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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/16/2024	.	
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The Committee on Fiscal Policy (Brodeur) recommended the following:

**Senate Amendment**

Delete lines 349 - 1905  
and insert:  
following securities; however, such transactions are subject to s. 517.301:

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



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11 thereof. ~~provided that~~

12 (a) Except as provided in paragraph (b), no person shall  
13 directly or indirectly offer or sell securities, other than  
14 general obligation bonds, described under this subsection if the  
15 issuer or guarantor is in default or has been in default any  
16 time after December 31, 1975, as to principal or interest:

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

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

21  
22 except by an offering circular containing a full and fair  
23 disclosure as prescribed by rule of the commission.

24 (b) Paragraph (a) applies to a security that is an  
25 industrial or commercial development bond unless payments are  
26 made or unconditionally guaranteed by a person whose securities  
27 are exempt from registration under s. 18(b)(1) of the Securities  
28 Act of 1933, as amended.

29 (3) A security issued by and which represents or will  
30 represent an interest in or a direct obligation of, or be  
31 guaranteed by, any of the following:

32 (a) An international bank of which the United States is a  
33 member.

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

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

36 (d) A depository institution, when a substantial portion of  
37 its business consists of or will consist of receiving deposits  
38 or share accounts that are insured to the maximum amount  
39 authorized by statute by the Federal Deposit Insurance



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40 Corporation or the National Credit Union Share Insurance Fund or  
41 guaranteed by:

42 ~~(a) A national bank, a federally chartered savings and loan~~  
43 ~~association, or a federally chartered savings bank, or the~~  
44 ~~initial subscription for equity securities in such national~~  
45 ~~bank, federally chartered savings and loan association, or~~  
46 ~~federally chartered savings bank;~~

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

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

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

54 (4) A security issued or guaranteed, as to principal,  
55 interest, or dividend, by a business entity ~~corporation~~ owning  
56 or operating a railroad, another common carrier, or any other  
57 public service utility; provided that such business entity  
58 ~~corporation~~ is subject to regulation or supervision whether as  
59 to its rates and charges or as to the issue of its own  
60 securities by a public commission, board, or officer of the  
61 government of the United States, of any state, territory, or  
62 insular possession of the United States, of any municipality  
63 located therein, of the District of Columbia, or of the Dominion  
64 of Canada or of any province thereof; also equipment securities  
65 based on chattel mortgages, leases, or agreements for  
66 conditional sale of cars, motive power, or other rolling stock  
67 mortgaged, leased, or sold to or furnished for the use of or  
68 upon such railroad or other public service utility corporation



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69 or where the ownership or title of such equipment is pledged or  
70 retained in accordance with ~~the provisions of~~ the laws of the  
71 United States or of any state or of the Dominion of Canada to  
72 secure the payment of such equipment securities; and also bonds,  
73 notes, or other evidences of indebtedness issued by a holding  
74 corporation and secured by collateral consisting of any  
75 securities hereinabove described; provided, further, that the  
76 collateral securities equal in fair value at least 125 percent  
77 of the par value of the bonds, notes, or other evidences of  
78 indebtedness so secured.

79 (8) Shares or other equity interests of a business entity  
80 which represent ownership or entitle the holders of such shares  
81 or other equity interests to possession and occupancy of  
82 specific apartment units in property owned by such business  
83 entity and organized and operated on a cooperative basis, solely  
84 for residential purposes ~~A note, draft, bill of exchange, or~~  
85 ~~banker's acceptance having a unit amount of \$25,000 or more~~  
86 ~~which arises out of a current transaction, or the proceeds of~~  
87 ~~which have been or are to be used for current transactions, and~~  
88 ~~which has a maturity period at the time of issuance not~~  
89 ~~exceeding 9 months exclusive of days of grace, or any renewal~~  
90 ~~thereof which has a maturity period likewise limited. This~~  
91 ~~subsection applies only to prime quality negotiable commercial~~  
92 ~~paper of a type not ordinarily purchased by the general public;~~  
93 ~~that is, paper issued to facilitate well-recognized types of~~  
94 ~~current operational business requirements and of a type eligible~~  
95 ~~for discounting by Federal Reserve banks.~~

96 (9) A member's or owner's interest in, or a retention  
97 certificate or like security given in lieu of a cash patronage



98 dividend issued by, a not-for-profit membership entity operated  
99 either as a cooperative under the cooperative laws of a state or  
100 in accordance with the cooperative provisions of subchapter T of  
101 chapter 1 of subtitle A of the United States Internal Revenue  
102 Code, as amended, but not a member's or owner's interest,  
103 retention certificate, or like security sold or transferred to a  
104 person other than:

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

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

110 (10)-(9) A security issued by a business entity ~~corporation~~  
111 organized and operated exclusively for religious, educational,  
112 benevolent, fraternal, charitable, or reformatory purposes and  
113 not for pecuniary profit, no part of the net earnings of which  
114 ~~corporation~~ inures to the benefit of any private stockholder or  
115 individual, or any security of a fund that is excluded from the  
116 definition of an investment company under s. 3(c)(10)(B) of the  
117 Investment Company Act of 1940, as amended; provided that a ~~no~~  
118 person may not ~~shall~~ directly or indirectly offer or sell  
119 securities under this subsection except by an offering circular  
120 containing full and fair disclosure, as prescribed by the rules  
121 of the commission, of all material information, including, but  
122 not limited to, a description of the securities offered and  
123 terms of the offering, a description of the nature of the  
124 issuer's business, a statement of the purpose of the offering  
125 and the intended application by the issuer of the proceeds  
126 thereof, and financial statements of the issuer prepared in



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127 conformance with United States generally accepted accounting  
128 principles. Section 6(c) of the Philanthropy Protection Act of  
129 1995, Pub. L. No. 104-62, does ~~shall~~ not preempt any provision  
130 of this chapter.

131 (11)-(10) Any insurance or endowment policy or annuity  
132 contract or optional annuity contract or self-insurance  
133 agreement issued by a business entity ~~corporation~~, insurance  
134 company, reciprocal insurer, or risk retention group subject to  
135 the supervision of the insurance regulator or bank regulator, or  
136 any agency or officer performing like functions, of any state or  
137 territory of the United States or the District of Columbia.

138 Section 3. Section 517.061, Florida Statutes, is amended to  
139 read:

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

142 517.061 Exempt transactions.—Except as otherwise provided  
143 in subsection (11), the exemptions provided herein from the  
144 registration requirements of s. 517.07 are self-executing and do  
145 not require any filing with the office before being claimed. Any  
146 person who claims entitlement to an exemption under this section  
147 bears the burden of proving such entitlement in any proceeding  
148 brought under this chapter. The registration provisions of s.  
149 517.07 do not apply to any of the following transactions;  
150 however, such transactions are subject to s. 517.301:

151 (1) (a) Any judicial sale or any sale by an executor, an  
152 administrator, a guardian, or a conservator; any sale by a  
153 receiver or trustee in insolvency or bankruptcy; any sale by an  
154 assignee as defined in s. 727.103, with respect to an assignment  
155 as defined in that section; or any transaction incident to a



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156 judicially approved reorganization in which a security is issued  
157 in exchange for one or more outstanding securities, claims, or  
158 property interests.

159 (b) Except for a security exchanged in a case brought under  
160 Title 11 of the United States Code, a security issued in  
161 exchange for one or more bona fide outstanding securities,  
162 claims, or property interests, or partly in such exchange and  
163 partly for cash, if the terms and conditions of such issuance  
164 and exchange are approved:

165 1. By a court, an official or agency of the United States,  
166 a banking or insurance commission of a state or territory of the  
167 United States, or another governmental authority expressly  
168 authorized by law to grant such approval.

169 2. After a hearing upon the fairness of such terms and  
170 conditions and at which all persons to whom issuance of  
171 securities in such exchange is proposed have the right to  
172 appear.

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

177 (3) A transaction involving a stock dividend or equivalent  
178 equity distribution, regardless of whether the business entity  
179 distributing the dividend or equivalent equity distribution is  
180 the issuer, if nothing of value is given by stockholders or  
181 other equity holders for the dividend or equivalent equity  
182 distribution other than the surrender of a right to a cash or  
183 property dividend in the event that each stockholder or other  
184 equity holder may elect to take the dividend or equivalent



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185 equity distribution in cash, property, or stock.

186 (4) A transaction under an offer to existing security  
187 holders of the issuer, including persons that at the date of the  
188 transaction are holders of convertible securities, options, or  
189 warrants, if a commission or other remuneration is not paid or  
190 given, directly or indirectly, for soliciting a security holder  
191 in this state.

192 (5) The issuance of securities to such equity security  
193 holders or creditors of a business entity in the process of a  
194 reorganization of such business entity, made in good faith and  
195 not for the purpose of evading this chapter, either in exchange  
196 for the securities of such equity security holders or claims of  
197 such creditors or partly for cash and partly in exchange for the  
198 securities or claims of such equity security holders or  
199 creditors.

