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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
01/18/2024	.	
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The Committee on Banking and Insurance (Brodeur) recommended the following:

Senate Amendment (with title amendment)

Delete lines 567 - 2552

and insert:

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

(d) Former employees, directors, managers, managing members, general partners, officers, consultants, and advisors, if those individuals were employed by or providing services to



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11 the issuer when the securities were offered.

12 (e) Insurance agents who are exclusive insurance agents of
13 the issuer, or of the issuer's parents or subsidiaries, or who
14 derive more than 50 percent of their annual income from such
15 persons.

16 (9) The offer or sale of securities to a bank, trust
17 company, savings institution, insurance company, dealer,
18 investment company as defined in the Investment Company Act of
19 1940, 15 U.S.C. s. 80a-3, as amended, pension or profit-sharing
20 trust, or qualified institutional buyer, whether any of such
21 entities is acting in its individual or fiduciary capacity.

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

25 1. There are no more than 35 purchasers, or the issuer
26 reasonably believes that there are no more than 35 purchasers,
27 of the securities of the issuer in this state during an offering
28 made in reliance upon this subsection or, if such offering
29 continues for a period in excess of 12 months, in any
30 consecutive 12-month period.

31 2. Neither the issuer nor any person acting on behalf of
32 the issuer offers or sells securities pursuant to this
33 subsection by means of any form of general solicitation or
34 general advertising in this state.

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



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40 4. Any sale made pursuant to this subsection is voidable by
41 the purchaser within 3 days after the first tender of
42 consideration is made by such purchaser to the issuer by
43 notifying the issuer that the purchaser expressly voids the
44 purchase. The purchaser's notice to the issuer must be sent by
45 e-mail to the issuer's e-mail address set forth in the
46 disclosure document provided to the purchaser or purchaser's
47 representative or by hand delivery, courier service, or other
48 method by which written proof of delivery to the issuer of the
49 purchaser's election to rescind the purchase is evidenced.

50 (b) The following purchasers are excluded from the
51 calculation of the number of purchasers under subparagraph
52 (a)1.:

53 1. Any spouse or child of the purchaser or any related
54 family member who has the same principal residence as such
55 purchaser.

56 2. A trust or estate in which a purchaser, any of the
57 persons related to such purchaser specified in subparagraph 1.,
58 and any business entity specified in subparagraph 3.
59 collectively have more than 50 percent of the beneficial
60 interest, excluding any contingent interest.

61 3. A business entity in which a purchaser, any of the
62 persons related to such purchaser specified in subparagraph 1.,
63 and any trust or estate specified in subparagraph 2.
64 collectively are beneficial owners of more than 50 percent of
65 the equity securities or equity interest.

66 4. An accredited investor.

67
68 A business entity must be counted as one purchaser. However, if



69 the business entity is organized for the specific purpose of
70 acquiring the securities offered and is not an accredited
71 investor, each beneficial owner of equity securities or equity
72 interests in the business entity must be counted as a separate
73 purchaser. A noncontributory employee benefit plan within the
74 meaning of Title I of the Employee Retirement Income Security
75 Act of 1974 must be counted as one purchaser if the trustee
76 makes all investment decisions for the plan.

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

79 (a) The offers or sales of securities are made only to
80 persons who are, or who the issuer reasonably believes are,
81 accredited investors.

82 (b) The issuer is not a business entity that has an
83 undefined business operation, lacks a business plan, lacks a
84 stated investment goal for the funds being raised, or plans to
85 engage in a merger or acquisition with an unspecified business
86 entity.

87 (c) The issuer reasonably believes that all purchasers are
88 purchasing for investment and not with the view to or for sale
89 in connection with a distribution of the security. Any resale of
90 a security sold in reliance on this exemption within 12 months
91 after sale is presumed to be with a view to distribution and not
92 for investment, except a resale pursuant to a registration
93 statement effective under this chapter or pursuant to an
94 exemption available under this chapter, the Securities Act of
95 1933, as amended, or the rules and regulations adopted
96 thereunder.

97 (d)1. A general announcement of the proposed offering, made



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98 by any means, includes only the following information:

99 a. The name, address, and telephone number of the issuer of
100 the securities.

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

103 c. A brief description of the business.

104 d. The type, number, and aggregate amount of securities
105 being offered.

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

108 f. A statement that:

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

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

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

117 2. The issuer, in connection with an offer, may provide
118 information in addition to the information provided in the
119 general announcement as specified in subparagraph 1. if such
120 information is delivered:

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

123 b. After the issuer reasonably believes that the
124 prospective purchaser is an accredited investor.

125 (e) The issuer does not use telephone solicitation unless,
126 before placing the call, the issuer reasonably believes that the



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127 prospective purchaser to be solicited is an accredited investor.

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

133 (g) Dissemination of the general announcement of the
134 proposed offering to persons who are not accredited investors
135 does not disqualify the issuer from claiming the exemption under
136 this subsection.

137 (12) The isolated sale or offer for sale of securities when
138 made by or on behalf of a bona fide owner, not the issuer or
139 underwriter, of the securities, who disposes of such securities
140 for the owner's own account, and such sale is not made directly
141 or indirectly for the benefit of the issuer or an underwriter of
142 such securities or for the direct or indirect promotion of any
143 scheme or enterprise with the intent of violating or evading
144 this chapter. For purposes of this subsection, isolated offers
145 or sales include, but are not limited to, an isolated offer or
146 sale made by or on behalf of a bona fide owner, rather than the
147 issuer or underwriter, of the securities if:

148 (a) The offer or sale of securities is in a transaction
149 satisfying all of the conditions specified in paragraphs (10) (a)
150 and (b); or

151 (b) The offer or sale of securities is in a transaction
152 exempt under s. 4(a) (1) of the Securities Act of 1933, as
153 amended, or under Securities and Exchange Commission rules or
154 regulations.

155 (13) By or for the account of a pledgeholder, a secured



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156 party as defined in s. 679.1021(1)(ttt), or a mortgagee selling
157 or offering for sale or delivery in the ordinary course of
158 business and not for the purposes of avoiding the provisions of
159 this chapter, to liquidate a bona fide debt, a security pledged
160 in good faith as security for such debt.

161 (14) An unsolicited purchase or sale of securities on order
162 of, and as the agent for, another solely and exclusively by a
163 dealer registered pursuant to s. 517.12; provided that this
164 exemption applies solely and exclusively to such registered
165 dealers and does not authorize or permit the purchase or sale of
166 securities at the direction of, and as agent for, another by any
167 person other than a dealer so registered; and provided further
168 that such purchase or sale may not be directly or indirectly for
169 the benefit of the issuer or an underwriter of such securities
170 or for the direct or indirect promotion of any scheme or
171 enterprise with the intent of violating or evading this chapter.

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

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

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

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



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185 commission rule;

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

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

191 (17) (a) The offer or sale of securities, as agent or
192 principal, by a dealer registered pursuant to s. 517.12, when
193 such securities are offered or sold at a price reasonably
194 related to the current market price of such securities, provided
195 that such securities are:

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

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

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

204 4. Securities, other than any security that is a federal
205 covered security and is not subject to any registration or
206 filing requirements under this chapter, that have been listed or
207 approved for listing upon notice of issuance by a securities
208 exchange registered under the Securities Exchange Act of 1934,
209 as amended; and all securities senior to any securities so
210 listed or approved for listing upon notice of issuance, or
211 represented by subscription rights which have been so listed or
212 approved for listing upon notice of issuance, or evidences of
213 indebtedness guaranteed by an issuer with a class of securities



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214 listed or approved for listing upon notice of issuance by such
215 securities exchange, such securities to be exempt only so long
216 as such listings or approvals remain in effect. The exemption
217 provided in this subparagraph does not apply when the securities
218 are suspended from listing approval for listing or trading.

219 (b) The exemption provided in this subsection does not
220 apply if the sale is made for the direct or indirect benefit of
221 an issuer or a control person of such issuer or if such
222 securities constitute the whole or part of an unsold allotment
223 to, or subscription or participation by, a dealer as an
224 underwriter of such securities.

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

231 (18) Any nonissuer transaction by a registered dealer, and
232 any resale transaction by a sponsor of a unit investment trust
233 registered under the Investment Company Act of 1940, as amended,
234 in a security of a class that has been outstanding in the hands
235 of the public for at least 90 days; provided that, at the time
236 of the transaction, the following conditions in paragraphs (a),
237 (b), and (c) and either paragraph (d) or (e) are met:

238 (a) The issuer of the security is actually engaged in
239 business and is not in the organizational stage or in bankruptcy
240 or receivership and is not a blank check, blind pool, or shell
241 company whose primary plan of business is to engage in a merger
242 or combination of the business with, or an acquisition of, an



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243 unidentified person.

244 (b) The security is sold at a price reasonably related to
245 the current market price of the security.

246 (c) The security does not constitute the whole or part of
247 an unsold allotment to, or a subscription or participation by,
248 the dealer as an underwriter of the security.

249 (d) The security is listed in a nationally recognized
250 securities manual designated by rule of the commission or a
251 document filed with and publicly viewable through the Securities
252 and Exchange Commission electronic data gathering and retrieval
253 system and contains:

254 1. A description of the business and operations of the
255 issuer;

256 2. The names of the issuer's officers and directors, if
257 any, or, in the case of an issuer not domiciled in the United
258 States, the corporate equivalents of such persons in the
259 issuer's country of domicile;

260 3. An audited balance sheet of the issuer as of a date
261 within 18 months before such transaction or, in the case of a
262 reorganization or merger in which parties to the reorganization
263 or merger had such audited balance sheet, a pro forma balance
264 sheet; and

265 4. An audited income statement for each of the issuer's
266 immediately preceding 2 fiscal years, or for the period of
267 existence of the issuer, if in existence for less than 2 years
268 or, in the case of a reorganization or merger in which the
269 parties to the reorganization or merger had such audited income
270 statement, a pro forma income statement.

271 (e)1. The issuer of the security has a class of equity



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272 securities listed on a national securities exchange registered
273 under the Securities Exchange Act of 1934, as amended;

274 2. The class of security is quoted, offered, purchased, or
275 sold through an alternative trading system registered under
276 Securities and Exchange Commission Regulation ATS, 17 C.F.R. s.
277 242.301, as amended, and the issuer of the security has made
278 current information publicly available in accordance with
279 Securities and Exchange Commission Rule 15c2-11, 17 C.F.R. s.
280 240.15c2-11, as amended;

281 3. The issuer of the security is a unit investment trust
282 registered under the Investment Company Act of 1940, as amended;

283 4. The issuer of the security has been engaged in
284 continuous business, including predecessors, for at least 3
285 years; or

286 5. The issuer of the security has total assets of at least
287 \$2 million based on an audited balance sheet as of a date within
288 18 months before such transaction or, in the case of a
289 reorganization or merger in which parties to the reorganization
290 or merger had such audited balance sheet, a pro forma balance
291 sheet.

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

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

297 (a) The issuer is a reporting issuer in a foreign
298 jurisdiction designated by this subsection or by commission
299 rule, and the issuer has been subject to continuous reporting
300 requirements in such foreign jurisdiction for not less than 180



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301 days before the transaction.

302 (b) The security is listed on the securities exchange
303 designated by this subsection or by commission rule, is a
304 security of the same issuer which is of senior or substantially
305 equal rank to the listed security, or is a warrant or right to
306 purchase or subscribe to any such security.

307
308 For purposes of this subsection, Canada, together with its
309 provinces and territories, is designated as a foreign
310 jurisdiction, and The Toronto Stock Exchange, Inc., is
311 designated as a securities exchange. If, after an administrative
312 hearing in compliance with ss. 120.569 and 120.57, the office
313 finds that revocation is necessary or appropriate in furtherance
314 of the public interest and for the protection of investors, it
315 may revoke the designation of a securities exchange under this
316 subsection.

