
 2337 | written agreement entered into with the office from submitting
 2338 | an application or notification for a license or registration
 2339 | with the office.

2340 | (11) In addition to all other means provided by law for
 2341 | enforcing ~~any of the provisions of~~ this chapter, when the
 2342 | Attorney General, upon complaint or otherwise, has reason to
 2343 | believe that a person has engaged or is engaged in any act or
 2344 | practice constituting a violation of s. 517.275 ~~or~~ s. 517.301,
 2345 | ~~s. 517.311, or s. 517.312,~~ or any rule or order issued under
 2346 | such sections, the Attorney General may investigate and bring an
 2347 | action to enforce these provisions as provided in ss. 517.171,
 2348 | 517.201, and 517.2015 after receiving written approval from the
 2349 | office. Such an action may be brought against such person and
 2350 | any other person in any way participating in such act or

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

2364 ~~(12)-(6)~~ This section does not limit the authority of the
2365 office to bring an administrative action against any person that
2366 is the subject of a civil action brought pursuant to this
2367 section or limit the authority of the office to engage in
2368 investigations or enforcement actions with the Attorney General.
2369 However, a person may not be subject to both a civil penalty
2370 under subsection (4) and an administrative fine under subsection
2371 (9) ~~s. 517.221(3)~~ as the result of the same facts.

2372 ~~(13)-(7)~~ Notwithstanding s. 95.11(4)(f), an enforcement
2373 action brought under this section based on a violation of ~~any~~
2374 ~~provision of~~ this chapter or any rule or order issued under this
2375 chapter shall be brought within 6 years after the facts giving

2376 rise to the cause of action were discovered or should have been
 2377 discovered with the exercise of due diligence, but not more than
 2378 8 years after the date such violation occurred.

2379 (14) This chapter does not limit any statutory right of
 2380 the state to punish a person for a violation of a law.

2381 (15) When not in conflict with the Constitution or laws of
 2382 the United States, the courts of this state have the same
 2383 jurisdiction over civil suits instituted in connection with the
 2384 sale or offer of sale of securities under any laws of the United
 2385 States as the courts of this state may have with regard to
 2386 similar cases instituted under the laws of this state.

2387 Section 15. Section 517.211, Florida Statutes, is amended
 2388 to read:

2389 517.211 Private remedies available in cases of unlawful
 2390 sale.—

2391 (1) Every sale made in violation of either s. 517.07 or s.
 2392 517.12(1), (3), (4), (8), (10), (12), (15), or (17) may be
 2393 rescinded at the election of the purchaser; however, except a
 2394 sale made in violation of the provisions of s. 517.1202(3)
 2395 relating to a renewal of a branch office notification or shall
 2396 ~~not be subject to this section, and a sale made in violation of~~
 2397 the provisions of s. 517.12(12) relating to filing a change of
 2398 address amendment is shall not be subject to this section. Each
 2399 person making the sale and every director, officer, partner, or
 2400 agent of or for the seller, if the director, officer, partner,

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

2419 (2) Any person purchasing or selling a security in
 2420 violation of s. 517.301, and every director, officer, partner,
 2421 or agent of or for the purchaser or seller, if the director,
 2422 officer, partner, or agent has personally participated or aided
 2423 in making the sale or purchase, is jointly and severally liable
 2424 to the person selling the security to or purchasing the security
 2425 from such person in an action for rescission, if the plaintiff

2426 still owns the security, or for damages, if the plaintiff has
2427 sold the security.

2428 (3) For purposes of any action brought under this section,
2429 a control person who controls any person found to have violated
2430 any provision specified in subsection (1) is jointly and
2431 severally liable with, and to the same extent as, such
2432 controlled person in any action brought under this section
2433 unless the control person can establish by a preponderance of
2434 the evidence that he or she acted in good faith and did not
2435 directly or indirectly induce the act that constitutes the
2436 violation or cause of action.

2437 (4) In an action for rescission:

2438 (a) A purchaser may recover the consideration paid for the
2439 security or investment, plus interest thereon at the legal rate
2440 from the date of purchase, less the amount of any income
2441 received by the purchaser on the security or investment upon
2442 tender of the security or investment.

2443 (b) A seller may recover the security upon tender of the
2444 consideration paid for the security, plus interest at the legal
2445 rate from the date of purchase, less the amount of any income
2446 received by the defendant on the security.