200 (6) A transaction involving the distribution of the  
201 securities of an issuer to the security holders of another  
202 person in connection with a merger, consolidation, exchange of  
203 securities, sale of assets, or other reorganization to which the  
204 issuer, or the issuer's parent or subsidiary, and the other  
205 person, or the person's parent or subsidiary, are parties.

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

210 (8) The offer or sale of securities under a bona fide  
211 employee stock purchase, savings, option, profit-sharing,  
212 pension, or similar employee benefit plan, including any  
213 securities, plan interests, and guarantees issued under a





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214 compensatory benefit plan or compensation contract, contained in  
215 a record, established by the issuer, its parents, its majority-  
216 owned subsidiaries, or the majority-owned subsidiaries of the  
217 issuer's parent for the participation of the issuer's employees,  
218 directors, managers, managing members, general partners,  
219 trustees, officers, consultants, or advisors, and their family  
220 members who acquire such securities from such persons through  
221 gifts or domestic relations orders. This includes offers or  
222 sales of such securities to all of the following persons:

223 (a) Former employees, directors, managers, managing  
224 members, general partners, trustees, officers, consultants, or  
225 advisors, provided that the securities are issued to such  
226 persons in connection with their prior employment by or services  
227 provided to the issuer.

228 (b) Insurance agents who are exclusive insurance agents of  
229 the issuer, or of the issuer's parents or subsidiaries, or who  
230 derive more than 50 percent of their annual income from such  
231 persons.

232 (9) The offer or sale of securities to a bank, trust  
233 company, savings institution, insurance company, dealer,  
234 investment company as defined in the Investment Company Act of  
235 1940, 15 U.S.C. s. 80a-3, as amended, pension or profit-sharing  
236 trust, or qualified institutional buyer, whether any of such  
237 entities is acting in its individual or fiduciary capacity.

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

241 1. There are no more than 35 purchasers, or the issuer  
242 reasonably believes that there are no more than 35 purchasers,



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243 of the securities of the issuer in this state during an offering  
244 made in reliance upon this subsection or, if such offering  
245 continues for a period in excess of 12 months, in any  
246 consecutive 12-month period.

247 2. Neither the issuer nor any person acting on behalf of  
248 the issuer offers or sells securities pursuant to this  
249 subsection by means of any form of general solicitation or  
250 general advertising in this state.

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

256 4. Any sale made pursuant to this subsection is voidable by  
257 the purchaser within 3 days after the first tender of  
258 consideration is made by such purchaser to the issuer by  
259 notifying the issuer that the purchaser expressly voids the  
260 purchase. The purchaser's notice to the issuer must be sent by  
261 e-mail to the issuer's e-mail address set forth in the  
262 disclosure document provided to the purchaser or purchaser's  
263 representative or by hand delivery, courier service, or other  
264 method by which written proof of delivery to the issuer of the  
265 purchaser's election to rescind the purchase is evidenced.

266 (b) The following purchasers are excluded from the  
267 calculation of the number of purchasers under subparagraph  
268 (a)1.:

269 1. Any spouse or child of the purchaser or any related  
270 family member who has the same principal residence as such  
271 purchaser.



272           2. A trust or estate in which a purchaser, any of the  
273 persons related to such purchaser specified in subparagraph 1.,  
274 and any business entity specified in subparagraph 3.,  
275 collectively, have more than 50 percent of the beneficial  
276 interest, excluding any contingent interest.

277           3. A business entity in which a purchaser, any of the  
278 persons related to such purchaser specified in subparagraph 1.,  
279 and any trust or estate specified in subparagraph 2.,  
280 collectively, are beneficial owners of more than 50 percent of  
281 the equity securities or equity interest.

282           4. An accredited investor.

283  
284 A business entity must be counted as one purchaser. However, if  
285 the business entity is organized for the specific purpose of  
286 acquiring the securities offered and is not an accredited  
287 investor, each beneficial owner of equity securities or equity  
288 interests in the business entity must be counted as a separate  
289 purchaser. A noncontributory employee benefit plan within the  
290 meaning of Title I of the Employee Retirement Income Security  
291 Act of 1974 must be counted as one purchaser if the trustee  
292 makes all investment decisions for the plan.

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

295           (a) The offers or sales of securities are made only to  
296 persons who are, or who the issuer reasonably believes are,  
297 accredited investors.

298           (b) The issuer is not a business entity that has an  
299 undefined business operation, lacks a business plan, lacks a  
300 stated investment goal for the funds being raised, or plans to



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301 engage in a merger or acquisition with an unspecified business  
302 entity.

303 (c) The issuer reasonably believes that all purchasers are  
304 purchasing for investment and not with the view to or for sale  
305 in connection with a distribution of the security. Any resale of  
306 a security sold in reliance on this exemption within 12 months  
307 after sale is presumed to be with a view to distribution and not  
308 for investment, except a resale pursuant to a registration  
309 statement effective under this chapter or pursuant to an  
310 exemption available under this chapter, the Securities Act of  
311 1933, as amended, or the rules and regulations adopted  
312 thereunder.

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

315 a. The name, address, and telephone number of the issuer of  
316 the securities.

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

319 c. A brief description of the business.

320 d. The type, number, and aggregate amount of securities  
321 being offered.

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

324 f. A statement that:

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

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

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



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330 approved by any state securities agency or the Securities and  
331 Exchange Commission and are being offered and sold pursuant to  
332 an exemption from registration.

333 2. The issuer may, in connection with an offer, provide  
334 information in addition to the information provided in the  
335 general announcement as specified in subparagraph 1. if such  
336 information is delivered:

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

339 b. After the issuer reasonably believes that the  
340 prospective purchaser is an accredited investor.

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

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

349 (g) Dissemination of the general announcement of the  
350 proposed offering to persons who are not accredited investors  
351 does not disqualify the issuer from claiming the exemption under  
352 this subsection.

353 (12) The isolated sale or offer for sale of securities when  
354 made by or on behalf of a bona fide owner, not the issuer or  
355 underwriter, of the securities, who disposes of such securities  
356 for the owner's own account, and such sale is not made directly  
357 or indirectly for the benefit of the issuer or an underwriter of  
358 such securities or for the direct or indirect promotion of any



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359 scheme or enterprise with the intent of violating or evading  
360 this chapter. For purposes of this subsection, isolated offers  
361 or sales include, but are not limited to, an isolated offer or  
362 sale made by or on behalf of a bona fide owner, rather than the  
363 issuer or underwriter, of the securities if:

364 (a) The offer or sale of securities is in a transaction  
365 satisfying all of the conditions specified in paragraphs (10) (a)  
366 and (b); or

367 (b) The offer or sale of securities is in a transaction  
368 exempt under s. 4(a) (1) of the Securities Act of 1933, as  
369 amended, or under Securities and Exchange Commission rules or  
370 regulations.

371 (13) By or for the account of a pledgeholder, a secured  
372 party as defined in s. 679.1021(1) (ttt), or a mortgagee selling  
373 or offering for sale or delivery in the ordinary course of  
374 business and not for the purposes of avoiding the provisions of  
375 this chapter, to liquidate a bona fide debt, a security pledged  
376 in good faith as security for such debt.

377 (14) An unsolicited purchase or sale of securities on order  
378 of, and as the agent for, another solely and exclusively by a  
379 dealer registered pursuant to s. 517.12; provided that this  
380 exemption applies solely and exclusively to such registered  
381 dealers and does not authorize or permit the purchase or sale of  
382 securities at the direction of, and as agent for, another by any  
383 person other than a dealer so registered; and provided further  
384 that such purchase or sale may not be directly or indirectly for  
385 the benefit of the issuer or an underwriter of such securities  
386 or for the direct or indirect promotion of any scheme or  
387 enterprise with the intent of violating or evading this chapter.



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

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

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

399       (b)1. Such options transactions are cleared by the Options  
400 Clearing Corporation or any other clearinghouse recognized by  
401 commission rule;

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

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

407       (17) (a) The offer or sale of securities, as agent or  
408 principal, by a dealer registered pursuant to s. 517.12, when  
409 such securities are offered or sold at a price reasonably  
410 related to the current market price of such securities, provided  
411 that such securities are:

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

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



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

420 4. Securities, other than any security that is a federal  
421 covered security and is not subject to any registration or  
422 filing requirements under this chapter, that have been listed or  
423 approved for listing upon notice of issuance by a securities  
424 exchange registered under the Securities Exchange Act of 1934,  
425 as amended; and all securities senior to any securities so  
426 listed or approved for listing upon notice of issuance, or  
427 represented by subscription rights which have been so listed or  
428 approved for listing upon notice of issuance, or evidences of  
429 indebtedness guaranteed by an issuer with a class of securities  
430 listed or approved for listing upon notice of issuance by such  
431 securities exchange, such securities to be exempt only so long  
432 as such listings or approvals remain in effect. The exemption  
433 provided in this subparagraph does not apply when the securities  
434 are suspended from listing approval for listing or trading.

