

By Senator Brodeur

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

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30 amount that may be received for sales of certain
31 securities; providing a limit on securities that may
32 be sold by an issuer to an investor; deleting the
33 requirement that an issuer file and provide a certain
34 annual report; conforming cross-references; revising
35 the duties of intermediaries under certain
36 circumstances; providing obligations of issuers under
37 certain circumstances; providing that certain sales
38 are voidable within a specified timeframe; providing
39 requirements for purchasers' notices to issuers to
40 void purchases; deleting provisions relating to funds
41 received from investors; creating s. 517.0612, F.S.;
42 providing a short title; providing applicability;
43 requiring that offers and sales of securities be in
44 accordance with certain federal laws and rules;
45 specifying certain requirements for issuers relating
46 to the registration exemption; specifying a limitation
47 on the amount of cash and other consideration that may
48 be received from sales of certain securities made
49 within a specified timeframe; prohibiting an issuer
50 from accepting more than a specified amount from a
51 single purchaser under certain circumstances;
52 authorizing the issuer to engage in general
53 advertising and general solicitation of the offering
54 under certain circumstances; specifying that a certain
55 prohibition is enforceable under ch. 517, F.S.;
56 requiring that the purchaser receive a disclosure
57 statement within a specified timeframe; specifying the
58 requirements for such statement; requiring certain

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59 funds to be deposited into certain bank and depository
60 institutions; prohibiting the issuer from withdrawing
61 any amount of the offering proceeds until the target
62 offering amount has been received; requiring the
63 issuer to file a notice of the offering in a certain
64 format within a specified timeframe; requiring the
65 issuer to file an amended notice within a specified
66 timeframe under certain circumstances; prohibiting
67 agents of issuers from engaging in certain acts under
68 certain circumstances; providing that sales made under
69 the exemption are voidable within a specified
70 timeframe; providing requirements for purchasers'
71 notices to issuers to void purchases; creating s.
72 517.0613, F.S.; providing construction; providing that
73 registration exemptions under certain provisions are
74 not available to issuers for certain transactions
75 under specified circumstances; providing registration
76 requirements; creating s. 517.0614, F.S.; specifying
77 criteria for determining integration of offerings for
78 the purpose of registration or qualifying for a
79 registration exemption; specifying certain
80 requirements for the integration of offerings for an
81 exempt offering for which general solicitation is
82 prohibited; specifying certain requirements for the
83 integration of offerings for two or more exempt
84 offerings that allow general solicitation; specifying
85 the circumstances under which integration analysis is
86 not required; creating s. 517.0615, F.S.; specifying
87 that certain communications are not deemed to

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88 constitute general solicitation or general advertising
89 under specified circumstances; creating s. 517.0616,
90 F.S.; providing that registration exemptions under
91 certain provisions are not available to certain
92 issuers under a specified circumstance; amending s.
93 517.081, F.S.; revising the duties and authority of
94 the Financial Services Commission; authorizing the
95 commission to establish certain criteria relating to
96 the issuance of certain securities, trusts, and
97 investments; authorizing the commission to prescribe
98 certain forms and establish procedures for depositing
99 fees and filing documents and requirements and
100 standards relating to prospectuses, advertisements,
101 and other sales literature; revising the list of
102 issuers that are ineligible to submit simplified
103 offering circulars; deleting provisions that require
104 issuers to provide certain documents to the Office of
105 Financial Regulation under certain circumstances;
106 revising the requirements that must be met before the
107 office must record the registration of a security;
108 amending s. 517.101, F.S.; revising requirements for
109 written consent to service in certain suits,
110 proceedings, and actions; amending s. 517.131, F.S.;
111 defining the term "final judgment"; specifying the
112 purpose of the Securities Guaranty Fund; making
113 technical changes; revising eligibility for payment
114 from the fund; requiring eligible persons or receivers
115 seeking payment from the fund to file a certain
116 application with the office on a certain form;

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117 authorizing the commission to adopt rules regarding
118 electronic filing of such application; specifying the
119 timeframe within which certain eligible persons or
120 receivers must file such application; providing
121 requirements for such applications; requiring the
122 office to approve applications for payment under
123 certain circumstances and to provide applicants with
124 certain notices within a specified timeframe;
125 requiring eligible persons or receivers to assign to
126 the office all rights, titles, and interests in final
127 judgments and orders of restitution equal to a
128 specified amount under certain circumstances;
129 requiring the office to deem an application for
130 payment abandoned under certain circumstances;
131 requiring that the time period to complete
132 applications be tolled under certain circumstances;
133 deleting provisions relating to specified notices to
134 the office and to rulemaking authority; amending s.
135 517.141, F.S.; defining terms; revising the Securities
136 Guaranty Fund disbursement amounts to which eligible
137 persons are entitled; revising provisions regarding
138 payment of aggregate claims; providing for the
139 satisfaction of claims in the event of insufficient
140 moneys in the fund; requiring payments and
141 disbursements from the Securities Guaranty Fund to be
142 made by the Chief Financial Officer or his or her
143 authorized designee, upon authorization by the office;
144 requiring such authorization to be submitted within a
145 certain timeframe; deleting provisions regarding

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

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175 for the purposes of specified actions; specifying the
176 date on which certain interest begins accruing in an
177 action for rescission; providing construction;
178 specifying that certain civil remedies extend to
179 purchasers or sellers of securities; making technical
180 changes; repealing s. 517.221, F.S., relating to cease
181 and desist orders; repealing s. 517.241, F.S.,
182 relating to remedies; amending s. 517.301, F.S.;
183 revising the circumstances under which certain
184 activities are considered unlawful and violations of
185 law; conforming provisions to changes made by the act;
186 revising the definition of the term "investment";
187 specifying that certain misrepresentations by persons
188 issuing or selling securities are unlawful; specifying
189 that certain misrepresentations by persons registered
190 or required to be registered under certain provisions
191 or subject to certain requirements are unlawful;
192 specifying that obtaining money or property in
193 connection with the offer or sale of an investment is
194 unlawful under certain conditions; providing
195 construction; requiring disclaimers for certain
196 statements; making technical changes; repealing s.
197 517.311, F.S., relating to false representations,
198 deceptive words, and enforcement; repealing s.
199 517.312, F.S., relating to securities, investments,
200 and boiler rooms, prohibited practices, and remedies;
201 amending ss. 517.072 and 517.12, F.S.; conforming
202 cross-references and making technical changes;
203 amending ss. 517.1201 and 517.1202, F.S.; conforming

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204 cross-references; amending s. 517.302, F.S.;

205 conforming a provision to changes made by the act and

206 making a technical change; providing an effective

207 date.

208

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

210

211 Section 1. Present subsections (3), (4), and (5) and

212 subsections (6) through (25) of section 517.021, Florida

213 Statutes, are redesignated as subsections (4), (5), and (6) and

214 subsections (8) through (27), respectively, new subsections (3)

215 and (7) are added to that section, and subsection (1) and

216 present subsections (4), (8), (9), and (14) of that section are

217 amended, to read:

218 517.021 Definitions.—When used in this chapter, unless the

219 context otherwise indicates, the following terms have the

220 following respective meanings:

221 (1) "Accredited investor" shall be defined by rule of the

222 commission in accordance with Securities and Exchange Commission

223 Rule 501, 17 C.F.R. s. 230.501, as amended.

224 (3) "Angel investor group" means a group of accredited

225 investors who hold regular meetings and have defined processes

226 and procedures for making investment decisions, individually or

227 among the membership of the group, and who are not associated

228 persons, affiliates, or agents of a dealer or investment

229 adviser.

230 (5)(4) "Boiler room" means an enterprise in which two or

231 more persons in a common scheme or enterprise solicit potential

232 investors through telephone calls, e-mail, text messages, social

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233 ~~media, chat rooms, or other electronic means engage in telephone~~
234 ~~communications with members of the public using two or more~~
235 ~~telephones at one location, or at more than one location in a~~
236 ~~common scheme or enterprise.~~

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

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

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

250 1. ~~(a)~~ A licensed practicing attorney who renders or
251 performs any such services in connection with the regular
252 practice of the attorney's profession.