2447 ~~(5)~~(4) In an action for damages brought by a purchaser of
2448 a security or investment, the plaintiff must ~~shall~~ recover an
2449 amount equal to the difference between:

2450 (a) The consideration paid for the security or investment,

2451 plus interest thereon at the legal rate from the date of
 2452 purchase; and

2453 (b) The value of the security or investment at the time it
 2454 was disposed of by the plaintiff, plus the amount of any income
 2455 received on the security or investment by the plaintiff.

2456 (6)~~(5)~~ In an action for damages brought by a seller of a
 2457 security, the plaintiff shall recover an amount equal to the
 2458 difference between:

2459 (a) The value of the security at the time of the
 2460 complaint, plus the amount of any income received by the
 2461 defendant on the security; and

2462 (b) The consideration received for the security, plus
 2463 interest at the legal rate from the date of sale.

2464 (7)~~(6)~~ In any action brought under this section, including
 2465 an appeal, the court shall award reasonable attorney ~~attorneys'~~
 2466 fees to the prevailing party unless the court finds that the
 2467 award of such fees would be unjust.

2468 (8) This chapter does not limit any statutory or common-
 2469 law right of a person to bring an action in a court for an act
 2470 involved in the sale of securities or investments.

2471 (9) The same civil remedies provided by the laws of the
 2472 United States for the purchasers or sellers of securities in
 2473 interstate commerce also extend to purchasers or sellers of
 2474 securities under this chapter.

2475 Section 16. Section 517.221, Florida Statutes, is

2476 repealed.

2477 Section 17. Section 517.241, Florida Statutes, is
 2478 repealed.

2479 Section 18. Section 517.301, Florida Statutes, is amended
 2480 to read:

2481 517.301 Fraudulent transactions; falsification or
 2482 concealment of facts.—

2483 (1) It is unlawful and a violation of ~~the provisions of~~
 2484 this chapter for a person:

2485 (a) In connection with the rendering of any investment
 2486 advice or in connection with the offer, sale, or purchase of any
 2487 investment or security, including any security exempted under
 2488 ~~the provisions of~~ s. 517.051 and including any security sold in
 2489 a transaction exempted under ~~the provisions of~~ s. 517.061, s.
 2490 517.0611, or s. 517.0612, directly or indirectly:

2491 1. To employ any device, scheme, or artifice to defraud;

2492 2. To obtain money or property by means of any untrue
 2493 statement of a material fact or any omission to state a material
 2494 fact necessary in order to make the statements made, in the
 2495 light of the circumstances under which they were made, not
 2496 misleading; or

2497 3. To engage in any transaction, practice, or course of
 2498 business which operates or would operate as a fraud or deceit
 2499 upon a person.

2500 (b) By use of any means, to publish, give publicity to, or

2501 circulate any notice, circular, advertisement, newspaper,
2502 article, letter, investment service, communication, or broadcast
2503 that, although ~~which, though~~ not purporting to offer a security
2504 for sale, describes such security for a consideration received
2505 or to be received directly or indirectly from an issuer,
2506 underwriter, or dealer, or from an agent or employee of an
2507 issuer, underwriter, or dealer, without fully disclosing the
2508 receipt, whether past or prospective, of such consideration and
2509 the amount of the consideration.

2510 (c) In any matter within the jurisdiction of the office,
2511 to knowingly and willfully falsify, conceal, or cover up, by any
2512 trick, scheme, or device, a material fact, make any false,
2513 fictitious, or fraudulent statement or representation, or make
2514 or use any false writing or document, knowing the same to
2515 contain any false, fictitious, or fraudulent statement or entry.

2516 (2) For purposes of ~~ss. 517.311 and 517.312 and~~ this
2517 section, the term "investment" means any commitment of money or
2518 property principally induced by a representation that an
2519 economic benefit may be derived from such commitment, except
2520 that the term does not include a commitment of money or property
2521 for:

2522 (a) The purchase of a business opportunity, business
2523 enterprise, or real property through a person licensed under
2524 chapter 475 or registered under former chapter 498; or

2525 (b) The purchase of tangible personal property through a

2526 person not engaged in telephone solicitation, electronic mail,
2527 text messages, social media, or other electronic means where
2528 ~~said property is offered and sold in accordance with the~~
2529 ~~following conditions:~~

2530 1. there are no specific representations or guarantees
2531 made by the offeror or seller as to the economic benefit to be
2532 derived from the purchase.~~.~~

2533 2. ~~The tangible property is delivered to the purchaser~~
2534 ~~within 30 days after sale, except that such 30-day period may be~~
2535 ~~extended by the office if market conditions so warrant; and~~