435 (b) The exemption provided in this subsection does not  
436 apply if the sale is made for the direct or indirect benefit of  
437 an issuer or a control person of such issuer or if such  
438 securities constitute the whole or part of an unsold allotment  
439 to, or subscription or participation by, a dealer as an  
440 underwriter of such securities.

441 (c) The exemption provided in this subsection is not  
442 available for any securities that have been denied registration  
443 pursuant to s. 517.111. Additionally, the office may deny this  
444 exemption with reference to any particular security, other than  
445 a federal covered security, by order published in such manner as





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446 the office finds proper.

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

454 (a) The issuer of the security is actually engaged in  
455 business and is not in the organizational stage or in bankruptcy  
456 or receivership and is not a blank check, blind pool, or shell  
457 company whose primary plan of business is to engage in a merger  
458 or combination of the business with, or an acquisition of, an  
459 unidentified person.

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

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

465 (d) The security is listed in a nationally recognized  
466 securities manual designated by rule of the commission or a  
467 document filed with and publicly viewable through the Securities  
468 and Exchange Commission electronic data gathering and retrieval  
469 system and contains:

470 1. A description of the business and operations of the  
471 issuer;

472 2. The names of the issuer's officers and directors, if  
473 any, or, in the case of an issuer not domiciled in the United  
474 States, the corporate equivalents of such persons in the



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475 issuer's country of domicile;

476 3. An audited balance sheet of the issuer as of a date  
477 within 18 months before such transaction or, in the case of a  
478 reorganization or merger in which parties to the reorganization  
479 or merger had such audited balance sheet, a pro forma balance  
480 sheet; and

481 4. An audited income statement for each of the issuer's  
482 immediately preceding 2 fiscal years, or for the period of  
483 existence of the issuer, if in existence for less than 2 years  
484 or, in the case of a reorganization or merger in which the  
485 parties to the reorganization or merger had such audited income  
486 statement, a pro forma income statement.

487 (e)1. The issuer of the security has a class of equity  
488 securities listed on a national securities exchange registered  
489 under the Securities Exchange Act of 1934, as amended;

490 2. The class of security is quoted, offered, purchased, or  
491 sold through an alternative trading system registered under  
492 Securities and Exchange Commission Regulation ATS, 17 C.F.R. s.  
493 242.301, as amended, and the issuer of the security has made  
494 current information publicly available in accordance with  
495 Securities and Exchange Commission Rule 15c2-11, 17 C.F.R. s.  
496 240.15c2-11, as amended;

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

499 4. The issuer of the security has been engaged in  
500 continuous business, including predecessors, for at least 3  
501 years; or

502 5. The issuer of the security has total assets of at least  
503 \$2 million based on an audited balance sheet as of a date within



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504 18 months before such transaction or, in the case of a  
505 reorganization or merger in which parties to the reorganization  
506 or merger had such audited balance sheet, a pro forma balance  
507 sheet.

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

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

513 (a) The issuer is a reporting issuer in a foreign  
514 jurisdiction designated by this subsection or by commission  
515 rule, and the issuer has been subject to continuous reporting  
516 requirements in such foreign jurisdiction for not less than 180  
517 days before the transaction.

518 (b) The security is listed on the securities exchange  
519 designated by this subsection or by commission rule, is a  
520 security of the same issuer which is of senior or substantially  
521 equal rank to the listed security, or is a warrant or right to  
522 purchase or subscribe to any such security.

523  
524 For purposes of this subsection, Canada, together with its  
525 provinces and territories, is designated as a foreign  
526 jurisdiction, and The Toronto Stock Exchange, Inc., is  
527 designated as a securities exchange. If, after an administrative  
528 hearing in compliance with ss. 120.569 and 120.57, the office  
529 finds that revocation is necessary or appropriate in furtherance  
530 of the public interest and for the protection of investors, it  
531 may revoke the designation of a securities exchange under this  
532 subsection.



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533           (21) Other transactions exempted by commission rule upon a  
534 finding by the office that the application of s. 517.07 to a  
535 particular transaction is not necessary or appropriate in  
536 furtherance of the public interest and for the protection of  
537 investors due to the small dollar amount of the securities  
538 involved or the limited character of the offering. In  
539 conjunction with its adoption by rule of such exemptions, the  
540 commission may exempt persons selling or offering for sale  
541 securities in such a transaction from the registration  
542 requirements of s. 517.12. A rule adopted by the commission  
543 under this subsection may not have the effect of narrowing or  
544 limiting any exemption specified in this section.

545           Section 4. Section 517.0611, Florida Statutes, is amended  
546 to read:

547           517.0611 The Florida Limited Offering Exemption Intrastate  
548 crowdfunding.—

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

551           (2) The registration provisions of s. 517.07 do not apply  
552 to a securities transaction conducted in accordance with this  
553 section; however, such transaction is subject to s. 517.301  
554 ~~Notwithstanding any other provision of this chapter, an offer or~~  
555 ~~sale of a security by an issuer is an exempt transaction under~~  
556 ~~s. 517.061 if the offer or sale is conducted in accordance with~~  
557 ~~this section. The exemption provided in this section may not be~~  
558 ~~used in conjunction with any other exemption under s. 517.051 or~~  
559 ~~s. 517.061.~~

560           (3) The offer or sale of securities under this section must  
561 be conducted in accordance with the requirements of the federal



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562 exemption for intrastate offerings in s. 3(a)(11) of the  
563 Securities Act of 1933, 15 U.S.C. s. 77c(a)(11), as amended, and  
564 ~~United States~~ Securities and Exchange Commission Rule 147, 17  
565 C.F.R. s. 230.147, as amended, or Securities and Exchange  
566 Commission Rule 147A, 17. C.F.R. s. 230.147A, as amended ~~adopted~~  
567 ~~pursuant to the Securities Act of 1933.~~

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

569 (a) Must be a for-profit business entity that maintains  
570 ~~formed under the laws of the state, be registered with the~~  
571 ~~Secretary of State, maintain~~ its principal place of business ~~in~~  
572 ~~the state,~~ and derives ~~derive~~ its revenues primarily from  
573 operations in this ~~the~~ state.

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

579 (c) May not be, ~~either~~ before or as a result of the  
580 offering, an investment company as defined in s. 3 of the  
581 Investment Company Act of 1940, 15 U.S.C. s. 80a-3, as amended,  
582 or subject to the reporting requirements of s. 13 or s. 15(d) of  
583 the Securities Exchange Act of 1934, 15 U.S.C. s. 78m or s.  
584 78o(d), as amended.

585 (d) May not be a business entity that has ~~company with~~ an  
586 undefined business operation, ~~a company that~~ lacks a business  
587 plan, ~~a company that~~ lacks a stated investment goal for the  
588 funds being raised, or ~~a company that~~ plans to engage in a  
589 merger or acquisition with an unspecified business entity.

590 (e) May not be subject to a disqualification established by



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591 the commission ~~or office~~ or a disqualification described in s.  
592 517.0616 or s. 517.1611 or United States Securities and Exchange  
593 Commission Rule 506(d), 17 C.F.R. 230.506(d), adopted pursuant  
594 to the Securities Act of 1933. Each director, officer, manager,  
595 managing member, or general partner, or person occupying a  
596 similar status or performing a similar function, or person  
597 holding more than 20 percent of the equity interest ~~shares~~ of  
598 the issuer, is subject to this paragraph ~~requirement.~~

599 (f) Must deposit all funds received from investors in an  
600 account in ~~Execute an escrow agreement with a federally insured~~  
601 financial institution authorized to do business in ~~this the~~  
602 state and maintain all such funds in the account until the  
603 target offering amount has been reached or the offering has been  
604 terminated or has expired. If the target offering amount has not  
605 been reached within the period specified by the issuer in the  
606 disclosure statement provided to investors, or if the offering  
607 is terminated or expires, the issuer must refund invested funds  
608 to all investors within 10 business days after such occurrence  
609 for the deposit of investor funds, and ensure that all offering  
610 proceeds are provided to the issuer only when the aggregate  
611 capital raised from all investors is equal to or greater than  
612 the target offering amount.

613 (g) Must use all funds in accordance with the use of  
614 proceeds as disclosed to prospective investors ~~Allow investors~~  
615 to cancel a commitment to invest within 3 business days before  
616 the offering deadline, as stated in the disclosure statement,  
617 and issue refunds to all investors if the target offering amount  
618 is not reached by the offering deadline.