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

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

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

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

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262 exchange.

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

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

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

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

274 c.3. Primarily performs, or is intended to perform at the
275 end of the distribution, substantial duties for, or on behalf
276 of, the issuer other than in connection with transactions in
277 securities; and

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

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

288 (16) (a)~~(14) (a)~~ "Investment adviser" means a person, other
289 than an associated person of an investment adviser or a federal
290 covered adviser, that receives compensation, directly or

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291 indirectly, and engages for all or part of the person's time,
292 directly or indirectly, or through publications or writings, in
293 the business of advising others as to the value of securities or
294 as to the advisability of investments in, purchasing of, or
295 selling of securities.

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

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

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

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

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

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

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

317 7. A person that, during the preceding 12 months, has fewer
318 than six clients who are residents of this state. As used in
319 this subparagraph, the term "client" has the same meaning as

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320 provided in Securities and Exchange Commission Rule 275.222-2,
 321 17 C.F.R. s. 275.222-2, as amended ~~does not hold itself out to~~
 322 ~~the general public as an investment adviser and has no more than~~
 323 ~~15 clients within 12 consecutive months in this state.~~

324 ~~8. A person whose transactions in this state are limited to~~
 325 ~~those transactions described in s. 222(d) of the Investment~~
 326 ~~Advisers Act of 1940, as amended. Those clients listed in~~
 327 ~~subparagraph 6. may not be included when determining the number~~
 328 ~~of clients of an investment adviser for purposes of s. 222(d) of~~
 329 ~~the Investment Advisers Act of 1940, as amended.~~

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

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

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

342 517.051 Exempt securities.—The exemptions provided herein
 343 from the registration requirements of s. 517.07 are self-
 344 executing and do not require any filing with the office prior to
 345 claiming such exemption. Any person who claims entitlement to
 346 any of these exemptions bears the burden of proving such
 347 entitlement in any proceeding brought under this chapter. The
 348 registration provisions of s. 517.07 do not apply to any of the

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349 following securities:

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

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

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

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

364
365 except by an offering circular containing a full and fair
366 disclosure as prescribed by rule of the commission.

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

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

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

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

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378 (c) A member bank of the Federal Reserve System.
 379 (d) A depository institution, when a substantial portion of
 380 its business consists of or will consist of receiving deposits
 381 or share accounts that are insured to the maximum amount
 382 authorized by statute by the Federal Deposit Insurance
 383 Corporation or the National Credit Union Share Insurance Fund ~~or~~
 384 ~~guaranteed by:~~
 385 ~~(a) A national bank, a federally chartered savings and loan~~
 386 ~~association, or a federally chartered savings bank, or the~~
 387 ~~initial subscription for equity securities in such national~~
 388 ~~bank, federally chartered savings and loan association, or~~
 389 ~~federally chartered savings bank;~~
 390 ~~(b) Any federal land bank, joint-stock land bank, or~~
 391 ~~national farm loan association under the provisions of the~~
 392 ~~Federal Farm Loan Act of July 17, 1916;~~
 393 ~~(c) An international bank of which the United States is a~~
 394 ~~member; or~~
 395 ~~(d) A corporation created and acting as an instrumentality~~
 396 ~~of the government of the United States.~~
 397 (4) A security issued or guaranteed, as to principal,
 398 interest, or dividend, by a business entity ~~corporation~~ owning
 399 or operating a railroad, another common carrier, or any other
 400 public service utility; provided that such business entity
 401 ~~corporation~~ is subject to regulation or supervision whether as
 402 to its rates and charges or as to the issue of its own
 403 securities by a public commission, board, or officer of the
 404 government of the United States, of any state, territory, or
 405 insular possession of the United States, of any municipality
 406 located therein, of the District of Columbia, or of the Dominion

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407 of Canada or of any province thereof; also equipment securities
408 based on chattel mortgages, leases, or agreements for
409 conditional sale of cars, motive power, or other rolling stock
410 mortgaged, leased, or sold to or furnished for the use of or
411 upon such railroad or other public service utility corporation
412 or where the ownership or title of such equipment is pledged or
413 retained in accordance with ~~the provisions of~~ the laws of the
414 United States or of any state or of the Dominion of Canada to
415 secure the payment of such equipment securities; and also bonds,
416 notes, or other evidences of indebtedness issued by a holding
417 corporation and secured by collateral consisting of any
418 securities hereinabove described; provided, further, that the
419 collateral securities equal in fair value at least 125 percent
420 of the par value of the bonds, notes, or other evidences of
421 indebtedness so secured.

422 (8) Shares or other equity interests of a business entity
423 which represent ownership or entitle the holders of such shares
424 or other equity interests to possession and occupancy of
425 specific apartment units in property owned by such business
426 entity and organized and operated on a cooperative basis, solely
427 for residential purposes ~~A note, draft, bill of exchange, or~~
428 ~~banker's acceptance having a unit amount of \$25,000 or more~~
429 ~~which arises out of a current transaction, or the proceeds of~~
430 ~~which have been or are to be used for current transactions, and~~
431 ~~which has a maturity period at the time of issuance not~~
432 ~~exceeding 9 months exclusive of days of grace, or any renewal~~
433 ~~thereof which has a maturity period likewise limited. This~~
434 ~~subsection applies only to prime quality negotiable commercial~~
435 ~~paper of a type not ordinarily purchased by the general public;~~

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436 ~~that is, paper issued to facilitate well-recognized types of~~
437 ~~current operational business requirements and of a type eligible~~
438 ~~for discounting by Federal Reserve banks.~~

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

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

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

453 (10)~~(9)~~ A security issued by a business entity ~~corporation~~
454 organized and operated exclusively for religious, educational,
455 benevolent, fraternal, charitable, or reformatory purposes and
456 not for pecuniary profit, no part of the net earnings of which
457 ~~corporation~~ inures to the benefit of any private stockholder or
458 individual, or any security of a fund that is excluded from the
459 definition of an investment company under s. 3(c)(10)(B) of the
460 Investment Company Act of 1940, as amended; provided that a ~~no~~
461 person may not ~~shall~~ directly or indirectly offer or sell
462 securities under this subsection except by an offering circular
463 containing full and fair disclosure, as prescribed by the rules
464 of the commission, of all material information, including, but

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465 not limited to, a description of the securities offered and
466 terms of the offering, a description of the nature of the
467 issuer's business, a statement of the purpose of the offering
468 and the intended application by the issuer of the proceeds
469 thereof, and financial statements of the issuer prepared in
470 conformance with United States generally accepted accounting
471 principles. Section 6(c) of the Philanthropy Protection Act of
472 1995, Pub. L. No. 104-62, does ~~shall~~ not preempt any provision
473 of this chapter.

474 (11) ~~(10)~~ Any insurance or endowment policy or annuity
475 contract or optional annuity contract or self-insurance
476 agreement issued by a business entity ~~corporation~~, insurance
477 company, reciprocal insurer, or risk retention group subject to
478 the supervision of the insurance regulator or bank regulator, or
479 any agency or officer performing like functions, of any state or
480 territory of the United States or the District of Columbia.

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

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

485 517.061 Exempt transactions.—Except as otherwise provided
486 in subsection (11), the exemptions provided herein from the
487 registration requirements of s. 517.07 are self-executing and do
488 not require any filing with the office before being claimed. Any
489 person who claims entitlement to an exemption under this section
490 bears the burden of proving such entitlement in any proceeding
491 brought under this chapter. The registration provisions of s.
492 517.07 do not apply to any of the following transactions;
493 however, such transactions are subject to s. 517.301:

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

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

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

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

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

520 (3) A transaction involving a stock dividend or equivalent
521 equity distribution, regardless of whether the business entity
522 distributing the dividend or equivalent equity distribution is

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523 the issuer, if nothing of value is given by stockholders or
524 other equity holders for the dividend or equivalent equity
525 distribution other than the surrender of a right to a cash or
526 property dividend in the event that each stockholder or other
527 equity holder may elect to take the dividend or equivalent
528 equity distribution in cash, property, or stock.