317 (21) Other transactions exempted by commission rule upon a
318 finding by the office that the application of s. 517.07 to a
319 particular transaction is not necessary or appropriate in
320 furtherance of the public interest and for the protection of
321 investors due to the small dollar amount of the securities
322 involved or the limited character of the offering. In
323 conjunction with its adoption by rule of such exemptions, the
324 commission may exempt persons selling or offering for sale
325 securities in such a transaction from the registration
326 requirements of s. 517.12. A rule adopted by the commission
327 under this subsection may not have the effect of narrowing or
328 limiting any exemption specified in this section.

329 Section 4. Section 517.0611, Florida Statutes, is amended



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330 to read:

331 517.0611 The Florida Limited Offering Exemption ~~Intrastate~~
332 ~~crowdfunding.~~—

333 (1) This section may be cited as ~~the~~ "The Florida Limited
334 Offering Intrastate Crowdfunding Exemption."

335 (2) The registration provisions of s. 517.07 do not apply
336 to a securities transaction conducted in accordance with this
337 section; however, such transaction is subject to s. 517.301
338 ~~Notwithstanding any other provision of this chapter, an offer or~~
339 ~~sale of a security by an issuer is an exempt transaction under~~
340 ~~s. 517.061 if the offer or sale is conducted in accordance with~~
341 ~~this section. The exemption provided in this section may not be~~
342 ~~used in conjunction with any other exemption under s. 517.051 or~~
343 ~~s. 517.061.~~

344 (3) The offer or sale of securities under this section must
345 be conducted in accordance with the requirements of the federal
346 exemption for intrastate offerings in s. 3(a)(11) of the
347 Securities Act of 1933, 15 U.S.C. s. 77c(a)(11), as amended, and
348 ~~United States~~ Securities and Exchange Commission Rule 147, 17
349 C.F.R. s. 230.147, as amended, or Securities and Exchange
350 Commission Rule 147A, 17. C.F.R. s. 230.147A, as amended ~~adopted~~
351 ~~pursuant to the Securities Act of 1933.~~

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

353 (a) Must be a for-profit business entity that maintains
354 ~~formed under the laws of the state, be registered with the~~
355 ~~Secretary of State, maintain~~ its principal place of business ~~in~~
356 ~~the state, and derives~~ derive its revenues primarily from
357 operations in this ~~the~~ state.

358 (b) Must conduct transactions for an ~~the~~ offering of \$2.5



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359 million or more through a dealer registered with the office or
360 an intermediary registered under s. 517.12 ~~s. 517.12(19)~~. For an
361 offering of less than \$2.5 million, the issuer may, but is not
362 required to, use such a dealer or intermediary.

363 (c) May not be, ~~either~~ before or as a result of the
364 offering, an investment company as defined in s. 3 of the
365 Investment Company Act of 1940, 15 U.S.C. s. 80a-3, as amended,
366 or subject to the reporting requirements of s. 13 or s. 15(d) of
367 the Securities Exchange Act of 1934, 15 U.S.C. s. 78m or s.
368 78o(d), as amended.

369 (d) May not be a business entity that has ~~company with~~ an
370 undefined business operation, ~~a company that~~ lacks a business
371 plan, ~~a company that~~ lacks a stated investment goal for the
372 funds being raised, or ~~a company that~~ plans to engage in a
373 merger or acquisition with an unspecified business entity.

374 (e) May not be subject to a disqualification established by
375 the commission ~~or office~~ or a disqualification described in s.
376 517.0616 or s. 517.1611 ~~or United States Securities and Exchange~~
377 ~~Commission Rule 506(d), 17 C.F.R. 230.506(d), adopted pursuant~~
378 ~~to the Securities Act of 1933.~~ Each director, officer, manager,
379 managing member, or general partner, or person occupying a
380 similar status or performing a similar function, or person
381 holding more than 20 percent of the equity interest ~~shares~~ of
382 the issuer, is subject to this paragraph ~~requirement.~~

383 (f) Must deposit all funds received from investors in an
384 account in ~~Execute an escrow agreement with~~ a federally insured
385 financial institution authorized to do business in this ~~the~~
386 state, and maintain all such funds in the account until the
387 target offering amount has been reached or the offering has been



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388 terminated or has expired. If the target offering amount has not
389 been reached within the period specified by the issuer in the
390 disclosure statement provided to investors, or if the offering
391 is terminated or expires, the issuer must refund invested funds
392 to all investors within 10 business days after such occurrence
393 ~~for the deposit of investor funds, and ensure that all offering~~
394 ~~proceeds are provided to the issuer only when the aggregate~~
395 ~~capital raised from all investors is equal to or greater than~~
396 ~~the target offering amount.~~

397 (g) Must use all funds in accordance with the use of
398 proceeds as disclosed to prospective investors ~~Allow investors~~
399 ~~to cancel a commitment to invest within 3 business days before~~
400 ~~the offering deadline, as stated in the disclosure statement,~~
401 ~~and issue refunds to all investors if the target offering amount~~
402 ~~is not reached by the offering deadline.~~

403 (5) The issuer must file a notice of the offering with the
404 office, in writing or in electronic form, in a format prescribed
405 by commission rule, together with a nonrefundable filing fee of
406 \$200. The filing fee must ~~shall~~ be deposited into the Regulatory
407 Trust Fund of the office. The commission may adopt rules
408 establishing procedures for the deposit of fees and the filing
409 of documents by electronic means if the procedures provide the
410 office with the information and data required by this section. A
411 notice is effective upon receipt, by the office, of the
412 completed form, filing fee, and an irrevocable written consent
413 to service of civil process, similar to that provided for in s.
414 517.101. The notice may be terminated by filing with the office
415 a notice of termination. The notice and offering expire 12
416 months after filing the notice with the office and are not



417 eligible for renewal. The notice must:

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

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

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

426 (d) Identify any predecessors, owners, officers, directors,
427 general partners, managers, managing members, and control
428 persons or any person occupying a similar status or performing a
429 similar function of the issuer, including that person's title,
430 his or her status as a partner, trustee, or sole proprietor or a
431 similar role, and his or her ownership percentage.

432 (e) Identify the federally insured financial institution
433 into, authorized to do business in the state, in which investor
434 funds will be deposited, in accordance with the escrow
435 agreement.

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

442 ~~(g) Include documentation verifying that the issuer is~~
443 ~~organized under the laws of the state and authorized to do~~
444 ~~business in the state.~~

445 ~~(h) If applicable, include the intermediary's website~~



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446 address where the issuer's securities will be offered.

447 (g) ~~(i)~~ State ~~include~~ the target offering amount and the
448 date, not to exceed 365 days, by which the target amount must be
449 reached in order to avoid termination of the offering.

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

455 (7) The issuer may engage in general advertising and
456 general solicitation of the offering to prospective investors.
457 Any oral or written statements in advertising or solicitation of
458 the offering which contain a material misstatement, or which
459 fail to disclose material information, are subject to
460 enforcement under this chapter. Any general advertising or other
461 general announcement must state that the offering is limited and
462 open only to residents of this state.

463 (8) The issuer must provide a disclosure statement to
464 investors and the dealer or intermediary, along with a copy to
465 the office at the time that the notice is filed, and make
466 available to potential investors through the dealer or
467 intermediary, as applicable; to the office at the time that the
468 notice is filed; and to each prospective investor at least 3
469 days before the investor's commitment to purchase or payment of
470 any consideration. The, a disclosure statement must contain
471 containing material information about the issuer and the
472 offering, including all of the following:

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



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

480 (c) A description of the current business ~~of the issuer~~ and
481 ~~the~~ anticipated business plan of the issuer.

482 (d) A description of the stated purpose and intended use of
483 the proceeds of the offering.

484 (e) The target offering amount and, the deadline to reach
485 the target offering amount, ~~and regular updates regarding the~~
486 ~~progress of the issuer in meeting the target offering amount.~~

487 (f) The price to the public of the securities ~~or the method~~
488 ~~for determining the price. However, before the sale, each~~
489 ~~investor must receive in writing the final price and all~~
490 ~~required disclosures and have an opportunity to rescind the~~
491 ~~commitment to purchase the securities.~~

492 (g) A description of the ownership and capital structure of
493 the issuer, including:

494 1. Terms of the securities being offered and each class of
495 security of the issuer, including how those terms may be
496 modified, and a summary of the differences between such
497 securities, including how the rights of the securities being
498 offered may be materially limited, diluted, or qualified by
499 rights of any other class of security of the issuer.

500 2. A description of how the exercise of the rights held by
501 the principal equity holders ~~shareholders~~ of the issuer could
502 negatively impact the purchasers of the securities being
503 offered.



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504 ~~3. The name and ownership level of each existing~~
505 ~~shareholder who owns more than 20 percent of any class of the~~
506 ~~securities of the issuer.~~

507 ~~4. How the securities being offered are being valued, and~~
508 ~~examples of methods of how such securities may be valued by the~~
509 ~~issuer in the future, including during subsequent corporate~~
510 ~~actions.~~

511 ~~5. The risks to purchasers of the securities relating to~~
512 ~~minority ownership in the issuer, the risks associated with~~
513 ~~corporate action, including additional issuances of shares, a~~
514 ~~sale of the issuer or of assets of the issuer, or transactions~~
515 ~~with related parties.~~

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

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

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

524 (k) ~~(h)~~ A description of the financial condition of the
525 issuer.

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



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533 ~~officer of the issuer as true and complete in all material~~
534 ~~respects.~~

535 2. For offerings that, in combination with all other
536 offerings of the issuer within the preceding 12-month period,
537 have ~~target~~ offering amounts of more than \$500,000 ~~\$100,000~~, but
538 not more than \$2.5 million ~~\$500,000~~, the description must
539 include financial statements prepared in accordance with
540 generally accepted accounting principles and reviewed by a
541 certified public accountant, as defined in s. 473.302, who is
542 independent of the issuer, using professional standards and
543 procedures ~~for such review~~ or standards and procedures
544 established by commission ~~the office, by rule,~~ for such purpose.

545 3. For offerings that, in combination with all other
546 offerings of the issuer within the preceding 12-month period,
547 have ~~target~~ offering amounts of more than \$2.5 million ~~\$500,000~~,
548 the description must include audited financial statements
549 prepared in accordance with generally accepted accounting
550 principles by a certified public accountant, as defined in s.
551 473.302, who is independent of the issuer, and other
552 requirements as the commission may establish by rule.

553 ~~(1)(i)~~ The following statement in boldface, conspicuous
554 type on the front page of the disclosure statement:

555
556 Neither the Securities and Exchange Commission nor any
557 state securities commission has approved or
558 disapproved these securities or determined if this
559 disclosure statement is truthful or complete. Any
560 representation to the contrary is a criminal offense.
561



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562 These securities are offered under, and will be sold
563 in reliance upon, an exemption from the registration
564 requirements of federal and Florida securities laws.
565 ~~Consequently,~~ Neither the Federal Government nor the
566 State of Florida has reviewed the accuracy or
567 completeness of any offering materials. In making an
568 investment decision, investors must rely on their own
569 examination of the issuer and the terms of the
570 offering, including the merits and risks involved.

571 These securities are subject to restrictions on
572 transferability and resale and may not be transferred
573 or resold except as specifically authorized by
574 applicable federal and state securities laws.

575 Investing in these securities involves a speculative
576 risk, and investors should be able to bear the loss of
577 their entire investment.