619 (5) The issuer must file a notice of the offering with the



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620 office, in writing or in electronic form, in a format prescribed  
621 by commission rule, together with a nonrefundable filing fee of  
622 \$200. The filing fee must ~~shall~~ be deposited into the Regulatory  
623 Trust Fund of the office. The commission may adopt rules  
624 establishing procedures for the deposit of fees and the filing  
625 of documents by electronic means if the procedures provide the  
626 office with the information and data required by this section. A  
627 notice is effective upon receipt, by the office, of the  
628 completed form, filing fee, and an irrevocable written consent  
629 to service of civil process, similar to that provided for in s.  
630 517.101. The notice may be terminated by filing with the office  
631 a notice of termination. The notice and offering expire 12  
632 months after filing the notice with the office and are not  
633 eligible for renewal. The notice must:

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

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

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

642 (d) Identify any predecessors, owners, officers, directors,  
643 general partners, managers, managing members, and control  
644 persons or any person occupying a similar status or performing a  
645 similar function of the issuer, including that person's title,  
646 his or her status as a partner, trustee, or sole proprietor or a  
647 similar role, and his or her ownership percentage.

648 (e) Identify the federally insured financial institution



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649 ~~into, authorized to do business in the state, in which investor~~  
650 ~~funds will be deposited, in accordance with the escrow~~  
651 ~~agreement.~~

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

658 ~~(g) Include documentation verifying that the issuer is~~  
659 ~~organized under the laws of the state and authorized to do~~  
660 ~~business in the state.~~

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

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

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

671 (7) The issuer may engage in general advertising and  
672 general solicitation of the offering to prospective investors.  
673 Any oral or written statements in advertising or solicitation of  
674 the offering which contain a material misstatement, or which  
675 fail to disclose material information, are subject to  
676 enforcement under this chapter. Any general advertising or other  
677 general announcement must state that the offering is limited and





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678 open only to residents of this state.

679 (8) The issuer must provide a disclosure statement to  
680 investors and the dealer or intermediary, along with a copy to  
681 the office at the time that the notice is filed, and make  
682 available to potential investors through the dealer or  
683 intermediary, as applicable; to the office at the time that the  
684 notice is filed; and to each prospective investor at least 3  
685 days before the investor's commitment to purchase or payment of  
686 any consideration. The, a disclosure statement must contain  
687 containing material information about the issuer and the  
688 offering, including all of the following:

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

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

696 (c) A description of the current business ~~of the issuer~~ and  
697 ~~the~~ anticipated business plan of the issuer.

698 (d) A description of the stated purpose and intended use of  
699 the proceeds of the offering.

700 (e) The target offering amount and, the deadline to reach  
701 the target offering amount, ~~and regular updates regarding the~~  
702 ~~progress of the issuer in meeting the target offering amount.~~

703 (f) The price to the public of the securities ~~or the method~~  
704 ~~for determining the price. However, before the sale, each~~  
705 ~~investor must receive in writing the final price and all~~  
706 ~~required disclosures and have an opportunity to rescind the~~



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707 ~~commitment to purchase the securities.~~

708 (g) A description of the ownership and capital structure of  
709 the issuer, including:

710 1. Terms of the securities being offered and each class of  
711 security of the issuer, including how those terms may be  
712 modified, and a summary of the differences between such  
713 securities, including how the rights of the securities being  
714 offered may be materially limited, diluted, or qualified by  
715 rights of any other class of security of the issuer.

716 2. A description of how the exercise of the rights held by  
717 the principal equity holders ~~shareholders~~ of the issuer could  
718 negatively impact the purchasers of the securities being  
719 offered.

720 ~~3. The name and ownership level of each existing~~  
721 ~~shareholder who owns more than 20 percent of any class of the~~  
722 ~~securities of the issuer.~~

723 ~~4. How the securities being offered are being valued, and~~  
724 ~~examples of methods of how such securities may be valued by the~~  
725 ~~issuer in the future, including during subsequent corporate~~  
726 ~~actions.~~

727 ~~5. The risks to purchasers of the securities relating to~~  
728 ~~minority ownership in the issuer, the risks associated with~~  
729 ~~corporate action, including additional issuances of shares, a~~  
730 ~~sale of the issuer or of assets of the issuer, or transactions~~  
731 ~~with related parties.~~

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



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

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

740 (k)~~(h)~~ A description of the financial condition of the  
741 issuer.

742 1. For offerings that, in combination with all other  
743 offerings of the issuer within the preceding 12-month period,  
744 have ~~target~~ offering amounts of \$500,000 ~~\$100,000~~ or less, the  
745 financial statements of the issuer may be, but are not required  
746 to be, included description must include the most recent income  
747 tax return filed by the issuer, if any, and a financial  
748 statement that must be certified by the principal executive  
749 officer of the issuer as true and complete in all material  
750 respects.

751 2. For offerings that, in combination with all other  
752 offerings of the issuer within the preceding 12-month period,  
753 have ~~target~~ offering amounts of more than \$500,000 ~~\$100,000~~, but  
754 not more than \$2.5 million ~~\$500,000~~, the description must  
755 include financial statements prepared in accordance with  
756 generally accepted accounting principles and reviewed by a  
757 certified public accountant, as defined in s. 473.302, who is  
758 independent of the issuer, using professional standards and  
759 procedures ~~for such review~~ or standards and procedures  
760 established by commission the office, by rule, for such purpose.

761 3. For offerings that, in combination with all other  
762 offerings of the issuer within the preceding 12-month period,  
763 have ~~target~~ offering amounts of more than \$2.5 million ~~\$500,000~~,  
764 the description must include audited financial statements



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765 prepared in accordance with generally accepted accounting  
766 principles by a certified public accountant, as defined in s.  
767 473.302, who is independent of the issuer, and other  
768 requirements as the commission may establish by rule.

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

771  
772 Neither the Securities and Exchange Commission nor any  
773 state securities commission has approved or  
774 disapproved these securities or determined if this  
775 disclosure statement is truthful or complete. Any  
776 representation to the contrary is a criminal offense.

777  
778 These securities are offered under, and will be sold  
779 in reliance upon, an exemption from the registration  
780 requirements of federal and Florida securities laws.  
781 ~~Consequently,~~ Neither the Federal Government nor the  
782 State of Florida has reviewed the accuracy or  
783 completeness of any offering materials. In making an  
784 investment decision, investors must rely on their own  
785 examination of the issuer and the terms of the  
786 offering, including the merits and risks involved.  
787 These securities are subject to restrictions on  
788 transferability and resale and may not be transferred  
789 or resold except as specifically authorized by  
790 applicable federal and state securities laws.  
791 Investing in these securities involves a speculative  
792 risk, and investors should be able to bear the loss of  
793 their entire investment.



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

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

(10) Unless the investor is an accredited investor, or the issuer reasonably believes that the investor is an accredited investor ~~as defined by Rule 501 of Regulation D, adopted pursuant to the Securities Act of 1933~~, the aggregate amount of securities sold by an issuer to an investor ~~in transactions exempt from registration requirements under this subsection~~ in a



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823 12-month period may not exceed \$10,000;

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

827 ~~(b) Ten percent of the annual income or net worth of such~~  
828 ~~investor, not to exceed a maximum aggregate amount sold of~~  
829 ~~\$100,000, if either the annual income or net worth of the~~  
830 ~~investor is equal to or exceeds \$100,000.~~

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

837 ~~(a) Include an analysis by management of the issuer of the~~  
838 ~~business operations and the financial condition of the issuer,~~  
839 ~~and disclose the compensation received by each director,~~  
840 ~~executive officer, and person having an ownership interest of 20~~  
841 ~~percent or more of the issuer, including cash compensation~~  
842 ~~earned since the previous report and on an annual basis, and any~~  
843 ~~bonuses, stock options, other rights to receive securities of~~  
844 ~~the issuer, or any affiliate of the issuer, or other~~  
845 ~~compensation received.~~

846 ~~(b) Disclose any material change to information contained~~  
847 ~~in the disclosure statements which was not disclosed in a~~  
848 ~~previous report.~~

849 ~~(11)-(12)~~(a) A notice-filing under this section must ~~shall~~  
850 be summarily suspended by the office if:

851 (a) The payment for the filing is dishonored by the



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852 financial institution upon which the funds are drawn. For  
853 purposes of s. 120.60(6), failure to pay the required notice  
854 filing fee constitutes an immediate and serious danger to the  
855 public health, safety, and welfare. The office shall enter a  
856 final order revoking a notice-filing in which the payment for  
857 the filing is dishonored by the financial institution upon which  
858 the funds are drawn; or-

859 (b) ~~A notice-filing under this section shall be summarily~~  
860 ~~suspended by the office if~~ The issuer made a material false  
861 statement in the issuer's notice-filing. The summary suspension  
862 remains ~~shall remain~~ in effect until a final order is entered by  
863 the office. For purposes of s. 120.60(6), a material false  
864 statement made in the issuer's notice-filing constitutes an  
865 immediate and serious danger to the public health, safety, and  
866 welfare. If an issuer made a material false statement in the  
867 issuer's notice-filing, the office must ~~shall~~ enter a final  
868 order revoking the notice-filing, issue a fine as prescribed by  
869 s. 517.191(9) ~~s. 517.221(3)~~, and issue permanent bars under s.  
870 517.191(10) ~~s. 517.221(4)~~ to the issuer and all owners,  
871 officers, directors, managers, managing members, general  
872 partners, and control persons, or any person occupying a similar  
873 status or performing a similar function of the issuer, including  
874 title; status as a partner, trustee, sole proprietor, or similar  
875 role; and ownership percentage.