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

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

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

549 (7) The offer or sale of securities, solely in connection
550 with the transfer of ownership of an eligible privately held
551 company, through a merger and acquisition broker in accordance

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552 with s. 517.12(21).

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

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

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

567 (c) Family members who acquire such securities from related
568 employees through gifts or domestic relations orders.

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

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

577 (9) The offer or sale of securities to a bank, trust
578 company, savings institution, insurance company, dealer,
579 investment company as defined in the Investment Company Act of
580 1940, 15 U.S.C. s. 80a-3, as amended, pension or profit-sharing

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581 trust, or qualified institutional buyer, whether any of such
582 entities is acting in its individual or fiduciary capacity.

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

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

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

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

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

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610 purchaser's election to rescind the purchase is evidenced.

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

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

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

622 3. A business entity in which a purchaser, any of the
623 persons related to such purchaser specified in subparagraph 1.,
624 and any trust or estate specified in subparagraph 2.
625 collectively are beneficial owners of more than 50 percent of
626 the equity securities or equity interest.

627 4. An accredited investor.

628
629 A business entity must be counted as one purchaser. However, if
630 the business entity is organized for the specific purpose of
631 acquiring the securities offered and is not an accredited
632 investor, each beneficial owner of equity securities or equity
633 interests in the business entity must be counted as a separate
634 purchaser. A noncontributory employee benefit plan within the
635 meaning of Title I of the Employee Retirement Income Security
636 Act of 1974 must be counted as one purchaser if the trustee
637 makes all investment decisions for the plan.

638 (11) Offers or sales of securities by an issuer in a

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639 transaction that meets all of the following conditions:

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

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

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

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

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

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

664 c. A brief description of the business.

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

667 e. The name, address, and telephone number of the person to

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668 contact for additional information.

669 f. A statement that:

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

671 (II) Money or other consideration is not being solicited

672 and will not be accepted by way of this general announcement;

673 and

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

675 approved by any state securities agency or the Securities and

676 Exchange Commission and are being offered and sold pursuant to

677 an exemption from registration.

678 2. The issuer, in connection with an offer, may provide

679 information in addition to the information provided in the

680 general announcement as specified in subparagraph 1. if such

681 information is delivered:

682 a. Through an electronic database that is restricted to

683 persons who have been prequalified as accredited investors; or

684 b. After the issuer reasonably believes that the

685 prospective purchaser is an accredited investor.

686 (e) The issuer does not use telephone solicitation unless,

687 before placing the call, the issuer reasonably believes that the

688 prospective purchaser to be solicited is an accredited investor.

689 (f) The issuer files with the office a notice of

690 transaction, a consent to service of process, and a copy of the

691 general announcement within 15 days after the first sale is made

692 in this state. The commission may adopt by rule procedures for

693 filing documents by electronic means.

694 (g) Dissemination of the general announcement of the

695 proposed offering to persons who are not accredited investors

696 does not disqualify the issuer from claiming the exemption under

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697 this rule.

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

709 (a) The offer or sale of securities is in a transaction
710 satisfying all of the conditions specified in paragraphs

711 (10) (a), (b), and (c); or

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

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

722 (14) An unsolicited purchase or sale of securities at the
723 direction of, and as the agent for, another solely and
724 exclusively by a dealer registered pursuant to s. 517.12;
725 provided that this exemption applies solely and exclusively to

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

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

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

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

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

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

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

753 (17) (a) The offer or sale of securities, as agent or
754 principal, by a dealer registered pursuant to s. 517.12, when

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755 such securities are offered or sold at a price reasonably
756 related to the current market price of such securities, provided
757 that such securities are:

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

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

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

766 4. Securities, other than any security that is a federal
767 covered security and is not subject to any registration or
768 filing requirements under this chapter, that have been listed or
769 approved for listing upon notice of issuance by a securities
770 exchange registered under the Securities Exchange Act of 1934,
771 as amended; and all securities senior to any securities so
772 listed or approved for listing upon notice of issuance, or
773 represented by subscription rights which have been so listed or
774 approved for listing upon notice of issuance, or evidences of
775 indebtedness guaranteed by an issuer with a class of securities
776 listed or approved for listing upon notice of issuance by such
777 securities exchange, such securities to be exempt only so long
778 as such listings or approvals remain in effect. The exemption
779 provided in this sub-subparagraph does not apply when the
780 securities are suspended from listing approval for listing or
781 trading.

782 (b) The exemption provided in this subsection does not
783 apply if the sale is made for the direct or indirect benefit of

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784 an issuer or a control person of such issuer or if such
785 securities constitute the whole or part of an unsold allotment
786 to, or subscription or participation by, a dealer as an
787 underwriter of such securities.

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

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

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

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

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

812 (d) The security is listed in a nationally recognized

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813 securities manual designated by rule of the commission or a
814 document filed with and publicly viewable through the Securities
815 and Exchange Commission electronic data gathering and retrieval
816 system and contains:

817 1. A description of the business and operations of the
818 issuer;

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

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

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

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

837 2. The security is offered, purchased, or sold through an
838 alternative trading system registered under Securities and
839 Exchange Commission Regulation ATS, 17 C.F.R. s. 242.301, as
840 amended.

841 3. The issuer of the security is a unit investment trust

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842 registered under the Investment Company Act of 1940, as amended.

843 4. The issuer of the security has been engaged in
844 continuous business, including predecessors, for at least 3
845 years.

846 5. The issuer of the security has total assets of at least
847 \$2 million based on an audited balance sheet as of a date within
848 18 months before such transaction or, in the case of a
849 reorganization or merger in which parties to the reorganization
850 or merger had such audited balance sheet, a pro forma balance
851 sheet.

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

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

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

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

867
868 For purposes of this subsection, Canada, together with its
869 provinces and territories, is designated as a foreign
870 jurisdiction, and the Toronto Stock Exchange, Inc., is

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871 designated as a securities exchange. If, after an administrative
872 hearing in compliance with ss. 120.569 and 120.57, the office
873 finds that revocation is necessary or appropriate in furtherance
874 of the public interest and for the protection of investors, it
875 may revoke the designation of a securities exchange under this
876 subsection.

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

889 Section 4. Section 517.0611, Florida Statutes, is amended
890 to read:

891 517.0611 The Florida Limited Offering Exemption Intrastate
892 crowdfunding.—

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

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

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900 ~~s. 517.061 if the offer or sale is conducted in accordance with~~
901 ~~this section. The exemption provided in this section may not be~~
902 ~~used in conjunction with any other exemption under s. 517.051 or~~
903 ~~s. 517.061.~~

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

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

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

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

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

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

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

943 (f) Must deposit all funds received from investors in an
944 account in ~~Execute an escrow agreement with~~ a federally insured
945 financial institution authorized to do business in this the
946 state, and maintain all such funds in the account until the
947 target offering amount has been reached or the offering has been
948 terminated or has expired. If the target offering amount has not
949 been reached within the period specified by the issuer in the
950 disclosure statement provided to investors, or if the offering
951 is terminated or expires, the issuer must refund invested funds
952 to all investors within 10 business days after such occurrence
953 ~~for the deposit of investor funds, and ensure that all offering~~
954 ~~proceeds are provided to the issuer only when the aggregate~~
955 ~~capital raised from all investors is equal to or greater than~~
956 ~~the target offering amount.~~

957 (g) Must use all funds in accordance with the use of

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958 proceeds as disclosed to prospective investors ~~Allow investors~~
959 ~~to cancel a commitment to invest within 3 business days before~~
960 ~~the offering deadline, as stated in the disclosure statement,~~
961 ~~and issue refunds to all investors if the target offering amount~~
962 ~~is not reached by the offering deadline.~~

963 (5) The issuer must file a notice of the offering with the
964 office, in writing or in electronic form, in a format prescribed
965 by commission rule, together with a nonrefundable filing fee of
966 \$200. The filing fee must ~~shall~~ be deposited into the Regulatory
967 Trust Fund of the office. The commission may adopt rules
968 establishing procedures for the deposit of fees and the filing
969 of documents by electronic means if the procedures provide the
970 office with the information and data required by this section. A
971 notice is effective upon receipt, by the office, of the
972 completed form, filing fee, and an irrevocable written consent
973 to service of civil process, similar to that provided for in s.
974 517.101. The notice may be terminated by filing with the office
975 a notice of termination. The notice and offering expire 12
976 months after filing the notice with the office and are not
977 eligible for renewal. The notice must:

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

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

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

986 (d) Identify any predecessors, owners, officers, directors,

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987 ~~general partners, managers, managing members, and control~~
988 ~~persons~~ or any person occupying a similar status or performing a
989 similar function of the issuer, including that person's title,
990 ~~his or her~~ status as a partner, trustee, or sole proprietor or a
991 similar role, and ~~his or her~~ ownership percentage.