578 ~~(8) The issuer shall provide to the office a copy of the~~
579 ~~escrow agreement with a financial institution authorized to~~
580 ~~conduct business in this state. All investor funds must be~~
581 ~~deposited in the escrow account. The escrow agreement must~~
582 ~~require that all offering proceeds be released to the issuer~~
583 ~~only when the aggregate capital raised from all investors is~~
584 ~~equal to or greater than the minimum target offering amount~~
585 ~~specified in the disclosure statement as necessary to implement~~
586 ~~the business plan, and that all investors will receive a full~~
587 ~~return of their investment commitment if that target offering~~
588 ~~amount is not raised by the date stated in the disclosure~~
589 ~~statement.~~

590 (9) The sum of all cash and other consideration received



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591 for sales of a security under this section may not exceed \$5 ~~\$1~~
592 million, less the aggregate amount received for all sales of
593 securities by the issuer within the 12 months preceding the
594 first offer or sale made in reliance upon this exemption. Offers
595 or sales to a person owning 20 percent or more of the
596 outstanding equity interests ~~shares~~ of any class or classes of
597 securities or to an officer, director, manager, managing member,
598 general partner, or trustee, or a person occupying a similar
599 status, do not count toward this limitation.

600 (10) Unless the investor is an accredited investor, or the
601 issuer reasonably believes that the investor is an accredited
602 investor as defined by Rule 501 of Regulation D, adopted
603 pursuant to the Securities Act of 1933, the aggregate amount of of
604 securities sold by an issuer to an investor in transactions
605 exempt from registration requirements under this subsection in a
606 12-month period may not exceed \$10,000±

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

610 (b) ~~Ten percent of the annual income or net worth of such~~
611 ~~investor, not to exceed a maximum aggregate amount sold of~~
612 ~~\$100,000, if either the annual income or net worth of the~~
613 ~~investor is equal to or exceeds \$100,000.~~

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



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620 ~~(a) Include an analysis by management of the issuer of the~~
621 ~~business operations and the financial condition of the issuer,~~
622 ~~and disclose the compensation received by each director,~~
623 ~~executive officer, and person having an ownership interest of 20~~
624 ~~percent or more of the issuer, including cash compensation~~
625 ~~earned since the previous report and on an annual basis, and any~~
626 ~~bonuses, stock options, other rights to receive securities of~~
627 ~~the issuer, or any affiliate of the issuer, or other~~
628 ~~compensation received.~~

629 ~~(b) Disclose any material change to information contained~~
630 ~~in the disclosure statements which was not disclosed in a~~
631 ~~previous report.~~

632 ~~(11)-(12)~~ (a) A notice-filing under this section must ~~shall~~
633 be summarily suspended by the office if:

634 (a) The payment for the filing is dishonored by the
635 financial institution upon which the funds are drawn. For
636 purposes of s. 120.60(6), failure to pay the required notice
637 filing fee constitutes an immediate and serious danger to the
638 public health, safety, and welfare. The office shall enter a
639 final order revoking a notice-filing in which the payment for
640 the filing is dishonored by the financial institution upon which
641 the funds are drawn; or.

642 ~~(b) A notice-filing under this section shall be summarily~~
643 ~~suspended by the office if~~ The issuer made a material false
644 statement in the issuer's notice-filing. The summary suspension
645 remains ~~shall remain~~ in effect until a final order is entered by
646 the office. For purposes of s. 120.60(6), a material false
647 statement made in the issuer's notice-filing constitutes an
648 immediate and serious danger to the public health, safety, and



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649 welfare. If an issuer made a material false statement in the
650 issuer's notice-filing, the office must ~~shall~~ enter a final
651 order revoking the notice-filing, issue a fine as prescribed by
652 s. 517.191(9) ~~s. 517.221(3)~~, and issue permanent bars under s.
653 517.191(10) ~~s. 517.221(4)~~ to the issuer and all owners,
654 officers, directors, general partners, and control persons, or
655 any person occupying a similar status or performing a similar
656 function of the issuer, including title; status as a partner,
657 trustee, sole proprietor, or similar role; and ownership
658 percentage.

659 (12)-(13) If the issuer employs the services of an
660 intermediary, the ~~An~~ intermediary must:

661 (a) Take measures, as established by commission rule, to
662 reduce the risk of fraud with respect to the ~~transactions,~~
663 ~~including verifying that the issuer is in compliance with the~~
664 ~~requirements of this section and, if necessary, denying an~~
665 ~~issuer access to its platform if the intermediary believes it is~~
666 ~~unable to adequately assess the risk of fraud of the issuer or~~
667 ~~its potential~~ offering.

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

673 1. A description of the financial institution into which
674 investor funds will be deposited ~~escrow agreement that the~~
675 ~~issuer has executed~~ and the conditions for the use ~~release~~ of
676 such funds by ~~to~~ the issuer ~~in accordance with the agreement and~~
677 ~~subsection (4).~~



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

681 (c) Obtain from each prospective investor a zip code or
682 residence address, a copy of a driver license, and any other
683 proof of residency in order for the issuer or intermediary to
684 reasonably believe that the potential investor is a resident of
685 this state. The commission may adopt rules authorizing
686 additional forms of identification and prescribing the process
687 for verifying any identification presented by the prospective
688 investor.

689 (d) Obtain information sufficient for the issuer or
690 intermediary to reasonably believe that a particular prospective
691 investor is an accredited investor

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

696 ~~(d) Obtain and verify a valid Florida driver license number~~
697 ~~or Florida identification card number from each investor before~~
698 ~~purchase of a security to confirm that the investor is a~~
699 ~~resident of the state. The commission may adopt rules~~
700 ~~authorizing additional forms of identification and prescribing~~
701 ~~the process for verifying any identification presented by the~~
702 ~~investor.~~

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

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



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

708 ~~(g) Direct investors to transmit funds directly to the~~
709 ~~financial institution designated in the escrow agreement to hold~~
710 ~~the funds for the benefit of the investor.~~

711 ~~(e)(h)~~ Provide a monthly update for each offering, after
712 the first full month after the date of the offering. The update
713 must be accessible on the intermediary's website and must
714 display the date and amount of each sale of securities, and each
715 cancellation of commitment to invest, in the previous calendar
716 month.

717 ~~(i) Require each investor to certify in writing, including~~
718 ~~as part of such certification his or her signature and his or~~
719 ~~her initials next to each paragraph of the certification, as~~
720 ~~follows:~~

721 ~~I understand and acknowledge that:~~

722 ~~I am investing in a high risk, speculative business~~
723 ~~venture. I may lose all of my investment, and I can afford the~~
724 ~~loss of my investment.~~

725 ~~This offering has not been reviewed or approved by any~~
726 ~~state or federal securities commission or other regulatory~~
727 ~~authority and no regulatory authority has confirmed the accuracy~~
728 ~~or determined the adequacy of any disclosure made to me relating~~
729 ~~to this offering.~~

730 ~~The securities I am acquiring in this offering are illiquid~~
731 ~~and are subject to possible dilution. There is no ready market~~
732 ~~for the sale of the securities. It may be difficult or~~
733 ~~impossible for me to sell or otherwise dispose of the~~
734 ~~securities, and I may be required to hold the securities~~
735 ~~indefinitely.~~



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

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

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

748 ~~(j) Require each investor to answer questions demonstrating~~
749 ~~an understanding of the level of risk generally applicable to~~
750 ~~investments in startups, emerging businesses, and small issuers,~~
751 ~~and an understanding of the risk of illiquidity.~~

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

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

757 ~~(m) Implement written policies and procedures that are~~
758 ~~reasonably designed to achieve compliance with federal and state~~
759 ~~securities laws; comply with the anti-money laundering~~
760 ~~requirements of 31 C.F.R. chapter X applicable to registered~~
761 ~~brokers; and comply with the privacy requirements of 17 C.F.R.~~
762 ~~part 248 relating to brokers.~~

763 ~~(13)-(14) An intermediary not registered as a dealer under~~
764 ~~s. 517.12(5) may not:~~



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

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

771 (c) Compensate employees, agents, or other persons for the
772 solicitation of, or based on the sale of, securities offered or
773 displayed on its website.

774 (d) Hold, manage, possess, or otherwise handle investor
775 funds or securities.

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

779 (f) Engage in any other activities set forth by commission
780 rule.

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

785 (15) Any sale made pursuant to the exemption created under
786 this section is voidable by the purchaser within 3 days after
787 the first tender of consideration is made by such purchaser to
788 the issuer by notifying the issuer that the purchaser expressly
789 voids the purchase. The purchaser's notice to the issuer must be
790 sent by e-mail to the issuer's e-mail address set forth in the
791 disclosure statement that is provided to the purchaser or
792 purchaser's representative or by certified mail or overnight
793 delivery service with proof of delivery to the mailing address



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794 set forth in the disclosure statement ~~All funds received from~~
795 ~~investors must be directed to the financial institution~~
796 ~~designated in the escrow agreement to hold the funds and must be~~
797 ~~used in accordance with representations made to investors by the~~
798 ~~intermediary. If an investor cancels a commitment to invest, the~~
799 ~~intermediary must direct the financial institution designated to~~
800 ~~hold the funds to promptly refund the funds of the investor.~~

801 Section 5. Section 517.0612, Florida Statutes, is created
802 to read:

803 517.0612 Florida Invest Local Exemption.—

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

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

809 (3) The offer or sale of securities under this section must
810 meet the requirements of the federal exemption for intrastate
811 offerings in s. 3(a)(11) of the Securities Act of 1933,
812 Securities and Exchange Commission Rule 147, or Securities and
813 Exchange Commission Rule 147A, as amended.

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

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

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

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



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823 operation, lacks a business plan, lacks a stated investment goal
824 for the funds being raised, or plans to engage in a merger or
825 acquisition with an unspecified business entity; or

826 (d) Subject to a disqualification as provided in s.
827 517.0616.

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

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

836 1. The issuer reasonably believes that the purchaser is an
837 accredited investor.

838 2. The purchaser is an officer, director, partner, or
839 trustee, or an individual occupying a similar status or
840 performing similar functions, of the issuer.

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

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

845 1. Any spouse or child of the purchaser or any related
846 family member who has the same primary residence as the
847 purchaser.

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

851 (7) The issuer may engage in general advertising and



852 general solicitation of the offering. Any general advertising or
853 other general announcement must state that the offer is limited
854 and open only to residents of this state. Any oral or written
855 statements in advertising or solicitation of the offer which
856 contain a material misstatement, or which fail to disclose
857 material information, are subject to enforcement under this
858 chapter.

859 (8) A purchaser must receive, at least 3 business days
860 before any binding commitment to purchase or consideration paid,
861 a disclosure statement that provides material information
862 regarding the issuer, including, but not limited to, all of the
863 following information:

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

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

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

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

870 (e) The total amount of the offering.

871 (f) The intended use of proceeds from the sale of the
872 securities.

873 (g) The target offering amount.

874 (h) A statement that if the target offering amount is not
875 obtained in cash or in the value of other tangible consideration
876 received on a date that is no more than 180 days after the
877 commencement of the offering, the offering will be terminated,
878 and any funds or other consideration received from purchasers
879 must be promptly returned.

880 (i) A statement that the security being offered is not



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881 registered under federal or state securities laws and that the
882 securities are subject to the limitation on resale contained in
883 Securities and Exchange Commission Rule 147 or Rule 147A.

884 (j) The names and addresses of all persons who will be
885 involved in the offer and sale of securities on behalf of the
886 issuer.

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

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

890
891 Neither the Securities and Exchange Commission nor any
892 state securities commission has approved or
893 disapproved these securities or determined that this
894 disclosure statement is truthful or complete. Any
895 representation to the contrary is a criminal offense.

896
897 (9) All funds received from investors must be deposited
898 into a bank or depository institution authorized to do business
899 in this state. The issuer may not withdraw any amount of the
900 offering proceeds unless the target offering amount has been
901 received.

902 (10) The issuer must file a notice of the offering with the
903 office, in writing or in electronic form, in a format prescribed
904 by commission rule, no less than 5 business days before the
905 offering commences, along with the disclosure statement
906 described in subsection (8). If there are any material changes
907 to the information previously submitted, the issuer, within 3
908 business days after such material change, must file an amended
909 notice.