876 ~~(12)-(13)~~ If the issuer employs the services of an  
877 intermediary, the ~~An~~ intermediary must:

878 (a) Take measures, as established by commission rule, to  
879 reduce the risk of fraud with respect to the ~~transactions,~~  
880 ~~including verifying that the issuer is in compliance with the~~



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881 ~~requirements of this section and, if necessary, denying an~~  
882 ~~issuer access to its platform if the intermediary believes it is~~  
883 ~~unable to adequately assess the risk of fraud of the issuer or~~  
884 ~~its potential offering.~~

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

890 1. A description of the financial institution into which  
891 investor funds will be deposited ~~escrow agreement that the~~  
892 ~~issuer has executed~~ and the conditions for the use ~~release~~ of  
893 such funds by ~~to~~ the issuer ~~in accordance with the agreement and~~  
894 ~~subsection (4).~~

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

898 (c) Obtain from each prospective investor a zip code or  
899 residence address, a copy of a driver license, and any other  
900 proof of residency in order for the issuer or intermediary to  
901 reasonably believe that the potential investor is a resident of  
902 this state. The commission may adopt rules authorizing  
903 additional forms of identification and prescribing the process  
904 for verifying any identification presented by the prospective  
905 investor.

906 (d) Obtain information sufficient for the issuer or  
907 intermediary to reasonably believe that a particular prospective  
908 investor is an accredited investor

909 ~~(e) Obtain a zip code or residence address from each~~





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910 ~~potential investor who seeks to view information regarding~~  
911 ~~specific investment opportunities, in order to confirm that the~~  
912 ~~potential investor is a resident of the state.~~

913 ~~(d) Obtain and verify a valid Florida driver license number~~  
914 ~~or Florida identification card number from each investor before~~  
915 ~~purchase of a security to confirm that the investor is a~~  
916 ~~resident of the state. The commission may adopt rules~~  
917 ~~authorizing additional forms of identification and prescribing~~  
918 ~~the process for verifying any identification presented by the~~  
919 ~~investor.~~

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

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

925 ~~(g) Direct investors to transmit funds directly to the~~  
926 ~~financial institution designated in the escrow agreement to hold~~  
927 ~~the funds for the benefit of the investor.~~

928 ~~(e)(h)~~ Provide a monthly update for each offering, after  
929 the first full month after the date of the offering. The update  
930 must be accessible on the intermediary's website and must  
931 display the date and amount of each sale of securities, and each  
932 cancellation of commitment to invest, in the previous calendar  
933 month.

934 ~~(i) Require each investor to certify in writing, including~~  
935 ~~as part of such certification his or her signature and his or~~  
936 ~~her initials next to each paragraph of the certification, as~~  
937 ~~follows:~~

938 ~~I understand and acknowledge that:~~



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

942 ~~This offering has not been reviewed or approved by any~~  
943 ~~state or federal securities commission or other regulatory~~  
944 ~~authority and no regulatory authority has confirmed the accuracy~~  
945 ~~or determined the adequacy of any disclosure made to me relating~~  
946 ~~to this offering.~~

947 ~~The securities I am acquiring in this offering are illiquid~~  
948 ~~and are subject to possible dilution. There is no ready market~~  
949 ~~for the sale of the securities. It may be difficult or~~  
950 ~~impossible for me to sell or otherwise dispose of the~~  
951 ~~securities, and I may be required to hold the securities~~  
952 ~~indefinitely.~~

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

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

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

965 ~~(j) Require each investor to answer questions demonstrating~~  
966 ~~an understanding of the level of risk generally applicable to~~  
967 ~~investments in startups, emerging businesses, and small issuers,~~



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968 ~~and an understanding of the risk of illiquidity.~~  
969       (f)~~(k)~~ Take reasonable steps to protect personal  
970 information collected from investors, as required by s. 501.171.  
971       (g)~~(l)~~ Prohibit its directors, and officers, managers,  
972 managing members, general partners, employees, and agents from  
973 having any financial interest in the issuer using its services.  
974       ~~(m) Implement written policies and procedures that are~~  
975 ~~reasonably designed to achieve compliance with federal and state~~  
976 ~~securities laws; comply with the anti-money laundering~~  
977 ~~requirements of 31 C.F.R. chapter X applicable to registered~~  
978 ~~brokers; and comply with the privacy requirements of 17 C.F.R.~~  
979 ~~part 248 relating to brokers.~~  
980       (13)~~(14)~~ An intermediary not registered as a dealer under  
981 s. 517.12(5) may not:  
982       (a) Offer investment advice or recommendations. A refusal  
983 by an intermediary to post an offering that it deems not  
984 credible or that represents a potential for fraud may not be  
985 construed as an offer of investment advice or recommendation.  
986       (b) Solicit purchases, sales, or offers to buy securities  
987 offered or displayed on its website.  
988       (c) Compensate employees, agents, or other persons for the  
989 solicitation of, or based on the sale of, securities offered or  
990 displayed on its website.  
991       (d) Hold, manage, possess, or otherwise handle investor  
992 funds or securities.  
993       (e) Compensate promoters, finders, or lead generators for  
994 providing the intermediary with the personal identifying  
995 information of any prospective ~~potential~~ investor.  
996       (f) Engage in any other activities set forth by commission



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997 rule.

998 (14) If the issuer does not employ a dealer or an  
999 intermediary for an offering pursuant to the exemption created  
1000 under this section, the issuer must fulfill each of the  
1001 obligations specified in paragraphs (12) (c)-(f).

1002 (15) Any sale made pursuant to the exemption created under  
1003 this section is voidable by the purchaser within 3 days after  
1004 the first tender of consideration is made by such purchaser to  
1005 the issuer by notifying the issuer that the purchaser expressly  
1006 voids the purchase. The purchaser's notice to the issuer must be  
1007 sent by e-mail to the issuer's e-mail address set forth in the  
1008 disclosure statement that is provided to the purchaser or  
1009 purchaser's representative or by certified mail or overnight  
1010 delivery service with proof of delivery to the mailing address  
1011 set forth in the disclosure statement ~~All funds received from~~  
1012 ~~investors must be directed to the financial institution~~  
1013 ~~designated in the escrow agreement to hold the funds and must be~~  
1014 ~~used in accordance with representations made to investors by the~~  
1015 ~~intermediary. If an investor cancels a commitment to invest, the~~  
1016 ~~intermediary must direct the financial institution designated to~~  
1017 ~~hold the funds to promptly refund the funds of the investor.~~

1018 Section 5. Section 517.0612, Florida Statutes, is created  
1019 to read:

1020 517.0612 Florida Invest Local Exemption.—

1021 (1) This section may be cited as the "Florida Invest Local  
1022 Exemption."

1023 (2) The registration provisions of s. 517.07 do not apply  
1024 to a securities transaction conducted in accordance with this  
1025 section; however, such transaction is subject to s. 517.301.



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1026       (3) The offer or sale of securities under this section must  
1027 meet the requirements of the federal exemption for intrastate  
1028 offerings in s. 3(a)(11) of the Securities Act of 1933,  
1029 Securities and Exchange Commission Rule 147, or Securities and  
1030 Exchange Commission Rule 147A, as amended.

1031       (4) The issuer must be a for-profit business entity  
1032 registered with the Department of State which has its principal  
1033 place of business in this state. The issuer may not be, before  
1034 or as a result of the offering:

1035       (a) An investment company as defined in the Investment  
1036 Company Act of 1940, as amended;

1037       (b) Subject to the reporting requirements of the Securities  
1038 and Exchange Act of 1934, as amended;

1039       (c) A business entity that has an undefined business  
1040 operation, lacks a business plan, lacks a stated investment goal  
1041 for the funds being raised, or plans to engage in a merger or an  
1042 acquisition with an unspecified business entity; or

1043       (d) Subject to a disqualification as provided in s.  
1044 517.0616.

1045       (5) The sum of all cash and other consideration received  
1046 from all sales of the securities in reliance upon the exemption  
1047 under this section may not exceed \$500,000, less the aggregate  
1048 amount received for all sales of securities by the issuer within  
1049 the 12 months before the first offer or sale made in reliance on  
1050 this exemption.

1051       (6) (a) The issuer may not accept more than \$10,000 from any  
1052 single purchaser unless any of the following apply:

1053       1. The issuer reasonably believes that the purchaser is an  
1054 accredited investor.



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1055           2. The purchaser is an officer, director, partner, or  
1056 trustee, or an individual occupying a similar status or  
1057 performing similar functions, of the issuer.

1058           3. The purchaser is an owner of 10 percent or more of the  
1059 issuer's outstanding equity.

1060           (b) For purposes of this subsection, the following persons  
1061 must be treated collectively as a single purchaser:

1062           1. Any spouse or child of the purchaser or any related  
1063 family member who has the same primary residence as the  
1064 purchaser.