2536 3. ~~The seller has offered the purchaser a full refund~~
2537 ~~policy in writing, exercisable by the purchaser within 10 days~~
2538 ~~of the date of delivery of such tangible personal property,~~
2539 ~~except that the amount of such refund may not exceed the bid~~
2540 ~~price in effect at the time the property is returned to the~~
2541 ~~seller. If the applicable sellers' market is closed at the time~~
2542 ~~the property is returned to the seller for a refund, the amount~~
2543 ~~of such refund shall be based on the bid price for such property~~
2544 ~~at the next opening of such market.~~

2545 (3) It is unlawful for a person in issuing or selling a
2546 security within this state, including a security exempted under
2547 s. 517.051 and including a transaction exempted under s.
2548 517.061, s. 517.0611, or s. 517.0612, to misrepresent that such
2549 security or business entity has been guaranteed, sponsored,
2550 recommended, or approved by the state or an agency or officer of

2551 the state or by the United States or an agency or officer of the
2552 United States.

2553 (4) It is unlawful for a person registered or required to
2554 be registered, or subject to the notice requirements, under this
2555 chapter, including such persons and issuers who are subject to
2556 s. 517.051, s. 517.061, s. 517.0611, s. 517.0612, or s. 517.081,
2557 to misrepresent that such person has been sponsored,
2558 recommended, or approved, or that such person's abilities or
2559 qualifications have in any respect been approved, by the state
2560 or an agency or officer of the state or by the United States or
2561 an agency or officer of the United States.

2562 (5) It is unlawful and a violation of this chapter for a
2563 person in connection with the offer or sale of an investment to
2564 obtain money or property by means of:

2565 (a) A misrepresentation that the investment offered or
2566 sold is guaranteed, sponsored, recommended, or approved by the
2567 state or an agency or officer of the state or by the United
2568 States or an agency or officer of the United States; or

2569 (b) A misrepresentation that such person is sponsored,
2570 recommended, or approved, or that such person's abilities or
2571 qualifications have in any respect been examined, by the state
2572 or an agency or officer of the state or by the United States or
2573 an agency or officer of the United States.

2574 (6) (a) Subsection (3) or subsection (4) may not be
2575 construed to prohibit a statement that a person or security is

2576 registered or has made a notice filing under this chapter if
2577 such statement is required by this chapter or rules promulgated
2578 thereunder and is true in fact and if the effect of such
2579 statement is not a misrepresentation.

2580 (b) A statement that a person is registered made in
2581 connection with the offer or sale of a security under this
2582 chapter must include the following disclaimer: "Registration
2583 does not imply that such person has been sponsored, recommended,
2584 or approved by the state or an agency or officer of the state or
2585 by the United States or an agency or officer of the United
2586 States."

2587 1. If the statement of registration is made in writing,
2588 the disclaimer must immediately follow such statement and must
2589 be in the same size and style of print as the statement of
2590 registration.

2591 2. If the statement of registration is made orally, the
2592 disclaimer must be made or broadcast with the same force and
2593 effect as the statement of registration.

2594 (7) It is unlawful and a violation of this chapter for a
2595 person to directly or indirectly manage, supervise, control, or
2596 own, either alone or in association with others, a boiler room
2597 in this state which sells or offers for sale a security or
2598 investment in violation of subsection (1), subsection (3),
2599 subsection (4), subsection (5), or subsection (6).

2600 Section 19. Section 517.311, Florida Statutes, is

2601 repealed.

2602 Section 20. Section 517.312, Florida Statutes, is
 2603 repealed.

2604 Section 21. Subsections (1), (2), and (3) of section
 2605 517.072, Florida Statutes, are amended to read:

2606 517.072 Viatical settlement investments.—

2607 (1) The exemptions provided for by s. 517.051(6) and (11)
 2608 ~~ss. 517.051(6), (8), and (10)~~ do not apply to a viatical
 2609 settlement investment.

2610 (2) The offering of a viatical settlement investment is
 2611 not an exempt transaction under s. 517.061(10), (12), (13), and
 2612 (18) ~~s. 517.061(2), (3), (8), (11), and (18)~~, regardless of
 2613 whether the offering otherwise complies with the conditions of
 2614 that section, unless such offering is to a qualified
 2615 institutional buyer.