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910 (11) An individual, entity, or entity employee who acts as
911 an agent for the issuer in the offer or sale of securities and
912 is not registered as a dealer under this chapter may not do
913 either of the following:

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

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

917 (12) Any sale made pursuant to the exemption created under
918 this section is voidable by the purchaser within 3 days after
919 the first tender of consideration is made by such purchaser to
920 the issuer by notifying the issuer that the purchaser expressly
921 voids the purchase. The purchaser's notice to the issuer must be
922 sent by e-mail to the issuer's e-mail address set forth in the
923 disclosure statement that is provided to a purchaser or the
924 purchaser's representative or by hand delivery, courier service,
925 or other method by which written proof of delivery to the issuer
926 of the purchaser's election to rescind the purchase is
927 evidenced.

928 Section 6. Section 517.0613, Florida Statutes, is created
929 to read:

930 517.0613 Failure to comply with a securities registration
931 exemption.—

932 (1) Failure to meet the requirements for any exemption from
933 securities registration does not preclude the issuer from
934 claiming the availability of any other applicable state or
935 federal exemption.

936 (2) The exemptions created under ss. 517.061, 517.0611, and
937 517.0612 are not available to an issuer for any transaction or
938 series of transactions that, although in technical compliance



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939 with the applicable provisions, is part of a plan or scheme to
940 evade the registration provisions of s. 517.07, and registration
941 under s. 517.07 is required in connection with such
942 transactions.

943 Section 7. Section 517.0614, Florida Statutes, is created
944 to read:

945 517.0614 Integration of offerings.-

946 (1) If the safe harbors in subsection (2) do not apply, in
947 determining whether two or more offerings are to be treated as
948 one for the purpose of registration or qualifying for an
949 exemption from registration under this chapter, offers and sales
950 may not be integrated if, based on the particular facts and
951 circumstances, the issuer can establish either that each
952 offering complies with the registration requirements of this
953 chapter, or that an exemption from registration is available for
954 the particular offering, provided that any transaction or series
955 of transactions that, although in technical compliance with this
956 chapter, is part of a plan or scheme to evade the registration
957 requirements of this chapter will not have the effect of
958 avoiding integration. In making this determination:

959 (a) For an exempt offering prohibiting general
960 solicitation, the issuer must have a reasonable belief, based on
961 the facts and circumstances, with respect to each purchaser in
962 the exempt offering prohibiting general solicitation, that the
963 issuer or any person acting on the issuer's behalf:

964 1. Did not solicit such purchaser through the use of
965 general solicitation; or

966 2. Established a substantive relationship with such
967 purchaser before the commencement of the exempt offering



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968 prohibiting general solicitation, provided that a purchaser
969 previously solicited through the use of general solicitation is
970 not deemed to have been solicited through the use of general
971 solicitation in the current offering if, during the 45 calendar
972 days following such previous general solicitation:

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

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

979 (b) For two or more concurrent exempt offerings permitting
980 general solicitation, in addition to satisfying the requirements
981 of the particular exemption relied on, general solicitation
982 offering materials for one offering that includes information
983 about the material terms of a concurrent offering under another
984 exemption may constitute an offer of securities in such other
985 offering, and therefore the offer must comply with all the
986 requirements for, and restrictions on, offers under the
987 exemption being relied on for such other offering, including any
988 legend requirements and communications restrictions.

989 (2) The integration analysis required by subsection (1) is
990 not required if any of the following nonexclusive safe harbors
991 apply:

992 (a) An offering commenced more than 30 calendar days before
993 the commencement of any other offering, or more than 30 calendar
994 days after the termination or completion of any other offering,
995 may not be integrated with such other offering, provided that
996 for an exempt offering for which general solicitation is not



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997 permitted which follows by 30 calendar days or more an offering
998 that allows general solicitation, paragraph (1)(a) applies.

999 (b) Offers and sales made in compliance with any of the
1000 following provisions are not subject to integration with other
1001 offerings:

1002 1. Section 517.051 or s. 517.061, except s. 517.061(9),
1003 (10), or (11).

1004 2. Section 517.0611 or s. 517.0612.

1005 Section 8. Section 517.0615, Florida Statutes, is created
1006 to read:

1007 517.0615 Solicitations of interest.—

1008 (1) A communication may not be deemed to constitute general
1009 solicitation or general advertising if the communication is made
1010 in connection with a seminar or meeting in which more than one
1011 issuer participates and which is sponsored by a college, a
1012 university, or another institution of higher education; a state
1013 or local government or an instrumentality thereof; a nonprofit
1014 chamber of commerce or other nonprofit organization; or an angel
1015 investor group, incubator, or accelerator, if all of the
1016 following apply:

1017 (a) Advertising for the seminar or meeting does not
1018 reference a specific offering of securities by the issuer.

1019 (b) The sponsor of the seminar or meeting does not do any
1020 of the following:

1021 1. Make investment recommendations or provide investment
1022 advice to attendees of the seminar or meeting.

1023 2. Engage in any investment negotiations between the issuer
1024 and investors attending the seminar or meeting.

1025 3. Charge attendees of the seminar or meeting any fees,



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1026 other than reasonable administrative fees.

1027 4. Receive any compensation for making introductions
1028 between seminar or meeting attendees and issuers or for
1029 investment negotiations between such parties.

1030 5. Receive any compensation with respect to the seminar or
1031 meeting, which compensation would require registration or
1032 notice-filing under this chapter, the Securities Exchange Act of
1033 1934, 15 U.S.C. ss. 78a et seq., as amended, or the Investment
1034 Advisers Act of 1940, 15 U.S.C. s. 80b-1 et seq., as amended.
1035 The sponsorship or participation in the seminar or meeting does
1036 not by itself require registration or notice-filing under this
1037 chapter.

1038 (c) The type of information regarding an offering of
1039 securities by the issuer which is communicated or distributed by
1040 or on behalf of the issuer in connection with the seminar or
1041 meeting is limited to a notification that the issuer is in the
1042 process of offering or planning to offer securities, the type
1043 and amount of securities being offered, the intended use of
1044 proceeds of the offering, and the unsubscribed amount in an
1045 offering.

1046 (d) If the event allows attendees to participate virtually,
1047 rather than in person, online participation in the event is
1048 limited to:

1049 1. Individuals that are members of, or otherwise associated
1050 with, the sponsor organization;

1051 2. Individuals that the sponsor reasonably believes are
1052 accredited investors; or

1053 3. Individuals that have been invited to the event by the
1054 sponsor based on industry or investment-related experience



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1055 reasonably selected by the sponsor in good faith and disclosed
1056 in the public communications about the event.

1057 (2) Before any offers or sales are made in connection with
1058 an offering, communications by an issuer or any person
1059 authorized to act on behalf of the issuer are not deemed to
1060 constitute general solicitation or general advertising if the
1061 communication is solely for the purpose of determining whether
1062 there is any interest in a contemplated securities offering.

1063 Requirements imposed under this chapter on written or oral
1064 statements made in the course of such communication may be
1065 enforced as provided in this chapter. The solicitation or
1066 acceptance of money or other consideration or of any commitment,
1067 binding or otherwise, from any person is prohibited.

1068 (a) The communication must state all of the following:

1069 1. Money or other consideration is not being solicited and,
1070 if sent in response, will not be accepted.

1071 2. Any offer to buy the securities will not be accepted,
1072 and no part of the purchase price will be accepted.

1073 3. A person's indication of interest does not involve
1074 obligation or commitment of any kind.

1075 (b) Any written communication under this subsection may
1076 include a means by which a person may indicate to the issuer
1077 that the person is interested in a potential offering. The
1078 issuer may require the name, address, telephone number, or e-
1079 mail address in any response form included in the written
1080 communication under this paragraph.

1081 (c) A communication in accordance with this subsection is
1082 not subject to s. 501.059, regarding telephone solicitations.

1083 Section 9. Section 517.0616, Florida Statutes, is created



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1084 to read:

1085 517.0616 Disqualification.—A registration exemption under
1086 s. 517.061(9), (10), and (11), s. 517.0611, or s. 517.0612 is
1087 not available to an issuer that would be disqualified under
1088 Securities and Exchange Commission Rule 506(d), 17 C.F.R. s.
1089 230.506(d), as amended, at the time the issuer makes an offer
1090 for the sale of a security.

1091 Section 10. Present subsections (4) through (8) of section
1092 517.081, Florida Statutes, are redesignated as subsections (6)
1093 through (10), respectively, new subsections (4) and (5) are
1094 added to that section, and subsection (2), paragraph (g) of
1095 subsection (3), and present subsection (7) of that section are
1096 amended, to read:

1097 517.081 Registration procedure.—

1098 (2) The office shall receive and act upon applications for
1099 the registration of ~~to have securities registered, and the~~
1100 ~~commission may prescribe forms on which it may require such~~
1101 ~~applications to be submitted.~~ Applications must ~~shall~~ be duly
1102 signed by the applicant, sworn to by any person having knowledge
1103 of the facts, and filed with the office. ~~The commission may~~
1104 ~~establish, by rule, procedures for depositing fees and filing~~
1105 ~~documents by electronic means provided such procedures provide~~
1106 ~~the office with the information and data required by this~~
1107 ~~section.~~ An application may be made either by the issuer of the
1108 securities for which registration is applied or by any
1109 registered dealer desiring to sell such securities ~~the same~~
1110 within the state.

1111 (3) The office may require the applicant to submit to the
1112 office the following information concerning the issuer and such



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1113 other relevant information as the office may in its judgment
1114 deem necessary to enable it to ascertain whether such securities
1115 shall be registered pursuant to the provisions of this section:

1116 (g)~~1~~. A specimen copy of the securities certificate, if
1117 applicable, and a copy of any circular, prospectus,
1118 advertisement, or other description of such securities.

1119 ~~2. The commission shall adopt a form for a simplified~~
1120 ~~offering circular to register, under this section, securities~~
1121 ~~that are sold in offerings in which the aggregate offering price~~
1122 ~~in any consecutive 12-month period does not exceed the amount~~
1123 ~~provided in s. 3(b) of the Securities Act of 1933, as amended.~~
1124 ~~The following issuers shall not be eligible to submit a~~
1125 ~~simplified offering circular adopted pursuant to this~~
1126 ~~subparagraph:~~

1127 ~~a. An issuer seeking to register securities for resale by~~
1128 ~~persons other than the issuer.~~

1129 ~~b. An issuer that is subject to any of the~~
1130 ~~disqualifications described in 17 C.F.R. s. 230.262, adopted~~
1131 ~~pursuant to the Securities Act of 1933, as amended, or that has~~
1132 ~~been or is engaged or is about to engage in an activity that~~
1133 ~~would be grounds for denial, revocation, or suspension under s.~~
1134 ~~517.111. For purposes of this subparagraph, an issuer includes~~
1135 ~~an issuer's director, officer, general partner, manager or~~
1136 ~~managing member, trustee, or equity owner who owns at least 10~~
1137 ~~percent of the ownership interests of the issuer, promoter, or~~
1138 ~~selling agent of the securities to be offered or any officer,~~
1139 ~~director, partner, or manager or managing member of such selling~~
1140 ~~agent.~~

1141 ~~e. An issuer that is a development-stage company that~~



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1142 ~~either has no specific business plan or purpose or has indicated~~
1143 ~~that its business plan is to merge with an unidentified company~~
1144 ~~or companies.~~

1145 ~~d. An issuer of offerings in which the specific business or~~
1146 ~~properties cannot be described.~~

1147 ~~e. Any issuer the office determines is ineligible because~~
1148 ~~the form does not provide full and fair disclosure of material~~
1149 ~~information for the type of offering to be registered by the~~
1150 ~~issuer.~~

1151 ~~f. Any issuer that has failed to provide the office the~~
1152 ~~reports required for a previous offering registered pursuant to~~
1153 ~~this subparagraph.~~

1154
1155 ~~As a condition precedent to qualifying for use of the simplified~~
1156 ~~offering circular, an issuer shall agree to provide the office~~
1157 ~~with an annual financial report containing a balance sheet as of~~
1158 ~~the end of the issuer's fiscal year and a statement of income~~
1159 ~~for such year, prepared in accordance with United States~~
1160 ~~generally accepted accounting principles and accompanied by an~~
1161 ~~independent accountant's report. If the issuer has more than 100~~
1162 ~~security holders at the end of a fiscal year, the financial~~
1163 ~~statements must be audited. Annual financial reports must be~~
1164 ~~filed with the office within 90 days after the close of the~~
1165 ~~issuer's fiscal year for each of the first 5 years following the~~
1166 ~~effective date of the registration.~~

1167 (4) The commission may, by rule:

1168 (a) Establish criteria relating to the issuance of equity
1169 securities, debt securities, insurance company securities, real
1170 estate investment trusts, oil and gas investments, and other



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1171 investments. In establishing these criteria, the commission may
1172 consider the rules and regulations of the Securities and
1173 Exchange Commission and statements of policy by the North
1174 American Securities Administrators Association, Inc., relating
1175 to the registration of securities offerings. The criteria must
1176 include all of the following:

- 1177 1. The promoter's equity investment ratio.
- 1178 2. The financial condition of the issuer.
- 1179 3. The voting rights of shareholders.
- 1180 4. The grant of options or warrants to underwriters and
1181 others.
- 1182 5. Loans and other transactions with affiliates of the
1183 issuer.
- 1184 6. The use, escrow, or refund of proceeds of the offering.