1065           2. Any business entity of which the purchaser and any  
1066 person related to the purchaser as provided in subparagraph 1.  
1067 collectively own more than 50 percent of the equity interest.

1068           (7) The issuer may engage in general advertising and  
1069 general solicitation of the offering. Any general advertising or  
1070 other general announcement must state that the offer is limited  
1071 and open only to residents of this state. Any oral or written  
1072 statements in advertising or solicitation of the offer which  
1073 contain a material misstatement, or which fail to disclose  
1074 material information, are subject to enforcement under this  
1075 chapter.

1076           (8) A purchaser must receive, at least 3 business days  
1077 before any binding commitment to purchase or consideration paid,  
1078 a disclosure statement that provides material information  
1079 regarding the issuer, including, but not limited to, all of the  
1080 following information:

1081           (a) The issuer's name, type of entity, and contact  
1082 information.

1083           (b) The name and contact information of each director,



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1084 officer, or other manager of the issuer.

1085 (c) A description of the issuer's business.

1086 (d) A description of the security being offered.

1087 (e) The total amount of the offering.

1088 (f) The intended use of proceeds from the sale of the

1089 securities.

1090 (g) The target offering amount.

1091 (h) A statement that if the target offering amount is not

1092 obtained in cash or in the value of other tangible consideration

1093 received on a date that is no more than 180 days after the

1094 commencement of the offering, the offering will be terminated,

1095 and any funds or other consideration received from purchasers

1096 must be promptly returned.

1097 (i) A statement that the security being offered is not

1098 registered under federal or state securities laws and that the

1099 securities are subject to the limitation on resale contained in

1100 Securities and Exchange Commission Rule 147 or Rule 147A.

1101 (j) The names and addresses of all persons who will be

1102 involved in the offer and sale of securities on behalf of the

1103 issuer.

1104 (k) The name of the bank or other depository institution

1105 into which investor funds will be deposited.

1106 (l) The following statement in boldface, conspicuous type:

1107

1108 Neither the Securities and Exchange Commission nor any

1109 state securities commission has approved or

1110 disapproved these securities or determined that this

1111 disclosure statement is truthful or complete. Any

1112 representation to the contrary is a criminal offense.



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1113  
1114       (9) All funds received from investors must be deposited  
1115 into a bank or depository institution authorized to do business  
1116 in this state. The issuer may not withdraw any amount of the  
1117 offering proceeds unless the target offering amount has been  
1118 received.

1119       (10) The issuer must file a notice of the offering with the  
1120 office, in writing or in electronic form, in a format prescribed  
1121 by commission rule, no less than 5 business days before the  
1122 offering commences, along with the disclosure statement  
1123 described in subsection (8). If there are any material changes  
1124 to the information previously submitted, the issuer must, within  
1125 3 business days after such material change, file an amended  
1126 notice.

1127       (11) An individual, entity, or entity employee who acts as  
1128 an agent for the issuer in the offer or sale of securities and  
1129 is not registered as a dealer under this chapter may not do  
1130 either of the following:

1131           (a) Receive compensation based upon the solicitation of  
1132 purchases, sales, or offers to purchase the securities.

1133           (b) Take custody of investor funds or securities.

1134       (12) Any sale made pursuant to the exemption created under  
1135 this section is voidable by the purchaser within 3 days after  
1136 the first tender of consideration is made by such purchaser to  
1137 the issuer by notifying the issuer that the purchaser expressly  
1138 voids the purchase. The purchaser's notice to the issuer must be  
1139 sent by e-mail to the issuer's e-mail address set forth in the  
1140 disclosure statement that is provided to a purchaser or the  
1141 purchaser's representative or by hand delivery, courier service,





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1142 or other method by which written proof of delivery to the issuer  
1143 of the purchaser's election to rescind the purchase is  
1144 evidenced.

1145 Section 6. Section 517.0613, Florida Statutes, is created  
1146 to read:

1147 517.0613 Failure to comply with a securities registration  
1148 exemption.—

1149 (1) Failure to meet the requirements for any exemption from  
1150 securities registration does not preclude the issuer from  
1151 claiming the availability of any other applicable state or  
1152 federal exemption.

1153 (2) The exemptions created under ss. 517.061, 517.0611, and  
1154 517.0612 are not available to an issuer for any transaction or  
1155 series of transactions that, although in technical compliance  
1156 with the applicable provisions, is part of a plan or scheme to  
1157 evade the registration provisions of s. 517.07, and registration  
1158 under s. 517.07 is required in connection with such  
1159 transactions.

1160 Section 7. Section 517.0614, Florida Statutes, is created  
1161 to read:

1162 517.0614 Integration of offerings.—

1163 (1) If the safe harbors in subsection (2) do not apply in  
1164 determining whether two or more offerings are to be treated as  
1165 one for the purpose of registration or qualifying for an  
1166 exemption from registration under this chapter, offers and sales  
1167 may not be integrated if, based on the particular facts and  
1168 circumstances, the issuer can establish either that each  
1169 offering complies with the registration requirements of this  
1170 chapter, or that an exemption from registration is available for



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1171 the particular offering, provided that any transaction or series  
1172 of transactions that, although in technical compliance with this  
1173 chapter, is part of a plan or scheme to evade the registration  
1174 requirements of this chapter will not have the effect of  
1175 avoiding integration. In making this determination:

1176 (a) For an exempt offering prohibiting general  
1177 solicitation, the issuer must have a reasonable belief, based on  
1178 the facts and circumstances, with respect to each purchaser in  
1179 the exempt offering prohibiting general solicitation, that the  
1180 issuer or any person acting on the issuer's behalf:

1181 1. Did not solicit such purchaser through the use of  
1182 general solicitation; or

1183 2. Established a substantive relationship with such  
1184 purchaser before the commencement of the exempt offering  
1185 prohibiting general solicitation, provided that a purchaser  
1186 previously solicited through the use of general solicitation is  
1187 not deemed to have been solicited through the use of general  
1188 solicitation in the current offering if, during the 45 calendar  
1189 days following such previous general solicitation:

1190 a. No offer or sale of the same or similar class of  
1191 securities has been made by or on behalf of the issuer,  
1192 including to such purchaser; and

1193 b. The issuer or any person acting on the issuer's behalf  
1194 has not solicited such purchaser through the use of general  
1195 solicitation for any other security.

1196 (b) For two or more concurrent exempt offerings permitting  
1197 general solicitation, in addition to satisfying the requirements  
1198 of the particular exemption relied on, general solicitation  
1199 offering materials for one offering that includes information



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1200 about the material terms of a concurrent offering under another  
1201 exemption may constitute an offer of securities in such other  
1202 offering, and therefore the offer must comply with all the  
1203 requirements for, and restrictions on, offers under the  
1204 exemption being relied on for such other offering, including any  
1205 legend requirements and communications restrictions.

1206 (2) The integration analysis required by subsection (1) is  
1207 not required if any of the following nonexclusive safe harbors  
1208 apply:

1209 (a) An offering commenced more than 30 calendar days before  
1210 the commencement of any other offering, or more than 30 calendar  
1211 days after the termination or completion of any other offering,  
1212 may not be integrated with such other offering, provided that  
1213 for an exempt offering for which general solicitation is not  
1214 permitted which follows by 30 calendar days or more an offering  
1215 that allows general solicitation, paragraph (1)(a) applies.

1216 (b) Offers and sales made in compliance with any of the  
1217 following provisions are not subject to integration with other  
1218 offerings:

1219 1. Section 517.051 or s. 517.061, except s. 517.061(9),  
1220 (10), or (11).

1221 2. Section 517.0611 or s. 517.0612.

1222 Section 8. Section 517.0615, Florida Statutes, is created  
1223 to read:

1224 517.0615 Solicitations of interest.—

1225 (1) A communication will not be deemed to constitute  
1226 general solicitation or general advertising if the communication  
1227 is made in connection with a seminar or meeting in which more  
1228 than one issuer participates and which is sponsored by a



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1229 college, a university, or another institution of higher  
1230 education; a state or local government or an instrumentality  
1231 thereof; a nonprofit chamber of commerce or other nonprofit  
1232 organization; or an angel investor group, incubator, or  
1233 accelerator, if all of the following apply:  
1234 (a) Advertising for the seminar or meeting does not  
1235 reference a specific offering of securities by the issuer.  
1236 (b) The sponsor of the seminar or meeting does not do any  
1237 of the following:  
1238 1. Make investment recommendations or provide investment  
1239 advice to attendees of the seminar or meeting.  
1240 2. Engage in any investment negotiations between the issuer  
1241 and investors attending the seminar or meeting.  
1242 3. Charge attendees of the seminar or meeting any fees,  
1243 other than reasonable administrative fees.  
1244 4. Receive any compensation for making introductions  
1245 between seminar or meeting attendees and issuers or for  
1246 investment negotiations between such parties.  
1247 5. Receive any compensation with respect to the seminar or  
1248 meeting, which compensation would require registration or  
1249 notice-filing under this chapter, the Securities Exchange Act of  
1250 1934, 15 U.S.C. ss. 78a et seq., as amended, or the Investment  
1251 Advisers Act of 1940, 15 U.S.C. ss. 80b-1 et seq., as amended.  
1252 The sponsorship or participation in the seminar or meeting does  
1253 not by itself require registration or notice-filing under this  
1254 chapter.  
1255 (c) The type of information regarding an offering of  
1256 securities by the issuer which is communicated or distributed by  
1257 or on behalf of the issuer in connection with the seminar or



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1258 meeting is limited to a notification that the issuer is in the  
1259 process of offering or planning to offer securities, the type  
1260 and amount of securities being offered, the intended use of  
1261 proceeds of the offering, and the unsubscribed amount in an  
1262 offering.