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

996 (f) ~~Require an attestation under oath that the issuer, its~~
997 ~~predecessors, affiliated issuers, directors, officers, and~~
998 ~~control persons, or any other person occupying a similar status~~
999 ~~or performing a similar function, are not currently and have not~~
1000 ~~been within the past 10 years the subject of regulatory or~~
1001 ~~criminal actions involving fraud or deceit.~~

1002 ~~(g) Include documentation verifying that the issuer is~~
1003 ~~organized under the laws of the state and authorized to do~~
1004 ~~business in the state.~~

1005 ~~(h) If applicable,~~ include the intermediary's website
1006 address where the issuer's securities will be offered.

1007 (g)(i) State Include the target offering amount and the
1008 date, not to exceed 365 days, by which the target amount must be
1009 reached in order to avoid termination of the offering.

1010 (6) The issuer must amend the notice form within 10
1011 business ~~30~~ days after any material information contained in the
1012 notice becomes inaccurate ~~for any reason~~. The commission may
1013 require, by rule, an issuer who has filed a notice under this
1014 section to file amendments with the office.

1015 (7) The issuer may engage in general advertising and

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1016 general solicitation of the offer to prospective investors. Any
1017 oral or written statements in advertising or solicitation of the
1018 offer which contain a material misstatement, or which fail to
1019 disclose material information, are subject to enforcement under
1020 this chapter. Any general advertising or other general
1021 announcement must state that the offering is limited and open
1022 only to residents of this state.

1023 (8) The issuer must provide a disclosure statement to
1024 investors and the dealer or intermediary, along with a copy to
1025 the office at the time that the notice is filed, and make
1026 available to potential investors through the dealer or
1027 intermediary, as applicable; to the office at the time that the
1028 notice is filed; and to each prospective investor at least 3
1029 days before the investor's commitment to purchase or payment of
1030 any consideration. The, a disclosure statement must contain
1031 containing material information about the issuer and the
1032 offering, including all of the following:

1033 (a) The name, legal status, physical address, e-mail
1034 address, and website address of the issuer.

1035 (b) The names of the directors, officers, managers,
1036 managing members, and general partners and any person occupying
1037 a similar status or performing a similar function, and the name
1038 and ownership percentage of each person holding more than 20
1039 percent of the issuer's equity interests ~~shares of the issuer.~~

1040 (c) A description of the current business ~~of the issuer~~ and
1041 the anticipated business plan of the issuer.

1042 (d) A description of the stated purpose and intended use of
1043 the proceeds of the offering.

1044 (e) The target offering amount ~~and,~~ the deadline to reach

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1045 the target offering amount, ~~and regular updates regarding the~~
1046 ~~progress of the issuer in meeting the target offering amount.~~

1047 (f) The price to the public of the securities ~~or the method~~
1048 ~~for determining the price. However, before the sale, each~~
1049 ~~investor must receive in writing the final price and all~~
1050 ~~required disclosures and have an opportunity to rescind the~~
1051 ~~commitment to purchase the securities.~~

1052 (g) A description of the ownership and capital structure of
1053 the issuer, including:

1054 1. Terms of the securities being offered and each class of
1055 security of the issuer, including how those terms may be
1056 modified, and a summary of the differences between such
1057 securities, including how the rights of the securities being
1058 offered may be materially limited, diluted, or qualified by
1059 rights of any other class of security of the issuer.

1060 2. A description of how the exercise of the rights held by
1061 the principal equity holders ~~shareholders~~ of the issuer could
1062 negatively impact the purchasers of the securities being
1063 offered.

1064 ~~3. The name and ownership level of each existing~~
1065 ~~shareholder who owns more than 20 percent of any class of the~~
1066 ~~securities of the issuer.~~

1067 ~~4. How the securities being offered are being valued, and~~
1068 ~~examples of methods of how such securities may be valued by the~~
1069 ~~issuer in the future, including during subsequent corporate~~
1070 ~~actions.~~

1071 5. ~~The risks to purchasers of the securities relating to~~
1072 ~~minority ownership in the issuer, the risks associated with~~
1073 ~~corporate action, including additional issuances of shares, a~~

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1074 ~~sale of the issuer or of assets of the issuer, or transactions~~
1075 ~~with related parties.~~

1076 (h) A statement that the security being offered is not
1077 registered under federal or state securities laws and that the
1078 securities are subject to the limitation on resale contained in
1079 Securities and Exchange Commission Rule 147 or Rule 147A.

1080 (i) Any issuer plans, formal or informal, to offer
1081 additional securities in the future.

1082 (j) The risks to purchasers of the securities relating to
1083 minority ownership in the issuer.

1084 (k) ~~(h)~~ A description of the financial condition of the
1085 issuer.

1086 1. For offerings that, in combination with all other
1087 offerings of the issuer within the preceding 12-month period,
1088 have ~~target~~ offering amounts of \$500,000 ~~\$100,000~~ or less, the
1089 financial statements of the issuer may be, but are not required
1090 to be, included ~~description must include the most recent income~~
1091 ~~tax return filed by the issuer, if any, and a financial~~
1092 ~~statement that must be certified by the principal executive~~
1093 ~~officer of the issuer as true and complete in all material~~
1094 ~~respects.~~

1095 2. For offerings that, in combination with all other
1096 offerings of the issuer within the preceding 12-month period,
1097 have target offering amounts of more than \$500,000 ~~\$100,000~~, but
1098 not more than \$2.5 million ~~\$500,000~~, the description must
1099 include financial statements prepared in accordance with
1100 generally accepted accounting principles and reviewed by a
1101 certified public accountant, as defined in s. 473.302, who is
1102 independent of the issuer, using professional standards and

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1103 procedures ~~for such review~~ or standards and procedures
1104 established by commission ~~the office, by rule,~~ for such purpose.

1105 3. For offerings that, in combination with all other
1106 offerings of the issuer within the preceding 12-month period,
1107 have ~~target~~ offering amounts of more than \$2.5 million ~~\$500,000,~~
1108 the description must include audited financial statements
1109 prepared in accordance with generally accepted accounting
1110 principles by a certified public accountant, as defined in s.
1111 473.302, who is independent of the issuer, and other
1112 requirements as the commission may establish by rule.

1113 (1) ~~(i)~~ The following statement in boldface, conspicuous
1114 type on the front page of the disclosure statement:

1115
1116 Neither the Securities and Exchange Commission nor any
1117 state securities commission has approved or
1118 disapproved these securities or determined if this
1119 disclosure statement is truthful or complete. Any
1120 representation to the contrary is a criminal offense
1121 under chapter 517, Florida Statutes.

1122
1123 These securities are offered under, and will be sold
1124 in reliance upon, an exemption from the registration
1125 requirements of federal and Florida securities laws.
1126 ~~Consequently,~~ Neither the Federal Government nor the
1127 State of Florida has reviewed the accuracy or
1128 completeness of any offering materials. In making an
1129 investment decision, investors must rely on their own
1130 examination of the issuer and the terms of the
1131 offering, including the merits and risks involved.

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1132 These securities are subject to restrictions on
1133 transferability and resale and may not be transferred
1134 or resold except as specifically authorized by
1135 applicable federal and state securities laws.