1185 (b) Prescribe forms requiring applications for the
1186 registration of securities to be submitted to the office,
1187 including a simplified offering circular to register, under this
1188 section, securities that are sold in offerings in which the
1189 aggregate offering price in any consecutive 12-month period does
1190 not exceed the amount provided in s. 3(b) of the Securities Act
1191 of 1933, as amended.

1192 (c) Establish procedures for depositing fees and filing
1193 documents by electronic means, provided that such procedures
1194 provide the office with the information and data required by
1195 this section.

1196 (d) Establish requirements and standards for the filing,
1197 content, and circulation of a preliminary, final, or amended
1198 prospectus, advertisements, and other sales literature. In
1199 establishing such requirements and standards, the commission



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1200 shall consider the rules and regulations of the Securities and
1201 Exchange Commission relating to requirements for preliminary,
1202 final, or amended or supplemented prospectuses and the rules of
1203 the Financial Industry Regulatory Authority relating to
1204 advertisements and sales literature.

1205 (5) All of the following issuers are not eligible to submit
1206 a simplified offering circular:

1207 (a) An issuer that is subject to any of the
1208 disqualifications described in Securities and Exchange
1209 Commission Rule 262, 17 C.F.R. s. 230.262, as amended, or that
1210 has been or is engaged or is about to engage in an activity that
1211 would be grounds for denial, revocation, or suspension under s.
1212 517.111. For purposes of this paragraph, an issuer includes an
1213 issuer's director, officer, general partner, manager or managing
1214 member, trustee, or a person owning at least 10 percent of the
1215 ownership interests of the issuer; a promoter or selling agent
1216 of the securities to be offered; or any officer, director,
1217 partner, or manager or managing member of such selling agent.

1218 (b) An issuer that is a development-stage company that
1219 either has no specific business plan or purpose or has indicated
1220 that its business plan is to merge with an unidentified business
1221 entity or entities.

1222 (c) An issuer of offerings in which the specific business
1223 or properties cannot be described.

1224 (d) An issuer that the office determines is ineligible
1225 because the simplified circular does not provide full and fair
1226 disclosure of material information for the type of offering to
1227 be registered by the issuer.

1228 (9) (a) ~~(7)~~ The office shall record the registration of a



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1229 security in the register of securities if, upon examination of
1230 an ~~any~~ application, it finds that all of the following
1231 requirements are met: ~~the office~~

1232 1. The application is complete.

1233 2. The fee imposed in subsection (8) has been paid.

1234 3. The sale of the security would not be fraudulent and
1235 would not work or tend to work a fraud upon the purchaser.

1236 4. The terms of the sale of such securities would be fair,
1237 just, and equitable.

1238 5. The enterprise or business of the issuer is not based
1239 upon unsound business principles.

1240 (b) Upon registration, the security may be sold by the
1241 issuer or any registered dealer, subject, however, to the
1242 further order of the office ~~shall find that the sale of the~~
1243 security referred to therein would not be fraudulent and would
1244 not work or tend to work a fraud upon the purchaser, that the
1245 terms of the sale of such securities would be fair, just, and
1246 equitable, and that the enterprise or business of the issuer is
1247 not based upon unsound business principles, it shall record the
1248 registration of such security in the register of securities; and
1249 thereupon such security so registered may be sold by any
1250 registered dealer, subject, however, to the further order of the
1251 office. In order to determine if an offering is fair, just, and
1252 equitable, the commission may by rule establish requirements and
1253 standards for the filing, content, and circulation of any
1254 preliminary, final, or amended prospectus and other sales
1255 literature and may by rule establish merit qualification
1256 criteria relating to the issuance of equity securities, debt
1257 securities, insurance company securities, real estate investment



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1258 ~~trusts, and other traditional and nontraditional investments,~~
1259 ~~including, but not limited to, oil and gas investments. The~~
1260 ~~criteria may include such elements as the promoter's equity~~
1261 ~~investment ratio, the financial condition of the issuer, the~~
1262 ~~voting rights of shareholders, the grant of options or warrants~~
1263 ~~to underwriters and others, loans and other affiliated~~
1264 ~~transaction, the use or refund of proceeds of the offering, and~~
1265 ~~such other relevant criteria as the office in its judgment may~~
1266 ~~deem necessary to such determination.~~

1267 Section 11. Subsection (2) of section 517.101, Florida
1268 Statutes, is amended to read:

1269 517.101 Consent to service.-

1270 (2) Any such action must ~~shall~~ be brought either in the
1271 county of the plaintiff's residence or in the county in which
1272 the office has its official headquarters. The written consent
1273 must ~~shall~~ be authenticated by the seal of the ~~said~~ issuer, if
1274 it has a seal, and by the acknowledged signature of a director,
1275 manager, managing member, general partner, trustee, or officer
1276 of the issuer ~~member of the copartnership or company, or by the~~
1277 ~~acknowledged signature of any officer of the incorporated or~~
1278 ~~unincorporated association, if it be an incorporated or~~
1279 ~~unincorporated association, duly authorized by resolution of the~~
1280 ~~board of directors, trustees, or managers of the corporation or~~
1281 ~~association, and~~ must ~~shall~~ in such case be accompanied by a
1282 duly certified copy of the resolution of the issuer's board of
1283 directors, trustees, managers, managing members, or general
1284 partners ~~or managers of the corporation or association,~~
1285 authorizing the signer to execute the consent ~~officers to~~
1286 ~~execute the same.~~ In case any process or pleadings mentioned in



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1287 this chapter are served upon the office, service must ~~it shall~~
1288 be by duplicate copies, one of which must ~~shall~~ be filed in the
1289 office and the other ~~another~~ immediately forwarded by the office
1290 by registered mail to the principal office of the issuer against
1291 which the said process or pleadings are directed.

1292 Section 12. Section 517.131, Florida Statutes, is amended
1293 to read:

1294 517.131 Securities Guaranty Fund.—

1295 (1) As used in this section, the term "final judgment"
1296 includes an arbitration award confirmed by a court of competent
1297 jurisdiction.

1298 (2) (a) The Chief Financial Officer shall establish a
1299 Securities Guaranty Fund to provide monetary relief to victims
1300 of securities violations under this chapter who are entitled to
1301 monetary damages or restitution and cannot recover the full
1302 amount of such monetary damages or restitution from the
1303 wrongdoer. An amount not exceeding 20 percent of all revenues
1304 received as assessment fees pursuant to s. 517.12(9) and (10)
1305 for dealers and investment advisers or s. 517.1201 for federal
1306 covered advisers and an amount not exceeding 10 percent of all
1307 revenues received as assessment fees pursuant to s. 517.12(9)
1308 and (10) for associated persons must ~~shall~~ be part of the
1309 regular registration license fee and must ~~shall~~ be transferred
1310 to or deposited in the Securities Guaranty Fund.

1311 (b) If the balance in the Securities Guaranty Fund at any
1312 time exceeds \$1.5 million, transfer of assessment fees to the
1313 ~~this~~ fund must ~~shall~~ be discontinued at the end of that
1314 registration license year, and transfer of such assessment fees
1315 may ~~shall~~ not resume ~~be resumed~~ unless the fund balance is



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1316 reduced below \$1 million by disbursement made in accordance with
1317 s. 517.141.

1318 ~~(2) The Securities Guaranty Fund shall be disbursed as~~
1319 ~~provided in s. 517.141 to a person who is adjudged by a court of~~
1320 ~~competent jurisdiction to have suffered monetary damages as a~~
1321 ~~result of any of the following acts committed by a dealer,~~
1322 ~~investment adviser, or associated person who was licensed under~~
1323 ~~this chapter at the time the act was committed:~~

1324 ~~(a) A violation of s. 517.07.~~

1325 ~~(b) A violation of s. 517.301.~~

1326 (3) A Any person is eligible for payment to seek recovery
1327 from the Securities Guaranty Fund if the person:

1328 (a)1. Holds an unsatisfied final judgment in which a
1329 wrongdoer was found to have violated s. 517.07 or s. 517.301;

1330 2. Has applied any amount recovered from the judgment
1331 debtor or any other source to the damages awarded by the court
1332 or arbitrator;

1333 3. Is a natural person who was a resident of this state, or
1334 is a business entity that was domiciled in this state, at the
1335 time of the violation of s. 517.07 or s. 517.301; and

1336 4. Is seeking recovery for an act that occurred on or after
1337 October 1, 2024; or

1338 (b) Is a receiver appointed pursuant to s. 517.191(2) by a
1339 court of competent jurisdiction for a wrongdoer ordered to pay
1340 restitution under s. 517.191(3) as a result of a violation of s.
1341 517.07 or s. 517.301 which has requested payment from the
1342 Securities Guaranty Fund on behalf of a person eligible for
1343 payment under paragraph (a)

1344 ~~(a) Such person has received final judgment in a court of~~



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1345 ~~competent jurisdiction in any action wherein the cause of action~~
1346 ~~was based on a violation of those sections referred to in~~
1347 ~~subsection (2).~~

1348 ~~(b) Such person has made all reasonable searches and~~
1349 ~~inquiries to ascertain whether the judgment debtor possesses~~
1350 ~~real or personal property or other assets subject to being sold~~
1351 ~~or applied in satisfaction of the judgment, and by her or his~~
1352 ~~search the person has discovered no property or assets; or she~~
1353 ~~or he has discovered property and assets and has taken all~~
1354 ~~necessary action and proceedings for the application thereof to~~
1355 ~~the judgment, but the amount thereby realized was insufficient~~
1356 ~~to satisfy the judgment. To verify compliance with such~~
1357 ~~condition, the office may require such person to have a writ of~~
1358 ~~execution be issued upon such judgment, may require a showing~~
1359 ~~that no personal or real property of the judgment debtor liable~~
1360 ~~to be levied upon in complete satisfaction of the judgment can~~
1361 ~~be found, or may require an affidavit from the claimant setting~~
1362 ~~forth the reasonable searches and inquiries undertaken and the~~
1363 ~~result of those searches and inquiries.~~

1364 ~~(c) Such person has applied any amounts recovered from the~~
1365 ~~judgment debtor, or from any other source, to the damages~~
1366 ~~awarded by the court.~~

1367 ~~(d) The act for which recovery is sought occurred on or~~
1368 ~~after January 1, 1979.~~

1369 ~~(e) The office waives compliance with the requirements of~~
1370 ~~paragraph (a) or paragraph (b). The office may waive such~~
1371 ~~compliance if the dealer, investment adviser, or associated~~
1372 ~~person which is the subject of the claim filed with the office~~
1373 ~~is the subject of any proceeding in which a receiver has been~~



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1374 ~~appointed by a court of competent jurisdiction. If the office~~
1375 ~~waives such compliance, the office may, upon petition by the~~
1376 ~~debtor or the court appointed trustee, examiner, or receiver,~~
1377 ~~distribute funds from the Securities Guaranty Fund up to the~~
1378 ~~amount allowed under s. 517.141. Any waiver granted pursuant to~~
1379 ~~this section shall be considered a judgment for purposes of~~
1380 ~~complying with the requirements of this section and of s.~~
1381 ~~517.141.~~

1382 (4) A person who has done any of the following is not
1383 eligible for payment from the Securities Guaranty Fund:

1384 (a) Participated or assisted in a violation of this
1385 chapter.