2616 (3) The registration provisions of ss. 517.07 and 517.12
 2617 do not apply to any of the following transactions in viatical
 2618 settlement investments; however, such transactions in viatical
 2619 settlement investments are subject to s. 517.301 ~~the provisions~~
 2620 ~~of ss. 517.301, 517.311, and 517.312:~~

2621 (a) The transfer or assignment of an interest in a
 2622 previously viaticated policy from a natural person who transfers
 2623 or assigns no more than one such interest in a single calendar
 2624 year.

2625 (b) The provision of stop-loss coverage to a viatical

2626 settlement provider, financing entity, or related provider
2627 trust, as those terms are defined in s. 626.9911, by an
2628 authorized or eligible insurer.

2629 (c) The transfer or assignment of a viaticated policy from
2630 a licensed viatical settlement provider to another licensed
2631 viatical settlement provider, a related provider trust, a
2632 financing entity, or a special purpose entity, as those terms
2633 are defined in s. 626.9911, or to a contingency insurer,
2634 provided that such transfer or assignment is not the direct or
2635 indirect promotion of any scheme or enterprise with the intent
2636 of violating or evading ~~any provision of~~ this chapter.

2637 (d) The transfer or assignment of a viaticated policy to a
2638 bank, trust company, savings institution, insurance company,
2639 dealer, investment company as defined in the Investment Company
2640 Act of 1940, as amended, pension or profit-sharing trust,
2641 qualified institutional buyer, or an accredited investor,
2642 provided such transfer or assignment is not for the direct or
2643 indirect promotion of any scheme or enterprise with the intent
2644 of violating or evading any provision of this chapter.

2645 (e) The transfer or assignment of a viaticated policy by a
2646 conservator of a viatical settlement provider appointed by a
2647 court of competent jurisdiction who transfers or assigns
2648 ownership of viaticated policies pursuant to that court's order.

2649 Section 22. Subsection (2), paragraph (a) of subsection
2650 (9), paragraph (j) of subsection (16), subsection (20), and

2651 paragraphs (b) and (c) of subsection (21) of section 517.12,
 2652 Florida Statutes, are amended to read:

2653 517.12 Registration of dealers, associated persons,
 2654 intermediaries, and investment advisers.—

2655 (2) The registration requirements of this section do not
 2656 apply in a transaction exempted by s. 517.061(1)-(6), (8), (9),
 2657 (12), and (13) ~~s. 517.061(1)-(10), (12), (14), and (15)~~.

2658 (9)(a) An applicant for registration shall pay an
 2659 assessment fee of \$200, in the case of a dealer or investment
 2660 adviser, or \$50, in the case of an associated person. An
 2661 associated person may be assessed an additional fee to cover the
 2662 cost for the fingerprints to be processed by the office. Such
 2663 fee shall be determined by rule of the commission. Such fees
 2664 become the revenue of the state, except for those assessments
 2665 provided for under s. 517.131(2) ~~s. 517.131(1)~~ until such time
 2666 as the Securities Guaranty Fund satisfies the statutory limits,
 2667 and are not returnable in the event that registration is
 2668 withdrawn or not granted.

2669 (16)

2670 (j) All fees collected under this subsection become the
 2671 revenue of the state, except those assessments provided for
 2672 under s. 517.131(2) ~~s. 517.131(1)~~, until the Securities Guaranty
 2673 Fund has satisfied the statutory limits. Such fees are not
 2674 returnable if a notice-filing is withdrawn.

2675 (20) The registration requirements of this section do not

CS/CS/HB 311

2024

2676 apply to any general lines insurance agent or life insurance
2677 agent licensed under chapter 626, with regard to ~~for~~ the sale of
2678 a security as defined in s. 517.021(25)(g) ~~s. 517.021(23)(g)~~, if
2679 the individual is directly authorized by the issuer to offer or
2680 sell the security on behalf of the issuer and the issuer is a
2681 federally chartered savings bank subject to regulation by the
2682 Federal Deposit Insurance Corporation. Actions under this
2683 subsection ~~shall~~ constitute activity under the insurance agent's
2684 license for purposes of ss. 626.611 and 626.621.