1263 (d) If the event allows attendees to participate virtually,  
1264 rather than in person, online participation in the event is  
1265 limited to:

1266 1. Individuals that are members of, or otherwise associated  
1267 with, the sponsor organization;

1268 2. Individuals that the sponsor reasonably believes are  
1269 accredited investors; or

1270 3. Individuals that have been invited to the event by the  
1271 sponsor based on industry or investment-related experience  
1272 reasonably selected by the sponsor in good faith and disclosed  
1273 in the public communications about the event.

1274 (2) Before any offers or sales are made in connection with  
1275 an offering, communications by an issuer or any person  
1276 authorized to act on behalf of the issuer are not deemed to  
1277 constitute general solicitation or general advertising if the  
1278 communication is solely for the purpose of determining whether  
1279 there is any interest in a contemplated securities offering.

1280 Requirements imposed under this chapter on written or oral  
1281 statements made in the course of such communication may be  
1282 enforced as provided in this chapter. The solicitation or  
1283 acceptance of money or other consideration or of any commitment,  
1284 binding or otherwise, from any person is prohibited.

1285 (a) The communication must state all of the following:

1286 1. Money or other consideration is not being solicited and,



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1287 if sent in response, will not be accepted.

1288 2. Any offer to buy the securities will not be accepted,  
1289 and no part of the purchase price will be accepted.

1290 3. A person's indication of interest does not involve  
1291 obligation or commitment of any kind.

1292 (b) Any written communication under this subsection may  
1293 include a means by which a person may indicate to the issuer  
1294 that the person is interested in a potential offering. The  
1295 issuer may require the name, address, telephone number, or e-  
1296 mail address in any response form included in the written  
1297 communication under this paragraph.

1298 (c) A communication in accordance with this subsection is  
1299 not subject to s. 501.059, regarding telephone solicitations.

1300 Section 9. Section 517.0616, Florida Statutes, is created  
1301 to read:

1302 517.0616 Disqualification.—A registration exemption under  
1303 s. 517.061(9), (10), and (11), s. 517.0611, or s. 517.0612 is  
1304 not available to an issuer that would be disqualified under  
1305 Securities and Exchange Commission Rule 506(d), 17 C.F.R. s.  
1306 230.506(d), as amended, at the time the issuer makes an offer  
1307 for the sale of a security.

1308 Section 10. Present subsections (4) through (8) of section  
1309 517.081, Florida Statutes, are redesignated as subsections (6)  
1310 through (10), respectively, new subsections (4) and (5) are  
1311 added to that section, and subsection (2), paragraph (g) of  
1312 subsection (3), and present subsection (7) of that section are  
1313 amended, to read:

1314 517.081 Registration procedure.—

1315 (2) The office shall receive and act upon applications for



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1316 ~~the registration of to have securities registered, and the~~  
1317 ~~commission may prescribe forms on which it may require such~~  
1318 ~~applications to be submitted. Applications must shall be duly~~  
1319 signed by the applicant, sworn to by any person having knowledge  
1320 of the facts, and filed with the office. ~~The commission may~~  
1321 ~~establish, by rule, procedures for depositing fees and filing~~  
1322 ~~documents by electronic means provided such procedures provide~~  
1323 ~~the office with the information and data required by this~~  
1324 ~~section.~~ An application may be made either by the issuer of the  
1325 securities for which registration is applied or by any  
1326 registered dealer desiring to sell such securities ~~the same~~  
1327 within the state.

1328 (3) The office may require the applicant to submit to the  
1329 office the following information concerning the issuer and such  
1330 other relevant information as the office may in its judgment  
1331 deem necessary to enable it to ascertain whether such securities  
1332 shall be registered pursuant to the provisions of this section:

1333 (g)~~1.~~ A specimen copy of the securities certificate, if  
1334 applicable, and a copy of any circular, prospectus,  
1335 advertisement, or other description of such securities.

1336 ~~2. The commission shall adopt a form for a simplified~~  
1337 ~~offering circular to register, under this section, securities~~  
1338 ~~that are sold in offerings in which the aggregate offering price~~  
1339 ~~in any consecutive 12-month period does not exceed the amount~~  
1340 ~~provided in s. 3(b) of the Securities Act of 1933, as amended.~~  
1341 ~~The following issuers shall not be eligible to submit a~~  
1342 ~~simplified offering circular adopted pursuant to this~~  
1343 ~~subparagraph:~~

1344 ~~a. An issuer seeking to register securities for resale by~~



1345 ~~persons other than the issuer.~~

1346 ~~b. An issuer that is subject to any of the~~  
1347 ~~disqualifications described in 17 C.F.R. s. 230.262, adopted~~  
1348 ~~pursuant to the Securities Act of 1933, as amended, or that has~~  
1349 ~~been or is engaged or is about to engage in an activity that~~  
1350 ~~would be grounds for denial, revocation, or suspension under s.~~  
1351 ~~517.111. For purposes of this subparagraph, an issuer includes~~  
1352 ~~an issuer's director, officer, general partner, manager or~~  
1353 ~~managing member, trustee, or equity owner who owns at least 10~~  
1354 ~~percent of the ownership interests of the issuer, promoter, or~~  
1355 ~~selling agent of the securities to be offered or any officer,~~  
1356 ~~director, partner, or manager or managing member of such selling~~  
1357 ~~agent.~~

1358 ~~e. An issuer that is a development-stage company that~~  
1359 ~~either has no specific business plan or purpose or has indicated~~  
1360 ~~that its business plan is to merge with an unidentified company~~  
1361 ~~or companies.~~

1362 ~~d. An issuer of offerings in which the specific business or~~  
1363 ~~properties cannot be described.~~

1364 ~~e. Any issuer the office determines is ineligible because~~  
1365 ~~the form does not provide full and fair disclosure of material~~  
1366 ~~information for the type of offering to be registered by the~~  
1367 ~~issuer.~~

1368 ~~f. Any issuer that has failed to provide the office the~~  
1369 ~~reports required for a previous offering registered pursuant to~~  
1370 ~~this subparagraph.~~

1371  
1372 ~~As a condition precedent to qualifying for use of the simplified~~  
1373 ~~offering circular, an issuer shall agree to provide the office~~





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1374 ~~with an annual financial report containing a balance sheet as of~~  
1375 ~~the end of the issuer's fiscal year and a statement of income~~  
1376 ~~for such year, prepared in accordance with United States~~  
1377 ~~generally accepted accounting principles and accompanied by an~~  
1378 ~~independent accountant's report. If the issuer has more than 100~~  
1379 ~~security holders at the end of a fiscal year, the financial~~  
1380 ~~statements must be audited. Annual financial reports must be~~  
1381 ~~filed with the office within 90 days after the close of the~~  
1382 ~~issuer's fiscal year for each of the first 5 years following the~~  
1383 ~~effective date of the registration.~~

1384 (4) The commission may, by rule:

1385 (a) Establish criteria relating to the issuance of equity  
1386 securities, debt securities, insurance company securities, real  
1387 estate investment trusts, oil and gas investments, and other  
1388 investments. In establishing these criteria, the commission may  
1389 consider the rules and regulations of the Securities and  
1390 Exchange Commission and statements of policy by the North  
1391 American Securities Administrators Association, Inc., relating  
1392 to the registration of securities offerings. The criteria must  
1393 include all of the following:

1394 1. The promoter's equity investment ratio.

1395 2. The financial condition of the issuer.

1396 3. The voting rights of shareholders.

1397 4. The grant of options or warrants to underwriters and  
1398 others.

1399 5. Loans and other transactions with affiliates of the  
1400 issuer.

1401 6. The use, escrow, or refund of proceeds of the offering.

1402 (b) Prescribe forms requiring applications for the



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1403 registration of securities to be submitted to the office,  
1404 including a simplified offering circular to register, under this  
1405 section, securities that are sold in offerings in which the  
1406 aggregate offering price in any consecutive 12-month period does  
1407 not exceed the amount provided in s. 3(b) of the Securities Act  
1408 of 1933, as amended.

1409 (c) Establish procedures for depositing fees and filing  
1410 documents by electronic means, provided that such procedures  
1411 provide the office with the information and data required by  
1412 this section.