1386 (b) Attempted to commit or committed a violation of this
1387 chapter.

1388 (c) Profited from a violation of this chapter.

1389 (5) An eligible person, or a receiver on behalf of the
1390 eligible person, seeking payment from the Securities Guaranty
1391 Fund must file with the office a written application on a form
1392 that the commission may prescribe by rule. The commission may
1393 adopt by rule procedures for filing documents by electronic
1394 means, provided that such procedures provide the office with the
1395 information and data required by this section. The application
1396 must be filed with the office within 1 year after the date of
1397 the final judgment, the date on which a restitution order has
1398 been ripe for execution, or the date of any appellate decision
1399 thereon, and, at minimum, must contain all of the following
1400 information:

1401 (a) The eligible person's and, if applicable, the
1402 receiver's full name, address, and contact information.



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- 1403 (b) The person ordered to pay restitution.
- 1404 (c) If the eligible person is a business entity, the
1405 eligible person's type and place of organization and, as
1406 applicable, a copy, as amended, of its articles of
1407 incorporation, articles of organization, trust agreement, or
1408 partnership agreement.
- 1409 (d) Any final judgment and a copy thereof.
- 1410 (e) Any restitution order pursuant to s. 517.191(3), and a
1411 copy thereof.
- 1412 (f) An affidavit from the eligible person stating either
1413 one of the following:
- 1414 1. That the eligible person has made all reasonable
1415 searches and inquiries to ascertain whether the judgment debtor
1416 possesses real or personal property or other assets subject to
1417 being sold or applied in satisfaction of the final judgment and,
1418 by the eligible person's search, that the eligible person has
1419 not discovered any property or assets.
- 1420 2. That the eligible person has taken necessary action on
1421 the property and assets of the wrongdoers but the final judgment
1422 remains unsatisfied.
- 1423 (g) If the application is filed by the receiver, an
1424 affidavit from the receiver stating the amount of restitution
1425 owed to the eligible person on whose behalf the claim is filed;
1426 the amount of any money, property, or assets paid to the
1427 eligible person on whose behalf the claim is filed by the person
1428 over whom the receiver is appointed; and the amount of any
1429 unsatisfied portion of any eligible person's order of
1430 restitution.
- 1431 (h) The eligible person's residence or domicile at the time



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1432 of the violation of s. 517.07 or s. 517.301 which resulted in
1433 the eligible person's monetary damages.

1434 (i) The amount of any unsatisfied portion of the eligible
1435 person's final judgment.

1436 (j) Whether an appeal or motion to vacate an arbitration
1437 award has been filed.

1438 (6) If the office finds that a person is eligible for
1439 payment from the Securities Guaranty Fund and if the person has
1440 complied with this section and the rules adopted under this
1441 section, the office must approve payment to such person from the
1442 fund. Within 90 days after the office's receipt of a complete
1443 application, each eligible person or receiver must be given
1444 written notice, personally or by mail, that the office intends
1445 to approve or deny, or has approved or denied, the application
1446 for payment from the Securities Guaranty Fund.

1447 (7) Upon receipt by the eligible person or receiver of
1448 notice of the office's decision that the eligible person's or
1449 receiver's application for payment from the Securities Guaranty
1450 Fund is approved, and before any disbursement, the eligible
1451 person shall assign to the office on a form prescribed by
1452 commission rule all right, title, and interest in the final
1453 judgment or order of restitution equal to the amount of such
1454 payment.

1455 (8) The office shall deem an application for payment from
1456 the Securities Guaranty Fund abandoned if the eligible person or
1457 receiver, or any person acting on behalf of the eligible person
1458 or receiver, fails to timely complete the application as
1459 prescribed by commission rule. The time period to complete an
1460 application must be tolled during the pendency of an appeal or



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1461 motion to vacate an arbitration award.

1462 ~~(4) Any person who files an action that may result in the~~
1463 ~~disbursement of funds from the Securities Guaranty Fund pursuant~~
1464 ~~to the provisions of s. 517.141 shall give written notice by~~
1465 ~~certified mail to the office as soon as practicable after such~~
1466 ~~action has been filed. The failure to give such notice shall not~~
1467 ~~bar a payment from the Securities Guaranty Fund if all of the~~
1468 ~~conditions specified in subsection (3) are satisfied.~~

1469 ~~(5) The commission may adopt rules pursuant to ss.~~
1470 ~~120.536(1) and 120.54 specifying the procedures for complying~~
1471 ~~with subsections (2), (3), and (4), including rules for the form~~
1472 ~~of submission and guidelines for the sufficiency and content of~~
1473 ~~submissions of notices and claims.~~

1474 Section 13. Section 517.141, Florida Statutes, is amended
1475 to read:

1476 517.141 Payment from the fund.—

1477 (1) As used in this section, the term:

1478 (a) "Claimant" means a person determined eligible for
1479 payment under s. 517.131 that is approved by the office for
1480 payment from the Securities Guaranty Fund.

1481 (b) "Final judgment" includes an arbitration award
1482 confirmed by a court of competent jurisdiction.

1483 (c) "Specified adult" has the same meaning as in s.
1484 517.34(1).

1485 (2) A claimant is entitled to disbursement from the
1486 Securities Guaranty Fund in the amount equal to the lesser of:

1487 (a) The unsatisfied portion of the claimant's final
1488 judgment or final order of restitution, but only to the extent
1489 that the final judgment or final order of restitution reflects



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1490 actual or compensatory damages, excluding postjudgment interest,
1491 costs, and attorney fees; or

1492 (b)1. The sum of \$15,000; or

1493 2. If the claimant is a specified adult or if a specified
1494 adult is a beneficial owner or beneficiary of the claimant, the
1495 sum of \$25,000 ~~Any person who meets all of the conditions~~
1496 ~~prescribed in s. 517.131 may apply to the office for payment to~~
1497 ~~be made to such person from the Securities Guaranty Fund in the~~
1498 ~~amount equal to the unsatisfied portion of such person's~~
1499 ~~judgment or \$10,000, whichever is less, but only to the extent~~
1500 ~~and amount reflected in the judgment as being actual or~~
1501 ~~compensatory damages, excluding postjudgment interest, costs,~~
1502 ~~and attorney's fees.~~

1503 (3)-(2) Regardless of the number of claims or claimants
1504 involved, payments for claims are shall be limited in the
1505 aggregate to \$250,000 \$100,000 against any one dealer,
1506 investment adviser, or associated person. If the total claim
1507 filed by a receiver on behalf of multiple claimants exceeds
1508 claims exceed the aggregate limit of \$250,000 \$100,000, the
1509 office must shall prorate the payment to each claimant based
1510 upon the ratio that each claimant's individual the person's
1511 claim bears to the total claim claims filed.

1512 (4) If at any time the balance in the Securities Guaranty
1513 Fund is insufficient to satisfy a valid claim or portion of a
1514 valid claim approved by the office, the office must satisfy the
1515 unpaid claim or portion of the valid claim as soon as a
1516 sufficient amount of money has been deposited into or
1517 transferred to the Securities Guaranty Fund. If more than one
1518 unsatisfied claim is outstanding, the claims must be paid in the



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1519 sequence in which the claims were approved by final order of the
1520 office, which final order is not subject to an appeal or other
1521 pending proceeding.

1522 (5) All payments and disbursements made from the Securities
1523 Guaranty Fund must be made by the Chief Financial Officer, or
1524 his or her designee, upon authorization by the office. The
1525 office shall submit such authorization within 30 days after the
1526 approval of an eligible person for payment from the Securities
1527 Guaranty Fund

1528 ~~(3) No payment shall be made on any claim against any one~~
1529 ~~dealer, investment adviser, or associated person before the~~
1530 ~~expiration of 2 years from the date any claimant is found by the~~
1531 ~~office to be eligible for recovery pursuant to this section. If~~
1532 ~~during this 2-year period more than one claim is filed against~~
1533 ~~the same dealer, investment adviser, or associated person, or if~~
1534 ~~the office receives notice pursuant to s. 517.131(4) that an~~
1535 ~~action against the same dealer, investment adviser, or~~
1536 ~~associated person is pending, all such claims and notices of~~
1537 ~~pending claims received during this period against the same~~
1538 ~~dealer, investment adviser, or associated person may be handled~~
1539 ~~by the office as provided in this section. Two years after the~~
1540 ~~first claimant against that same dealer, investment adviser, or~~
1541 ~~associated person applies for payment pursuant to this section:~~

1542 ~~(a) The office shall determine those persons eligible for~~
1543 ~~payment or for potential payment in the event of a pending~~
1544 ~~action. All such persons may be entitled to receive their pro~~
1545 ~~rata shares of the fund as provided in this section.~~

1546 ~~(b) Those persons who meet all the conditions prescribed in~~
1547 ~~s. 517.131 and who have applied for payment pursuant to this~~



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1548 ~~section will be entitled to receive their pro rata shares of the~~
1549 ~~total disbursement.~~

1550 ~~(c) Those persons who have filed notice with the office of~~
1551 ~~a pending claim pursuant to s. 517.131(4) but who are not yet~~
1552 ~~eligible for payment from the fund will be entitled to receive~~
1553 ~~their pro rata shares of the total disbursement once they have~~
1554 ~~complied with subsection (1). However, in the event that the~~
1555 ~~amounts they are eligible to receive pursuant to subsection (1)~~
1556 ~~are less than their pro rata shares as determined under this~~
1557 ~~section, any excess shall be distributed pro rata to those~~
1558 ~~persons entitled to disbursement under this subsection whose pro~~
1559 ~~rata shares of the total disbursement were less than the amounts~~
1560 ~~of their claims.~~

1561 ~~(6)(4)~~ Individual claims filed by persons owning the same
1562 joint account, or claims arising stemming from any other type of
1563 account ~~maintained by a particular licensee~~ on which more than
1564 one name appears, must shall be treated as the claims of one
1565 eligible claimant with respect to payment from the Securities
1566 Guaranty Fund. If a claimant who has obtained a final judgment
1567 or final order of restitution that which qualifies for
1568 disbursement under s. 517.131 has maintained more than one
1569 account with the ~~dealer, investment adviser, or associated~~
1570 person who is the subject of the claims, for purposes of
1571 disbursement of the Securities Guaranty Fund, all such accounts,
1572 whether joint or individual, must shall be considered as one
1573 account and ~~shall~~ entitle such claimant to only one distribution
1574 from the fund ~~not to exceed the lesser of \$10,000 or the~~
1575 ~~unsatisfied portion of such claimant's judgment as provided in~~
1576 ~~subsection (1)~~. To the extent that a claimant obtains more than



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1577 one final judgment or final order of restitution against a
1578 person ~~dealer, investment adviser, or one or more associated~~
1579 ~~persons~~ arising out of the same transactions, occurrences, or
1580 conduct or out of such ~~the dealer's, investment adviser's, or~~
1581 ~~associated~~ person's handling of the claimant's account, the
1582 final ~~such~~ judgments or final orders of restitution must ~~shall~~
1583 be consolidated for purposes of this section and ~~shall~~ entitle
1584 the claimant to only one disbursement from the fund ~~not to~~
1585 ~~exceed the lesser of \$10,000 or the unsatisfied portion of such~~
1586 ~~claimant's judgment as provided in subsection (1).~~

1587 (7) ~~(5)~~ If the final judgment or final order of restitution
1588 that gave rise to the claim is overturned in any appeal or in
1589 any collateral proceeding, the claimant must ~~shall~~ reimburse the
1590 Securities Guaranty Fund all amounts paid from the fund to the
1591 claimant on the claim. If the claimant satisfies the final
1592 judgment or final order of restitution ~~specified in s.~~
1593 ~~517.131(3)(a)~~, the claimant must ~~shall~~ reimburse the Securities
1594 Guaranty Fund all amounts paid from the fund to the claimant on
1595 the claim. Such reimbursement must ~~shall~~ be paid to the
1596 Department of Financial Services ~~office~~ within 60 days after the
1597 final resolution of the appellate or collateral proceedings or
1598 the satisfaction of the final judgment or order of restitution,
1599 with the 60-day period commencing on the date the final order or
1600 decision is entered in such proceedings.