1136 Investing in these securities involves a speculative
1137 risk, and investors should be able to bear the loss of
1138 their entire investment.

1139 ~~(8) The issuer shall provide to the office a copy of the~~
1140 ~~escrow agreement with a financial institution authorized to~~
1141 ~~conduct business in this state. All investor funds must be~~
1142 ~~deposited in the escrow account. The escrow agreement must~~
1143 ~~require that all offering proceeds be released to the issuer~~
1144 ~~only when the aggregate capital raised from all investors is~~
1145 ~~equal to or greater than the minimum target offering amount~~
1146 ~~specified in the disclosure statement as necessary to implement~~
1147 ~~the business plan, and that all investors will receive a full~~
1148 ~~return of their investment commitment if that target offering~~
1149 ~~amount is not raised by the date stated in the disclosure~~
1150 ~~statement.~~

1151 (9) The sum of all cash and other consideration received
1152 for sales of a security under this section may not exceed \$5 ~~\$1~~
1153 million, less the aggregate amount received for all sales of
1154 securities by the issuer within the 12 months preceding the
1155 first offer or sale made in reliance upon this exemption. Offers
1156 or sales to a person owning 20 percent or more of the
1157 outstanding equity interests ~~shares~~ of any class or classes of
1158 securities or to an officer, director, manager, managing member,
1159 general partner, or trustee, or a person occupying a similar
1160 status, do not count toward this limitation.

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1161 (10) Unless the investor is an accredited investor, or the
1162 issuer reasonably believes that the investor is an accredited
1163 investor as defined by Rule 501 of Regulation D, adopted
1164 pursuant to the Securities Act of 1933, the aggregate amount of
1165 securities sold by an issuer to an investor in transactions
1166 exempt from registration requirements under this subsection in a
1167 12-month period may not exceed \$10,000.

1168 (a) ~~The greater of \$2,000 or 5 percent of the annual income~~
1169 ~~or net worth of such investor, if the annual income or the net~~
1170 ~~worth of the investor is less than \$100,000.~~

1171 (b) ~~Ten percent of the annual income or net worth of such~~
1172 ~~investor, not to exceed a maximum aggregate amount sold of~~
1173 ~~\$100,000, if either the annual income or net worth of the~~
1174 ~~investor is equal to or exceeds \$100,000.~~

1175 (11) ~~The issuer shall file with the office and provide to~~
1176 ~~investors free of charge an annual report of the results of~~
1177 ~~operations and financial statements of the issuer within 45 days~~
1178 ~~after the end of its fiscal year, until no securities under this~~
1179 ~~offering are outstanding. The annual reports must meet the~~
1180 ~~following requirements:~~

1181 (a) ~~Include an analysis by management of the issuer of the~~
1182 ~~business operations and the financial condition of the issuer,~~
1183 ~~and disclose the compensation received by each director,~~
1184 ~~executive officer, and person having an ownership interest of 20~~
1185 ~~percent or more of the issuer, including cash compensation~~
1186 ~~earned since the previous report and on an annual basis, and any~~
1187 ~~bonuses, stock options, other rights to receive securities of~~
1188 ~~the issuer, or any affiliate of the issuer, or other~~
1189 ~~compensation received.~~

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1190 ~~(b) Disclose any material change to information contained~~
1191 ~~in the disclosure statements which was not disclosed in a~~
1192 ~~previous report.~~

1193 ~~(11)-(12)(a)~~ A notice-filing under this section must ~~shall~~
1194 be summarily suspended by the office if:

1195 (a) The payment for the filing is dishonored by the
1196 financial institution upon which the funds are drawn. For
1197 purposes of s. 120.60(6), failure to pay the required notice
1198 filing fee constitutes an immediate and serious danger to the
1199 public health, safety, and welfare. The office shall enter a
1200 final order revoking a notice-filing in which the payment for
1201 the filing is dishonored by the financial institution upon which
1202 the funds are drawn; or-

1203 ~~(b) A notice-filing under this section shall be summarily~~
1204 ~~suspended by the office if~~ The issuer made a material false
1205 statement in the issuer's notice-filing. The summary suspension
1206 remains ~~shall remain~~ in effect until a final order is entered by
1207 the office. For purposes of s. 120.60(6), a material false
1208 statement made in the issuer's notice-filing constitutes an
1209 immediate and serious danger to the public health, safety, and
1210 welfare. If an issuer made a material false statement in the
1211 issuer's notice-filing, the office must ~~shall~~ enter a final
1212 order revoking the notice-filing, issue a fine as prescribed by
1213 s. 517.191(9) ~~s. 517.221(3)~~, and issue permanent bars under s.
1214 517.191(10) ~~s. 517.221(4)~~ to the issuer and all owners,
1215 officers, directors, general partners, and control persons, or
1216 any person occupying a similar status or performing a similar
1217 function of the issuer, including title; status as a partner,
1218 trustee, sole proprietor, or similar role; and ownership

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1219 percentage.

1220 ~~(12)-(13)~~ If the issuer employs the services of an
1221 intermediary, the ~~An~~ intermediary must:

1222 (a) Take measures, as established by commission rule, to
1223 reduce the risk of fraud with respect to the ~~transactions,~~
1224 ~~including verifying that the issuer is in compliance with the~~
1225 ~~requirements of this section and, if necessary, denying an~~
1226 ~~issuer access to its platform if the intermediary believes it is~~
1227 ~~unable to adequately assess the risk of fraud of the issuer or~~
1228 ~~its potential~~ offering.

1229 (b) Provide ~~basic~~ information on its website regarding the
1230 high risk of investment in and limitation on the resale of
1231 exempt securities and the potential for loss of an entire
1232 investment. The ~~basic~~ information must include, but need not be
1233 limited to, all of the following:

1234 1. A description of the financial institution into which
1235 investor funds will be deposited ~~escrow agreement that the~~
1236 ~~issuer has executed~~ and the conditions for the use ~~release~~ of
1237 such funds by ~~to~~ the issuer ~~in accordance with the agreement and~~
1238 ~~subsection (4).~~

1239 2. A description of whether financial information provided
1240 by the issuer has been audited by an independent certified
1241 public accountant, as defined in s. 473.302.

1242 (c) Obtain from each prospective investor a zip code or
1243 residence address, a copy of a driver license, and any other
1244 proof of residency in order for the issuer or intermediary to
1245 reasonably believe that the potential investor is a resident of
1246 this state. The commission may adopt rules authorizing
1247 additional forms of identification and prescribing the process

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1248 for verifying any identification presented by the prospective
1249 investor.

1250 (d) Obtain information sufficient for the issuer or
1251 intermediary to reasonably believe that a particular prospective
1252 investor is an accredited investor

1253 ~~(e) Obtain a zip code or residence address from each~~
1254 ~~potential investor who seeks to view information regarding~~
1255 ~~specific investment opportunities, in order to confirm that the~~
1256 ~~potential investor is a resident of the state.~~

1257 ~~(d) Obtain and verify a valid Florida driver license number~~
1258 ~~or Florida identification card number from each investor before~~
1259 ~~purchase of a security to confirm that the investor is a~~
1260 ~~resident of the state. The commission may adopt rules~~
1261 ~~authorizing additional forms of identification and prescribing~~
1262 ~~the process for verifying any identification presented by the~~
1263 ~~investor.~~

1264 ~~(e) Obtain an affidavit from each investor stating that the~~
1265 ~~investment being made by the investor is consistent with the~~
1266 ~~income requirements of subsection (10).~~

1267 ~~(f) Direct the release of investor funds in escrow in~~
1268 ~~accordance with subsection (4).~~

1269 ~~(g) Direct investors to transmit funds directly to the~~
1270 ~~financial institution designated in the escrow agreement to hold~~
1271 ~~the funds for the benefit of the investor.~~

1272 (e)(h) Provide a monthly update for each offering, after
1273 the first full month after the date of the offering. The update
1274 must be accessible on the intermediary's website and must
1275 display the date and amount of each sale of securities, and each
1276 cancellation of commitment to invest, in the previous calendar

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1277 month.