1413 (d) Establish requirements and standards for the filing,  
1414 content, and circulation of a preliminary, final, or amended  
1415 prospectus, advertisements, and other sales literature. In  
1416 establishing such requirements and standards, the commission  
1417 shall consider the rules and regulations of the Securities and  
1418 Exchange Commission relating to requirements for preliminary,  
1419 final, or amended or supplemented prospectuses and the rules of  
1420 the Financial Industry Regulatory Authority relating to  
1421 advertisements and sales literature.

1422 (5) All of the following issuers are not eligible to submit  
1423 a simplified offering circular:

1424 (a) An issuer that is subject to any of the  
1425 disqualifications described in Securities and Exchange  
1426 Commission Rule 262, 17 C.F.R. s. 230.262, as amended, or that  
1427 has been or is engaged or is about to engage in an activity that  
1428 would be grounds for denial, revocation, or suspension under s.  
1429 517.111. For purposes of this paragraph, an issuer includes an  
1430 issuer's director, officer, general partner, manager or managing  
1431 member, trustee, or a person owning at least 10 percent of the



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1432 ownership interests of the issuer; a promoter or selling agent  
1433 of the securities to be offered; or any officer, director,  
1434 partner, or manager or managing member of such selling agent.

1435 (b) An issuer that is a development-stage company that  
1436 either has no specific business plan or purpose or has indicated  
1437 that its business plan is to merge with an unidentified business  
1438 entity or entities.

1439 (c) An issuer of offerings in which the specific business  
1440 or properties cannot be described.

1441 (d) An issuer that the office determines is ineligible  
1442 because the simplified circular does not provide full and fair  
1443 disclosure of material information for the type of offering to  
1444 be registered by the issuer.

1445 (9) (a) ~~(7)~~ The office shall record the registration of a  
1446 security in the register of securities if, upon examination of  
1447 an ~~any~~ application, it finds that all of the following  
1448 requirements are met: ~~the office~~

1449 1. The application is complete.

1450 2. The fee imposed in subsection (8) has been paid.

1451 3. The sale of the security would not be fraudulent and  
1452 would not work or tend to work a fraud upon the purchaser.

1453 4. The terms of the sale of such securities would be fair,  
1454 just, and equitable.

1455 5. The enterprise or business of the issuer is not based  
1456 upon unsound business principles.

1457 (b) Upon registration, the security may be sold by the  
1458 issuer or any registered dealer, subject, however, to the  
1459 further order of the office ~~shall find that the sale of the~~  
1460 security referred to therein would not be fraudulent and would



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1461 ~~not work or tend to work a fraud upon the purchaser, that the~~  
1462 ~~terms of the sale of such securities would be fair, just, and~~  
1463 ~~equitable, and that the enterprise or business of the issuer is~~  
1464 ~~not based upon unsound business principles, it shall record the~~  
1465 ~~registration of such security in the register of securities; and~~  
1466 ~~thereupon such security so registered may be sold by any~~  
1467 ~~registered dealer, subject, however, to the further order of the~~  
1468 ~~office. In order to determine if an offering is fair, just, and~~  
1469 ~~equitable, the commission may by rule establish requirements and~~  
1470 ~~standards for the filing, content, and circulation of any~~  
1471 ~~preliminary, final, or amended prospectus and other sales~~  
1472 ~~literature and may by rule establish merit qualification~~  
1473 ~~criteria relating to the issuance of equity securities, debt~~  
1474 ~~securities, insurance company securities, real estate investment~~  
1475 ~~trusts, and other traditional and nontraditional investments,~~  
1476 ~~including, but not limited to, oil and gas investments. The~~  
1477 ~~criteria may include such elements as the promoter's equity~~  
1478 ~~investment ratio, the financial condition of the issuer, the~~  
1479 ~~voting rights of shareholders, the grant of options or warrants~~  
1480 ~~to underwriters and others, loans and other affiliated~~  
1481 ~~transaction, the use or refund of proceeds of the offering, and~~  
1482 ~~such other relevant criteria as the office in its judgment may~~  
1483 ~~deem necessary to such determination.~~

1484 Section 11. Subsection (2) of section 517.101, Florida  
1485 Statutes, is amended to read:

1486 517.101 Consent to service.—

1487 (2) Any such action must ~~shall~~ be brought either in the  
1488 county of the plaintiff's residence or in the county in which  
1489 the office has its official headquarters. The written consent



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1490 ~~must shall~~ be authenticated by the seal of the said issuer, if  
1491 it has a seal, and by the acknowledged signature of a director,  
1492 manager, managing member, general partner, trustee, or officer  
1493 of the issuer ~~member of the copartnership or company, or by the~~  
1494 ~~acknowledged signature of any officer of the incorporated or~~  
1495 ~~unincorporated association, if it be an incorporated or~~  
1496 ~~unincorporated association, duly authorized by resolution of the~~  
1497 ~~board of directors, trustees, or managers of the corporation or~~  
1498 ~~association, and must shall in such case~~ be accompanied by a  
1499 duly certified copy of the resolution of the issuer's board of  
1500 directors, trustees, managers, managing members, or general  
1501 partners or managers of the corporation or association,  
1502 authorizing the signer to execute the consent ~~officers to~~  
1503 ~~execute the same.~~ In case any process or pleadings mentioned in  
1504 this chapter are served upon the office, service must ~~it shall~~  
1505 be by duplicate copies, one of which must shall be filed in the  
1506 office and the other ~~another~~ immediately forwarded by the office  
1507 by registered mail to the principal office of the issuer against  
1508 which the said process or pleadings are directed.

1509 Section 12. Section 517.131, Florida Statutes, is amended  
1510 to read:

1511 517.131 Securities Guaranty Fund.—

1512 (1) As used in this section, the term "final judgment"  
1513 includes an arbitration award confirmed by a court of competent  
1514 jurisdiction.

1515 (2) (a) The Chief Financial Officer shall establish a  
1516 Securities Guaranty Fund to provide monetary relief to victims  
1517 of securities violations under this chapter who are entitled to  
1518 monetary damages or restitution and cannot recover the full



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1519 amount of such monetary damages or restitution from the  
1520 wrongdoer. An amount not exceeding 20 percent of all revenues  
1521 received as assessment fees pursuant to s. 517.12(9) and (10)  
1522 for dealers and investment advisers or s. 517.1201 for federal  
1523 covered advisers and an amount not exceeding 10 percent of all  
1524 revenues received as assessment fees pursuant to s. 517.12(9)  
1525 and (10) for associated persons must ~~shall~~ be part of the  
1526 regular registration license fee and must ~~shall~~ be transferred  
1527 to or deposited in the Securities Guaranty Fund.

1528 (b) If the balance in the Securities Guaranty Fund at any  
1529 time exceeds \$1.5 million, transfer of assessment fees to the  
1530 ~~this~~ fund must ~~shall~~ be discontinued at the end of that  
1531 registration ~~license~~ year, and transfer of such assessment fees  
1532 may ~~shall~~ not resume ~~be resumed~~ unless the fund balance is  
1533 reduced below \$1 million by disbursement made in accordance with  
1534 s. 517.141.

1535 ~~(2) The Securities Guaranty Fund shall be disbursed as~~  
1536 ~~provided in s. 517.141 to a person who is adjudged by a court of~~  
1537 ~~competent jurisdiction to have suffered monetary damages as a~~  
1538 ~~result of any of the following acts committed by a dealer,~~  
1539 ~~investment adviser, or associated person who was licensed under~~  
1540 ~~this chapter at the time the act was committed:~~

1541 ~~(a) A violation of s. 517.07.~~

1542 ~~(b) A violation of s. 517.301.~~

1543 (3) A ~~Any~~ person is eligible for payment ~~to seek recovery~~  
1544 from the Securities Guaranty Fund if the person:

1545 (a)1. Holds an unsatisfied final judgment entered on or  
1546 after October 1, 2024, in which a wrongdoer was found to have  
1547 violated s. 517.07 or s. 517.301;



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1548           2. Has applied any amount recovered from the judgment  
1549 debtor or any other source to the damages awarded by the court  
1550 or arbitrator; and

1551           3. Is a natural person who was a resident of this state, or  
1552 is a business entity that was domiciled in this state, at the  
1553 time of the violation of s. 517.07 or s. 517.301; or

1554           (b) Is a receiver appointed pursuant to s. 517.191(2) by a  
1555 court of competent jurisdiction for a wrongdoer ordered to pay  
1556 restitution under s. 517.191(3) as a result of a violation of s.  
1557 517.07 or s. 517.301 which has requested payment from the  
1558 Securities Guaranty Fund on behalf of a person eligible for  
1559 payment under paragraph (a)

1560  
1561 If a person holds an unsatisfied final judgment entered before  
1562 October 1, 2024, in which a wrongdoer was found to have violated  
1563 s. 517.07 or s. 517.301, such person's claim for payment from  
1564 the Securities Guaranty Fund shall be governed by the terms of  
1565 this section and s. 517.141 which were effective on the date of  
1566 such final judgment