1601 (8) ~~(6)~~ If a claimant receives payments in excess of that
1602 which is permitted under this chapter, the claimant must ~~shall~~
1603 reimburse the Securities Guaranty Fund such excess within 60
1604 days after the claimant receives such excess payment or after
1605 the payment is determined to be in excess of that permitted by



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1606 law, whichever is later.

1607 (9) A claimant who knowingly and willfully files or causes
1608 to be filed an application under s. 517.131 or documents
1609 supporting the application, any of which contain false,
1610 incomplete, or misleading information in any material aspect,
1611 forfeits all payments from the Securities Guaranty Fund and
1612 commits a violation of s. 517.301(1)(c).

1613 (10)~~(7)~~ The Department of Financial Services ~~office~~ may
1614 institute legal proceedings to enforce compliance with this
1615 section and with s. 517.131 to recover moneys owed to the
1616 Securities Guaranty Fund, and is ~~shall be~~ entitled to recover
1617 interest, costs, and attorney ~~attorney's~~ fees in any action
1618 brought pursuant to this section in which the department ~~office~~
1619 prevails.

1620 ~~(8) If at any time the money in the Securities Guaranty~~
1621 ~~Fund is insufficient to satisfy any valid claim or portion of a~~
1622 ~~valid claim approved by the office, the office shall satisfy~~
1623 ~~such unpaid claim or portion of such valid claim as soon as a~~
1624 ~~sufficient amount of money has been deposited in or transferred~~
1625 ~~to the fund. When there is more than one unsatisfied claim~~
1626 ~~outstanding, such claims shall be paid in the order in which the~~
1627 ~~claims were approved by final order of the office, which order~~
1628 ~~is not subject to an appeal or other pending proceeding.~~

1629 ~~(9) Upon receipt by the claimant of the payment from the~~
1630 ~~Securities Guaranty Fund, the claimant shall assign any~~
1631 ~~additional right, title, and interest in the judgment, to the~~
1632 ~~extent of such payment, to the office. If the provisions of s.~~
1633 ~~517.131(3)(c) apply, the claimant must assign to the office any~~
1634 ~~right, title, and interest in the debt to the extent of any~~



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1635 ~~payment by the office from the Securities Guaranty Fund.~~

1636 ~~(10) All payments and disbursements made from the~~
1637 ~~Securities Guaranty Fund shall be made by the Chief Financial~~
1638 ~~Officer upon authorization signed by the director of the office,~~
1639 ~~or such agent as she or he may designate.~~

1640 Section 14. Section 517.191, Florida Statutes, is amended
1641 to read:

1642 517.191 Enforcement by the Office of Financial Regulation
1643 ~~Injunction to restrain violations; civil penalties; enforcement~~
1644 ~~by Attorney General.-~~

1645 (1) When it appears to the office, either upon complaint or
1646 otherwise, that a person has engaged or is about to engage in
1647 any act or practice constituting a violation of this chapter or
1648 a rule or order hereunder, the office may investigate; and
1649 whenever it shall believe from evidence satisfactory to it that
1650 any such person has engaged, is engaged, or is about to engage
1651 in any act or practice constituting a violation of this chapter
1652 or a rule or order hereunder, the office may, in addition to any
1653 other remedies, bring action in the name and on behalf of the
1654 state against such person and any other person concerned in or
1655 in any way participating in or about to participate in such
1656 practices or engaging therein or doing any act or acts in
1657 furtherance thereof or in violation of this chapter to enjoin
1658 such person or persons from continuing such fraudulent practices
1659 or engaging therein or doing any act or acts in furtherance
1660 thereof or in violation of this chapter. In any such court
1661 proceedings, the office may apply for, and on due showing be
1662 entitled to have issued, the court's subpoena requiring
1663 forthwith the appearance of any defendant and her or his



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1664 employees, associated persons, or agents and the production of
1665 documents, books, and records that may appear necessary for the
1666 hearing of such petition, to testify or give evidence concerning
1667 the acts or conduct or things complained of in such application
1668 for injunction. In such action, the ~~equity~~ courts shall have
1669 jurisdiction of the subject matter, and a judgment may be
1670 entered awarding such injunction as may be proper.

1671 (2) In addition to all other means provided by law for the
1672 enforcement of any temporary restraining order, temporary
1673 injunction, or permanent injunction issued in any such court
1674 proceedings, the court shall have the power and jurisdiction,
1675 upon application of the office, to impound and to appoint a
1676 receiver or administrator for the property, assets, and business
1677 of the defendant, including, but not limited to, the books,
1678 records, documents, and papers appertaining thereto. Such
1679 receiver or administrator, when appointed and qualified, shall
1680 have all powers and duties as to custody, collection,
1681 administration, winding up, and liquidation of such ~~said~~
1682 property and business as may ~~shall from time to time~~ be
1683 conferred upon her or him by the court. In any such action, the
1684 court may issue orders and decrees staying all pending suits and
1685 enjoining any further suits affecting the receiver's or
1686 administrator's custody or possession of such ~~the said~~ property,
1687 assets, and business or, in its discretion, may with the consent
1688 of the presiding judge of the circuit require that all such
1689 suits be assigned to the circuit court judge appointing such ~~the~~
1690 ~~said~~ receiver or administrator.

1691 (3) In addition to, or in lieu of, any other remedies
1692 provided by this chapter, the office may apply to the court



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1693 hearing the ~~this~~ matter for an order directing the defendant to
1694 make restitution of those sums shown by the office to have been
1695 obtained in violation of ~~any of the provisions of~~ this chapter.
1696 The office has standing to request such restitution on behalf of
1697 victims in cases brought by the office under this chapter,
1698 regardless of the appointment of an administrator or receiver
1699 under subsection (2) or an injunction under subsection (1).
1700 Further, such restitution must ~~shall~~, at the option of the
1701 court, be payable to the administrator or receiver appointed
1702 pursuant to this section or directly to the persons whose assets
1703 were obtained in violation of this chapter.

1704 (4) In addition to any other remedies provided by this
1705 chapter, the office may apply to the court hearing the matter
1706 for, and the court has ~~shall have~~ jurisdiction to impose, a
1707 civil penalty against any person found to have violated ~~any~~
1708 ~~provision of~~ this chapter, any rule or order adopted by the
1709 commission or the office, or any written agreement entered into
1710 with the office in an amount not to exceed any of the following:

1711 (a) The greater of \$20,000 ~~\$10,000~~ for a natural person or
1712 \$25,000 for a business entity ~~any other person~~, or the gross
1713 amount of any pecuniary loss to investors or pecuniary gain to a
1714 natural person or business entity ~~such defendant~~ for each such
1715 violation, other than a violation of s. 517.301, plus the
1716 greater of \$50,000 for a natural person or \$250,000 for a
1717 business entity ~~any other person~~, or the gross amount of any
1718 pecuniary loss to investors or pecuniary gain to a natural
1719 person or business entity ~~such defendant~~ for each violation of
1720 s. 517.301.

1721 (b) Twice the amount of the civil penalty that would



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1722 otherwise be imposed under this subsection if a specified adult,
1723 as defined in s. 517.34(1), is the victim of a violation of this
1724 chapter.

1725
1726 All civil penalties collected pursuant to this subsection must
1727 shall be deposited into the Anti-Fraud Trust Fund. The office
1728 may recover any costs and attorney fees related to its
1729 investigation or enforcement of this section. Notwithstanding
1730 any other law, such moneys recovered by the office must be
1731 deposited into the Anti-Fraud Trust Fund.

1732 (5) For purposes of any action brought by the office under
1733 this section, a control person who controls any person found to
1734 have violated this chapter or any rule adopted thereunder is
1735 jointly and severally liable with, and to the same extent as,
1736 the controlled person in any action brought by the office under
1737 this section unless the control person can establish by a
1738 preponderance of the evidence that he or she acted in good faith
1739 and did not directly or indirectly induce the act that
1740 constitutes the violation or cause of action.

1741 (6) For purposes of any action brought by the office under
1742 this section, a person who knowingly or recklessly provides
1743 substantial assistance to another person in violation of this
1744 chapter or any rule adopted thereunder is deemed to violate this
1745 chapter or the rule to the same extent as the person to whom
1746 such assistance is provided.

1747 (7) The office may issue and serve upon a person a cease
1748 and desist order if the office has reason to believe that the
1749 person violates, has violated, or is about to violate this
1750 chapter, any commission or office rule or order, or any written



1751 agreement entered into with the office.

1752 (8) If the office finds that any conduct described in
1753 subsection (7) presents an immediate danger to the public,
1754 requiring an immediate final order, the office may issue an
1755 emergency cease and desist order reciting with particularity the
1756 facts underlying such findings. The emergency cease and desist
1757 order is effective immediately upon service of a copy of the
1758 order on the respondent named in the order and remains effective
1759 for 90 days after issuance. If the office begins nonemergency
1760 cease and desist proceedings under subsection (7), the emergency
1761 cease and desist order remains effective until the conclusion of
1762 the proceedings under ss. 120.569 and 120.57.

1763 (9) The office may impose and collect an administrative
1764 fine against any person found to have violated any provision of
1765 this chapter, any rule or order adopted by the commission or
1766 office, or any written agreement entered into with the office in
1767 an amount not to exceed the penalties provided in subsection
1768 (4). All fines collected under this subsection must be deposited
1769 into the Anti-Fraud Trust Fund.

1770 (10) The office may bar, permanently or for a specific
1771 period of time, any person found to have violated this chapter,
1772 any rule or order adopted by the commission or office, or any
1773 written agreement entered into with the office from submitting
1774 an application or notification for a license or registration
1775 with the office.