1278 ~~(i) Require each investor to certify in writing, including~~
1279 ~~as part of such certification his or her signature and his or~~
1280 ~~her initials next to each paragraph of the certification, as~~
1281 ~~follows:~~

1282 ~~I understand and acknowledge that:~~

1283 ~~I am investing in a high-risk, speculative business~~
1284 ~~venture. I may lose all of my investment, and I can afford the~~
1285 ~~loss of my investment.~~

1286 ~~This offering has not been reviewed or approved by any~~
1287 ~~state or federal securities commission or other regulatory~~
1288 ~~authority and no regulatory authority has confirmed the accuracy~~
1289 ~~or determined the adequacy of any disclosure made to me relating~~
1290 ~~to this offering.~~

1291 ~~The securities I am acquiring in this offering are illiquid~~
1292 ~~and are subject to possible dilution. There is no ready market~~
1293 ~~for the sale of the securities. It may be difficult or~~
1294 ~~impossible for me to sell or otherwise dispose of the~~
1295 ~~securities, and I may be required to hold the securities~~
1296 ~~indefinitely.~~

1297 ~~I may be subject to tax on my share of the taxable income~~
1298 ~~and losses of the issuer, whether or not I have sold or~~
1299 ~~otherwise disposed of my investment or received any dividends or~~
1300 ~~other distributions from the issuer.~~

1301 ~~By entering into this transaction with the issuer, I am~~
1302 ~~affirmatively representing myself as being a Florida resident at~~
1303 ~~the time this contract is formed, and if this representation is~~
1304 ~~subsequently shown to be false, the contract is void.~~

1305 ~~If I resell any of the securities I am acquiring in this~~

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1306 ~~offering to a person that is not a Florida resident within 9~~
1307 ~~months after the closing of the offering, my contract with the~~
1308 ~~issuer for the purchase of these securities is void.~~

1309 ~~(j) Require each investor to answer questions demonstrating~~
1310 ~~an understanding of the level of risk generally applicable to~~
1311 ~~investments in startups, emerging businesses, and small issuers,~~
1312 ~~and an understanding of the risk of illiquidity.~~

1313 ~~(f)~~(k) Take reasonable steps to protect personal
1314 information collected from investors, as required by s. 501.171.

1315 ~~(g)~~(l) Prohibit its directors, ~~and~~ officers, managers,
1316 managing members, general partners, employees, and agents from
1317 having any financial interest in the issuer using its services.

1318 ~~(m) Implement written policies and procedures that are~~
1319 ~~reasonably designed to achieve compliance with federal and state~~
1320 ~~securities laws; comply with the anti-money laundering~~
1321 ~~requirements of 31 C.F.R. chapter X applicable to registered~~
1322 ~~brokers; and comply with the privacy requirements of 17 C.F.R.~~
1323 ~~part 248 relating to brokers.~~

1324 ~~(13)~~(14) An intermediary not registered as a dealer under
1325 s. 517.12(5) may not:

1326 (a) Offer investment advice or recommendations. A refusal
1327 by an intermediary to post an offering that it deems not
1328 credible or that represents a potential for fraud may not be
1329 construed as an offer of investment advice or recommendation.

1330 (b) Solicit purchases, sales, or offers to buy securities
1331 offered or displayed on its website.

1332 (c) Compensate employees, agents, or other persons for the
1333 solicitation of, or based on the sale of, securities offered or
1334 displayed on its website.

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1335 (d) Hold, manage, possess, or otherwise handle investor
1336 funds or securities.

1337 (e) Compensate promoters, finders, or lead generators for
1338 providing the intermediary with the personal identifying
1339 information of any prospective ~~potential~~ investor.

1340 (f) Engage in any other activities set forth by commission
1341 rule.

1342 (14) If the issuer does not employ a dealer or an
1343 intermediary for an offering pursuant to the exemption created
1344 under this section, the issuer must fulfill each of the
1345 obligations specified in paragraphs (12) (c)-(f).

1346 (15) Any sale made pursuant to the exemption created under
1347 this section is voidable by the purchaser within 3 days after
1348 the first tender of consideration is made by such purchaser to
1349 the issuer by notifying the issuer that the purchaser expressly
1350 voids the purchase. The purchaser's notice to the issuer must be
1351 sent by e-mail to the issuer's e-mail address set forth in the
1352 disclosure statement that is provided to the purchaser or
1353 purchaser's representative or by certified mail or overnight
1354 delivery service with proof of delivery to the mailing address
1355 set forth in the disclosure statement ~~All funds received from~~
1356 ~~investors must be directed to the financial institution~~
1357 ~~designated in the escrow agreement to hold the funds and must be~~
1358 ~~used in accordance with representations made to investors by the~~
1359 ~~intermediary. If an investor cancels a commitment to invest, the~~
1360 ~~intermediary must direct the financial institution designated to~~
1361 ~~hold the funds to promptly refund the funds of the investor.~~

1362 Section 5. Section 517.0612, Florida Statutes, is created
1363 to read:

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- 1364 517.0612 Florida Invest Local Exemption.—
1365 (1) This section may be cited as the "Florida Invest Local
1366 Exemption."
1367 (2) The registration provisions of s. 517.07 do not apply
1368 to a securities transaction conducted in accordance with this
1369 section; however, such transaction is subject to s. 517.301.
1370 (3) The offer or sale of securities under this section must
1371 meet the requirements of the federal exemption for intrastate
1372 offerings in s. 3(a)(11) of the Securities Act of 1933,
1373 Securities and Exchange Commission Rule 147, or Securities and
1374 Exchange Commission Rule 147A, as amended.
1375 (4) The issuer must be a for-profit business entity
1376 registered with the Department of State which has its principal
1377 place of business in this state. The issuer may not be, before
1378 or as a result of the offering:
1379 (a) An investment company as defined in the Investment
1380 Company Act of 1940, as amended;
1381 (b) Subject to the reporting requirements of the Securities
1382 and Exchange Act of 1934, as amended;
1383 (c) A business entity that has an undefined business
1384 operation, lacks a business plan, lacks a stated investment goal
1385 for the funds being raised, or plans to engage in a merger or
1386 acquisition with an unspecified business entity; or
1387 (d) Subject to a disqualification as provided in s.
1388 517.0616.
1389 (5) The sum of all cash and other consideration received
1390 from all sales of the securities in reliance upon the exemption
1391 under this section may not exceed \$500,000, less the aggregate
1392 amount received for all sales of securities by the issuer within

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1393 the 12 months before the first offer or sale made in reliance on
1394 this exemption.

1395 (6) (a) The issuer may not accept more than \$10,000 from any
1396 single purchaser unless any of the following apply:

1397 1. The issuer reasonably believes that the purchaser is an
1398 accredited investor.

1399 2. The purchaser is an officer, director, partner, or
1400 trustee, or an individual occupying a similar status or
1401 performing similar functions, of the issuer.

1402 3. The purchaser is an owner of 10 percent or more of the
1403 issuer's outstanding equity.

1404 (b) For purposes of this subsection, the following persons
1405 must be treated collectively as a single purchaser:

1406 1. Any spouse or child of the purchaser or any related
1407 family member who has the same primary residence as the
1408 purchaser.

1409 2. Any business entity of which the purchaser and any
1410 person related to the purchaser as provided in subparagraph 1.
1411 collectively own more than 50 percent of the equity interest.

1412 (7) The issuer may engage in general advertising and
1413 general solicitation of the offering. Any general advertising or
1414 other general announcement must state that the offer is limited
1415 and open only to residents of this state. Any oral or written
1416 statements in advertising or solicitation of the offer which
1417 contain a material misstatement, or which fail to disclose
1418 material information, are subject to enforcement under this
1419 chapter.

1420 (8) A purchaser must receive, at least 3 business days
1421 before any binding commitment to purchase or consideration paid,

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1422 a disclosure statement that provides material information
1423 regarding the issuer, including, but not limited to, all of the
1424 following information:

1425 (a) The issuer's name, type of entity, and contact
1426 information.