2685 (21)

2686 (b) Prior to the completion of any securities transaction
2687 described in s. 517.061(7) ~~s. 517.061(22)~~, a merger and
2688 acquisition broker must receive written assurances from the
2689 control person with the largest percentage of ownership for both
2690 the buyer and seller engaged in the transaction that:

2691 1. After the transaction is completed, any person who
2692 acquires securities or assets of the eligible privately held
2693 company, acting alone or in concert, will be a control person of
2694 the eligible privately held company or will be a control person
2695 for the business conducted with the assets of the eligible
2696 privately held company; and

2697 2. If any person is offered securities in exchange for
2698 securities or assets of the eligible privately held company,
2699 such person will, before becoming legally bound to complete the
2700 transaction, receive or be given reasonable access to the most

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

2713 (c) A merger and acquisition broker engaged in a
2714 transaction exempt under s. 517.061(7) ~~s. 517.061(22)~~ is exempt
2715 from registration under this section unless the merger and
2716 acquisition broker:

2717 1. Directly or indirectly, in connection with the transfer
2718 of ownership of an eligible privately held company, receives,
2719 holds, transmits, or has custody of the funds or securities to
2720 be exchanged by the parties to the transaction;

2721 2. Engages on behalf of an issuer in a public offering of
2722 any class of securities which is registered, or which is
2723 required to be registered, with the United States Securities and
2724 Exchange Commission under the Securities Exchange Act of 1934,
2725 15 U.S.C. ss. 78a et seq., or with the office under s. 517.07;

2726 or for which the issuer files, or is required to file, periodic
 2727 information, documents, and reports under s. 15(d) of the
 2728 Securities Exchange Act of 1934, 15 U.S.C. s. 78o(d);

2729 3. Engages on behalf of any party in a transaction
 2730 involving a public shell company;

2731 4. Is subject to a suspension or revocation of
 2732 registration under s. 15(b)(4) of the Securities Exchange Act of
 2733 1934, 15 U.S.C. s. 78o(b)(4);

2734 5. Is subject to a statutory disqualification described in
 2735 s. 3(a)(39) of the Securities Exchange Act of 1934, 15 U.S.C. s.
 2736 78c(a)(39);

2737 6. Is subject to a disqualification under the United
 2738 States Securities and Exchange Commission Rule 506(d), 17 C.F.R.
 2739 s. 230.506(d); or

2740 7. Is subject to a final order described in s. 15(b)(4)(H)
 2741 of the Securities Exchange Act of 1934, 15 U.S.C. s.
 2742 78o(b)(4)(H).

2743 Section 23. Subsection (6) of section 517.1201, Florida
 2744 Statutes, is amended to read:

2745 517.1201 Notice filing requirements for federal covered
 2746 advisers.—

2747 (6) All fees collected under this section become the
 2748 revenue of the state, except for those assessments provided for
 2749 under s. 517.131(2) ~~s. 517.131(1)~~ until such time as the
 2750 Securities Guaranty Fund satisfies the statutory limits, and are

2751 not returnable in the event that a notice filing is withdrawn.

2752 Section 24. Subsections (4) and (8) of section 517.1202,
2753 Florida Statutes, are amended to read:

2754 517.1202 Notice-filing requirements for branch offices.—

2755 (4) A branch office notice-filing under this section shall
2756 be summarily suspended by the office if the notice-filer fails
2757 to provide to the office, within 30 days after a written request
2758 by the office, all of the information required by this section
2759 and the rules adopted under this section. The summary suspension
2760 shall be in effect for the branch office until such time as the
2761 notice-filer submits the requested information to the office,
2762 pays a fine as prescribed by s. 517.191(9) ~~s. 517.221(3)~~, and a
2763 final order is entered. At such time, the suspension shall be
2764 lifted. For purposes of s. 120.60(6), failure to provide all
2765 information required by this section and the underlying rules
2766 constitutes immediate and serious danger to the public health,
2767 safety, and welfare. If the notice-filer fails to provide all of
2768 the requested information within a period of 90 days, the
2769 notice-filing shall be revoked by the office.

2770 (8) All fees collected under this section become the
2771 revenue of the state, except for those assessments provided for
2772 under s. 517.131(2) ~~s. 517.131(1)~~ until such time as the
2773 Securities Guaranty Fund satisfies the statutory limits, and are
2774 not returnable in the event that a branch office notice-filing
2775 is withdrawn.

CS/CS/HB 311

2024

2776 Section 25. Subsection (2) of section 517.302, Florida
2777 Statutes, is amended to read:

2778 517.302 Criminal penalties; alternative fine; Anti-Fraud
2779 Trust Fund; time limitation for criminal prosecution.—

2780 (2) Any person who violates s. 517.301 ~~the provisions of~~
2781 ~~s. 517.312(1)~~ by obtaining money or property of an aggregate
2782 value exceeding \$50,000 from five or more persons is guilty of a
2783 felony of the first degree, punishable as provided in s.
2784 775.082, s. 775.083, or s. 775.084.

2785 Section 26. This act shall take effect October 1, 2024.