1776 (11) In addition to all other means provided by law for
1777 enforcing any of the provisions of this chapter, when the
1778 Attorney General, upon complaint or otherwise, has reason to
1779 believe that a person has engaged or is engaged in any act or



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1780 practice constituting a violation of s. 517.275 or s. 517.301,
1781 ~~s. 517.311, or s. 517.312,~~ or any rule or order issued under
1782 such sections, the Attorney General may investigate and bring an
1783 action to enforce these provisions as provided in ss. 517.171,
1784 517.201, and 517.2015 after receiving written approval from the
1785 office. Such an action may be brought against such person and
1786 any other person in any way participating in such act or
1787 practice or engaging in such act or practice or doing any act in
1788 furtherance of such act or practice, to obtain injunctive
1789 relief, restitution, civil penalties, and any remedies provided
1790 for in this section. The Attorney General may recover any costs
1791 and attorney fees related to the Attorney General's
1792 investigation or enforcement of this section. Notwithstanding
1793 any other provision of law, moneys recovered by the Attorney
1794 General for costs, attorney fees, and civil penalties for a
1795 violation of s. 517.275 or s. 517.301, ~~s. 517.311, or s.~~
1796 ~~517.312,~~ or any rule or order issued pursuant to such sections,
1797 must ~~shall~~ be deposited in the Legal Affairs Revolving Trust
1798 Fund. The Legal Affairs Revolving Trust Fund may be used to
1799 investigate and enforce this section.

1800 (12) ~~(6)~~ This section does not limit the authority of the
1801 office to bring an administrative action against any person that
1802 is the subject of a civil action brought pursuant to this
1803 section or limit the authority of the office to engage in
1804 investigations or enforcement actions with the Attorney General.
1805 However, a person may not be subject to both a civil penalty
1806 under subsection (4) and an administrative fine under subsection
1807 (9) ~~s. 517.221(3)~~ as the result of the same facts.

1808 (13) ~~(7)~~ Notwithstanding s. 95.11(4)(f), an enforcement



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1809 action brought under this section based on a violation of ~~any~~
1810 ~~provision of~~ this chapter or any rule or order issued under this
1811 chapter shall be brought within 6 years after the facts giving
1812 rise to the cause of action were discovered or should have been
1813 discovered with the exercise of due diligence, but not more than
1814 8 years after the date such violation occurred.

1815 (14) This chapter does not limit any statutory right of the
1816 state to punish a person for a violation of a law.

1817 (15) When not in conflict with the Constitution or laws of
1818 the United States, the courts of this state have the same
1819 jurisdiction over civil suits instituted in connection with the
1820 sale or offer of sale of securities under any laws of the United
1821 States as the courts of this state may have with regard to
1822 similar cases instituted under the laws of this state.

1823 Section 15. Section 517.211, Florida Statutes, is amended
1824 to read:

1825 517.211 Private remedies available in cases of unlawful
1826 sale.—

1827 (1) Every sale made in violation of either s. 517.07 or s.
1828 517.12(1), (3), (4), (8), (10), (12), (15), or (17) may be
1829 rescinded at the election of the purchaser; however, except a
1830 sale made in violation of the provisions of s. 517.1202(3)
1831 relating to a renewal of a branch office notification or shall
1832 ~~not be subject to this section, and a sale made in violation of~~
1833 the provisions of s. 517.12(12) relating to filing a change of
1834 address amendment is shall not be subject to this section. Each
1835 person making the sale and every director, officer, partner, or
1836 agent of or for the seller, if the director, officer, partner,
1837 or agent has personally participated or aided in making the



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1838 sale, is jointly and severally liable to the purchaser in an
1839 action for rescission, if the purchaser still owns the security,
1840 or for damages, if the purchaser has sold the security. No
1841 purchaser otherwise entitled will have the benefit of this
1842 subsection who has refused or failed, within 30 days after ~~of~~
1843 receipt, to accept an offer made in writing by the seller, if
1844 the purchaser has not sold the security, to take back the
1845 security in question and to refund the full amount paid by the
1846 purchaser or, if the purchaser has sold the security, to pay the
1847 purchaser an amount equal to the difference between the amount
1848 paid for the security and the amount received by the purchaser
1849 on the sale of the security, together, in either case, with
1850 interest on the full amount paid for the security by the
1851 purchaser at the legal rate, pursuant to s. 55.03, for the
1852 period from the date of payment by the purchaser to the date of
1853 repayment, less the amount of any income received by the
1854 purchaser on the security.

1855 (2) Any person purchasing or selling a security in
1856 violation of s. 517.301, and every director, officer, partner,
1857 or agent of or for the purchaser or seller, if the director,
1858 officer, partner, or agent has personally participated or aided
1859 in making the sale or purchase, is jointly and severally liable
1860 to the person selling the security to or purchasing the security
1861 from such person in an action for rescission, if the plaintiff
1862 still owns the security, or for damages, if the plaintiff has
1863 sold the security.

1864 (3) For purposes of any action brought under this section,
1865 a control person who controls any person found to have violated
1866 any provision specified in subsection (1) is jointly and



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1867 severally liable with, and to the same extent as, such
1868 controlled person in any action brought under this section
1869 unless the control person can establish by a preponderance of
1870 the evidence that he or she acted in good faith and did not
1871 directly or indirectly induce the act that constitutes the
1872 violation or cause of action.

1873 (4) In an action for rescission:

1874 (a) A purchaser may recover the consideration paid for the
1875 security or investment, plus interest thereon at the legal rate
1876 from the date of purchase, less the amount of any income
1877 received by the purchaser on the security or investment upon
1878 tender of the security or investment.

1879 (b) A seller may recover the security upon tender of the
1880 consideration paid for the security, plus interest at the legal
1881 rate from the date of purchase, less the amount of any income
1882 received by the defendant on the security.

1883 ~~(5)~~(4) In an action for damages brought by a purchaser of a
1884 security or investment, the plaintiff must ~~shall~~ recover an
1885 amount equal to the difference between:

1886 (a) The consideration paid for the security or investment,
1887 plus interest thereon at the legal rate from the date of
1888 purchase; and

1889 (b) The value of the security or investment at the time it
1890 was disposed of by the plaintiff, plus the amount of any income
1891 received on the security or investment by the plaintiff.

1892 ~~(6)~~(5) In an action for damages brought by a seller of a
1893 security, the plaintiff shall recover an amount equal to the
1894 difference between:

1895 (a) The value of the security at the time of the complaint,



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1896 plus the amount of any income received by the defendant on the
1897 security; and

1898 (b) The consideration received for the security, plus
1899 interest at the legal rate from the date of sale.

1900 ~~(7)(6)~~ In any action brought under this section, including
1901 an appeal, the court shall award reasonable attorney ~~attorneys'~~
1902 fees to the prevailing party unless the court finds that the
1903 award of such fees would be unjust.

1904 (8) This chapter does not limit any statutory or common-law
1905 right of a person to bring an action in a court for an act
1906 involved in the sale of securities or investments.

1907 (9) The same civil remedies provided by the laws of the
1908 United States for the purchasers or sellers of securities in
1909 interstate commerce also extend to purchasers or sellers of
1910 securities under this chapter.

1911 Section 16. Section 517.221, Florida Statutes, is repealed.

1912 Section 17. Section 517.241, Florida Statutes, is repealed.

1913 Section 18. Section 517.301, Florida Statutes, is amended
1914 to read:

1915 517.301 Fraudulent transactions; falsification or
1916 concealment of facts.—

1917 (1) It is unlawful and a violation of ~~the provisions of~~
1918 this chapter for a person:

1919 (a) In connection with the rendering of any investment
1920 advice or in connection with the offer, sale, or purchase of any
1921 investment or security, including any security exempted under
1922 ~~the provisions of~~ s. 517.051 and including any security sold in
1923 a transaction exempted under ~~the provisions of~~ s. 517.061, s.
1924 517.0611, or s. 517.0612, directly or indirectly:



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1925 1. To employ any device, scheme, or artifice to defraud;
1926 2. To obtain money or property by means of any untrue
1927 statement of a material fact or any omission to state a material
1928 fact necessary in order to make the statements made, in the
1929 light of the circumstances under which they were made, not
1930 misleading; or

1931 3. To engage in any transaction, practice, or course of
1932 business which operates or would operate as a fraud or deceit
1933 upon a person.

1934 (b) By use of any means, to publish, give publicity to, or
1935 circulate any notice, circular, advertisement, newspaper,
1936 article, letter, investment service, communication, or broadcast
1937 that, although ~~which, though~~ not purporting to offer a security
1938 for sale, describes such security for a consideration received
1939 or to be received directly or indirectly from an issuer,
1940 underwriter, or dealer, or from an agent or employee of an
1941 issuer, underwriter, or dealer, without fully disclosing the
1942 receipt, whether past or prospective, of such consideration and
1943 the amount of the consideration.

1944 (c) In any matter within the jurisdiction of the office, to
1945 knowingly and willfully falsify, conceal, or cover up, by any
1946 trick, scheme, or device, a material fact, make any false,
1947 fictitious, or fraudulent statement or representation, or make
1948 or use any false writing or document, knowing the same to
1949 contain any false, fictitious, or fraudulent statement or entry.

1950 (2) For purposes of ~~ss. 517.311 and 517.312 and~~ this
1951 section, the term "investment" means any commitment of money or
1952 property principally induced by a representation that an
1953 economic benefit may be derived from such commitment, except



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1954 that the term does not include a commitment of money or property
1955 for:

1956 (a) The purchase of a business opportunity, business
1957 enterprise, or real property through a person licensed under
1958 chapter 475 or registered under former chapter 498; or

1959 (b) The purchase of tangible personal property through a
1960 person not engaged in telephone solicitation, electronic mail,
1961 text messages, social media, or other electronic means where
1962 ~~said property is offered and sold in accordance with the~~
1963 ~~following conditions:~~

1964 ~~1. there are no specific representations or guarantees made~~
1965 ~~by the offeror or seller as to the economic benefit to be~~
1966 ~~derived from the purchase.~~

1967 ~~2. The tangible property is delivered to the purchaser~~
1968 ~~within 30 days after sale, except that such 30-day period may be~~
1969 ~~extended by the office if market conditions so warrant; and~~

1970 ~~3. The seller has offered the purchaser a full refund~~
1971 ~~policy in writing, exercisable by the purchaser within 10 days~~
1972 ~~of the date of delivery of such tangible personal property,~~
1973 ~~except that the amount of such refund may not exceed the bid~~
1974 ~~price in effect at the time the property is returned to the~~
1975 ~~seller. If the applicable sellers' market is closed at the time~~
1976 ~~the property is returned to the seller for a refund, the amount~~
1977 ~~of such refund shall be based on the bid price for such property~~
1978 ~~at the next opening of such market.~~

1979 (3) It is unlawful for a person in issuing or selling a
1980 security within this state, including a security exempted under
1981 s. 517.051 and including a transaction exempted under s.
1982 517.061, s. 517.0611, or s. 517.0612, to misrepresent that such



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1983 security or business entity has been guaranteed, sponsored,
1984 recommended, or approved by the state or an agency or officer of
1985 the state or by the United States or an agency or officer of the
1986 United States.

1987 (4) It is unlawful for a person registered or required to
1988 be registered, or subject to the notice requirements, under this
1989 chapter, including such persons and issuers who are subject to
1990 s. 517.051, s. 517.061, s. 517.0611, s. 517.0612, or s. 517.081,
1991 to misrepresent that such person has been sponsored,
1992 recommended, or approved, or that such person's abilities or
1993 qualifications have in any respect been approved, by the state
1994 or an agency or officer of the state or by the United States or
1995 an agency or officer of the United States.

1996 (5) It is unlawful and a violation of this chapter for a
1997 person in connection with the offer or sale of an investment to
1998 obtain money or property by means of:

1999 (a) A misrepresentation that the investment offered or sold
2000 is guaranteed, sponsored, recommended, or approved by the state
2001 or an agency or officer of the state or by the United States or
2002 an agency or officer of the United States; or

2003 (b) A misrepresentation that such person is sponsored,
2004 recommended, or approved, or that such person's abilities or
2005 qualifications have in any respect been approved, by the state

2007 ===== T I T L E A M E N D M E N T =====

2008 And the title is amended as follows:

2009 Delete lines 139 - 140

2010 and insert:

2011 satisfaction of claims in the event of an insufficient



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balance in the fund; requiring payments and