1427 (b) The name and contact information of each director,
1428 officer, or other manager of the issuer.

1429 (c) A description of the issuer's business.

1430 (d) A description of the security being offered.

1431 (e) The total amount of the offering.

1432 (f) The intended use of proceeds from the sale of the
1433 securities.

1434 (g) The target offering amount.

1435 (h) A statement that if the target offering amount is not
1436 obtained in cash or in the value of other tangible consideration
1437 received on a date that is no more than 180 days after the
1438 commencement of the offering, the offering will be terminated,
1439 and any funds or other consideration received from purchasers
1440 must be promptly returned.

1441 (i) A statement that the security being offered is not
1442 registered under federal or state securities laws and that the
1443 securities are subject to the limitation on resale contained in
1444 Securities and Exchange Commission Rule 147 or Rule 147A.

1445 (j) The names and addresses of all persons who will be
1446 involved in the offer and sale of securities on behalf of the
1447 issuer.

1448 (k) The name of the bank or other depository institution
1449 into which investor funds will be deposited.

1450 (l) The following statement in boldface, conspicuous type:

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1451
1452 Neither the Securities and Exchange Commission nor any
1453 state securities commission has approved or
1454 disapproved these securities or determined that this
1455 disclosure statement is truthful or complete. Any
1456 representation to the contrary is a criminal offense
1457 under chapter 517, Florida Statutes.

1458 (9) All funds received from investors must be deposited
1459 into a bank or depository institution authorized to do business
1460 in this state. The issuer may not withdraw any amount of the
1461 offering proceeds unless the target offering amount has been
1462 received.

1463 (10) The issuer must file a notice of the offering with the
1464 office, in writing or in electronic form, in a format prescribed
1465 by commission rule, no less than 5 business days before the
1466 offering commences, along with the disclosure statement
1467 described in subsection (8). If there are any material changes
1468 to the information previously submitted, the issuer, within 3
1469 business days after such material change, must file an amended
1470 notice.

1471 (11) An individual, entity, or entity employee who acts as
1472 an agent for the issuer in the offer or sale of securities and
1473 is not registered as a dealer under this chapter may not do
1474 either of the following:

1475 (a) Receive compensation based upon the solicitation of
1476 purchases, sales, or offers to purchase the securities.

1477 (b) Take custody of investor funds or securities.

1478 (12) Any sale made pursuant to the exemption created under
1479 this section is voidable by the purchaser within 3 days after

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1480 the first tender of consideration is made by such purchaser to
1481 the issuer by notifying the issuer that the purchaser expressly
1482 voids the purchase. The purchaser's notice to the issuer must be
1483 sent by e-mail to the issuer's e-mail address set forth in the
1484 disclosure statement that is provided to a purchaser or the
1485 purchaser's representative or by hand delivery, courier service,
1486 or other method by which written proof of delivery to the issuer
1487 of the purchaser's election to rescind the purchase is
1488 evidenced.

1489 Section 6. Section 517.0613, Florida Statutes, is created
1490 to read:

1491 517.0613 Failure to comply with a securities registration
1492 exemption.—

1493 (1) Failure to meet the requirements for any exemption from
1494 securities registration does not preclude the issuer from
1495 claiming the availability of any other applicable state or
1496 federal exemption.

1497 (2) The exemptions created under ss. 517.061, 517.0611, and
1498 517.0612 are not available to an issuer for any transaction or
1499 series of transactions that, although in technical compliance
1500 with the applicable provisions, is part of a plan or scheme to
1501 evade the registration provisions of s. 517.07, and registration
1502 under s. 517.07 is required in connection with such
1503 transactions.

1504 Section 7. Section 517.0614, Florida Statutes, is created
1505 to read:

1506 517.0614 Integration of offerings.—

1507 (1) If the safe harbors in subsection (2) do not apply, in
1508 determining whether two or more offerings are to be treated as

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1509 one for the purpose of registration or qualifying for an
1510 exemption from registration under this chapter, offers and sales
1511 may not be integrated if, based on the particular facts and
1512 circumstances, the issuer can establish either that each
1513 offering complies with the registration requirements of this
1514 chapter, or that an exemption from registration is available for
1515 the particular offering, provided that any transaction or series
1516 of transactions that, although in technical compliance with this
1517 chapter, is part of a plan or scheme to evade the registration
1518 requirements of this chapter will not have the effect of
1519 avoiding integration. In making this determination:

1520 (a) For an exempt offering prohibiting general
1521 solicitation, the issuer must have a reasonable belief, based on
1522 the facts and circumstances, with respect to each purchaser in
1523 the exempt offering prohibiting general solicitation, that the
1524 issuer or any person acting on the issuer's behalf:

1525 1. Did not solicit such purchaser through the use of
1526 general solicitation; or

1527 2. Established a substantive relationship with such
1528 purchaser before the commencement of the exempt offering
1529 prohibiting general solicitation, provided that a purchaser
1530 previously solicited through the use of general solicitation is
1531 not deemed to have been solicited through the use of general
1532 solicitation in the current offering if, during the 45 calendar
1533 days following such previous general solicitation:

1534 a. No offer or sale of the same or similar class of
1535 securities has been made by or on behalf of the issuer,
1536 including to such purchaser; and

1537 b. The issuer or any person acting on the issuer's behalf

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1538 has not solicited such purchaser through the use of general
1539 solicitation for any other security.

1540 (b) For two or more concurrent exempt offerings permitting
1541 general solicitation, in addition to satisfying the requirements
1542 of the particular exemption relied on, general solicitation
1543 offering materials for one offering that includes information
1544 about the material terms of a concurrent offering under another
1545 exemption may constitute an offer of securities in such other
1546 offering, and therefore the offer must comply with all the
1547 requirements for, and restrictions on, offers under the
1548 exemption being relied on for such other offering, including any
1549 legend requirements and communications restrictions.

1550 (2) The integration analysis required by subsection (1) is
1551 not required if any of the following nonexclusive safe harbors
1552 apply:

1553 (a) An offering commenced more than 30 calendar days before
1554 the commencement of any other offering, or more than 30 calendar
1555 days after the termination or completion of any other offering,
1556 may not be integrated with such other offering, provided that
1557 for an exempt offering for which general solicitation is not
1558 permitted which follows by 30 calendar days or more an offering
1559 that allows general solicitation, paragraph (1)(a) applies.

1560 (b) Offers and sales made in compliance with any of the
1561 following provisions are not subject to integration with other
1562 offerings:

1563 1. Section 517.051 or s. 517.061, except s. 517.061(9),
1564 (10), or (11).

1565 2. Section 517.0611 or s. 517.0612.

1566 Section 8. Section 517.0615, Florida Statutes, is created

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1567 to read:

1568 517.0615 Solicitations of interest.-

1569 (1) A communication may not be deemed to constitute general
1570 solicitation or general advertising if the communication is made
1571 in connection with a seminar or meeting in which more than one
1572 issuer participates and which is sponsored by a college, a
1573 university, or another institution of higher education; a state
1574 or local government or an instrumentality thereof; a nonprofit
1575 chamber of commerce or other nonprofit organization; or an angel
1576 investor group, incubator, or accelerator, if all of the
1577 following apply:

1578 (a) Advertising for the seminar or meeting does not
1579 reference a specific offering of securities by the issuer.

1580 (b) The sponsor of the seminar or meeting does not do any
1581 of the following:

1582 1. Make investment recommendations or provide investment
1583 advice to attendees of the seminar or meeting.

1584 2. Engage in any investment negotiations between the issuer
1585 and investors attending the seminar or meeting.

1586 3. Charge attendees of the seminar or meeting any fees,
1587 other than reasonable administrative fees.

1588 4. Receive any compensation for making introductions
1589 between seminar or meeting attendees and issuers or for
1590 investment negotiations between such parties.

1591 5. Receive any compensation with respect to the seminar or
1592 meeting, which compensation would require registration or
1593 notice-filing under this chapter, the Securities Exchange Act of
1594 1934, 15 U.S.C. ss. 78a et seq., as amended, or the Investment
1595 Advisers Act of 1940, 15 U.S.C. s. 80b-1 et seq., as amended.

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1596 The sponsorship or participation in the seminar or meeting does
1597 not by itself require registration or notice-filing under this
1598 chapter.

1599 (c) The type of information regarding an offering of
1600 securities by the issuer which is communicated or distributed by
1601 or on behalf of the issuer in connection with the seminar or
1602 meeting is limited to a notification that the issuer is in the
1603 process of offering or planning to offer securities, the type
1604 and amount of securities being offered, the intended use of
1605 proceeds of the offering, and the unsubscribed amount in an
1606 offering.

1607 (d) If the event allows attendees to participate virtually,
1608 rather than in person, online participation in the event is
1609 limited to:

1610 1. Individuals that are members of, or otherwise associated
1611 with, the sponsor organization;

1612 2. Individuals that the sponsor reasonably believes are
1613 accredited investors; or

1614 3. Individuals that have been invited to the event by the
1615 sponsor based on industry or investment-related experience
1616 reasonably selected by the sponsor in good faith and disclosed
1617 in the public communications about the event.

1618 (2) Before any offers or sales are made in connection with
1619 an offering, communications by an issuer or any person
1620 authorized to act on behalf of the issuer are not deemed to
1621 constitute general solicitation or general advertising if the
1622 communication is solely for the purpose of determining whether
1623 there is any interest in a contemplated securities offering.
1624 Requirements imposed under this chapter on written or oral

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1625 statements made in the course of such communication may be
1626 enforced as provided in this chapter. The solicitation or
1627 acceptance of money or other consideration or of any commitment,
1628 binding or otherwise, from any person is prohibited.

1629 (a) The communication must state all of the following:

1630 1. Money or other consideration is not being solicited and,
1631 if sent in response, will not be accepted.

1632 2. Any offer to buy the securities will not be accepted,
1633 and no part of the purchase price will be accepted.

1634 3. A person's indication of interest does not involve
1635 obligation or commitment of any kind.

1636 (b) Any written communication under this subsection may
1637 include a means by which a person may indicate to the issuer
1638 that the person is interested in a potential offering. The
1639 issuer may require the name, address, telephone number, or e-
1640 mail address in any response form included in the written
1641 communication under this paragraph.

1642 (c) A communication in accordance with this subsection is
1643 not subject to s. 501.059, regarding telephone solicitations.

1644 Section 9. Section 517.0616, Florida Statutes, is created
1645 to read:

1646 517.0616 Disqualification.—A registration exemption under
1647 s. 517.061(9), (10), and (11), s. 517.0611, or s. 517.0612 is
1648 not available to an issuer that would be disqualified under
1649 Securities and Exchange Commission Rule 506(d), 17 C.F.R. s.
1650 230.506(d), as amended, at the time the issuer makes an offer
1651 for the sale of a security.

1652 Section 10. Present subsections (4) through (8) of section
1653 517.081, Florida Statutes, are redesignated as subsections (6)

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1654 through (10), respectively, new subsections (4) and (5) are
1655 added to that section, and subsection (2), paragraph (g) of
1656 subsection (3), and present subsection (7) of that section are
1657 amended, to read:

1658 517.081 Registration procedure.—

1659 (2) The office shall receive and act upon applications for
1660 the registration of ~~to have securities registered, and the~~
1661 ~~commission may prescribe forms on which it may require such~~
1662 ~~applications to be submitted.~~ Applications must ~~shall~~ be duly
1663 signed by the applicant, sworn to by any person having knowledge
1664 of the facts, and filed with the office. ~~The commission may~~
1665 ~~establish, by rule, procedures for depositing fees and filing~~
1666 ~~documents by electronic means provided such procedures provide~~
1667 ~~the office with the information and data required by this~~
1668 ~~section.~~ An application may be made either by the issuer of the
1669 securities for which registration is applied or by any
1670 registered dealer desiring to sell such securities ~~the same~~
1671 within the state.

1672 (3) The office may require the applicant to submit to the
1673 office the following information concerning the issuer and such
1674 other relevant information as the office may in its judgment
1675 deem necessary to enable it to ascertain whether such securities
1676 shall be registered pursuant to the provisions of this section:

1677 (g)~~1.~~ A specimen copy of the securities certificate, if
1678 applicable, and a copy of any circular, prospectus,
1679 advertisement, or other description of such securities.

1680 ~~2. The commission shall adopt a form for a simplified~~
1681 ~~offering circular to register, under this section, securities~~
1682 ~~that are sold in offerings in which the aggregate offering price~~

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1683 ~~in any consecutive 12-month period does not exceed the amount~~
1684 ~~provided in s. 3(b) of the Securities Act of 1933, as amended.~~
1685 ~~The following issuers shall not be eligible to submit a~~
1686 ~~simplified offering circular adopted pursuant to this~~
1687 ~~subparagraph:~~

1688 ~~a. An issuer seeking to register securities for resale by~~
1689 ~~persons other than the issuer.~~

1690 ~~b. An issuer that is subject to any of the~~
1691 ~~disqualifications described in 17 C.F.R. s. 230.262, adopted~~
1692 ~~pursuant to the Securities Act of 1933, as amended, or that has~~
1693 ~~been or is engaged or is about to engage in an activity that~~
1694 ~~would be grounds for denial, revocation, or suspension under s.~~
1695 ~~517.111. For purposes of this subparagraph, an issuer includes~~
1696 ~~an issuer's director, officer, general partner, manager or~~
1697 ~~managing member, trustee, or equity owner who owns at least 10~~
1698 ~~percent of the ownership interests of the issuer, promoter, or~~
1699 ~~selling agent of the securities to be offered or any officer,~~
1700 ~~director, partner, or manager or managing member of such selling~~
1701 ~~agent.~~

1702 ~~c. An issuer that is a development stage company that~~
1703 ~~either has no specific business plan or purpose or has indicated~~
1704 ~~that its business plan is to merge with an unidentified company~~
1705 ~~or companies.~~

1706 ~~d. An issuer of offerings in which the specific business or~~
1707 ~~properties cannot be described.~~

1708 ~~e. Any issuer the office determines is ineligible because~~
1709 ~~the form does not provide full and fair disclosure of material~~
1710 ~~information for the type of offering to be registered by the~~
1711 ~~issuer.~~

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1712 ~~f. Any issuer that has failed to provide the office the~~
1713 ~~reports required for a previous offering registered pursuant to~~
1714 ~~this subparagraph.~~

1715
1716 ~~As a condition precedent to qualifying for use of the simplified~~
1717 ~~offering circular, an issuer shall agree to provide the office~~
1718 ~~with an annual financial report containing a balance sheet as of~~
1719 ~~the end of the issuer's fiscal year and a statement of income~~
1720 ~~for such year, prepared in accordance with United States~~
1721 ~~generally accepted accounting principles and accompanied by an~~
1722 ~~independent accountant's report. If the issuer has more than 100~~
1723 ~~security holders at the end of a fiscal year, the financial~~
1724 ~~statements must be audited. Annual financial reports must be~~
1725 ~~filed with the office within 90 days after the close of the~~
1726 ~~issuer's fiscal year for each of the first 5 years following the~~
1727 ~~effective date of the registration.~~

1728 (4) The commission may, by rule:

1729 (a) Establish criteria relating to the issuance of equity
1730 securities, debt securities, insurance company securities, real
1731 estate investment trusts, oil and gas investments, and other
1732 investments. In establishing these criteria, the commission may
1733 consider the rules and regulations of the Securities and
1734 Exchange Commission and statements of policy by the North
1735 American Securities Administrators Association, Inc., relating
1736 to the registration of securities offerings. The criteria must
1737 include all of the following:

- 1738 1. The promoter's equity investment ratio.
1739 2. The financial condition of the issuer.
1740 3. The voting rights of shareholders.

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- 1741 4. The grant of options or warrants to underwriters and
1742 others.
- 1743 5. Loans and other transactions with affiliates of the
1744 issuer.
- 1745 6. The use, escrow, or refund of proceeds of the offering.
1746 (b) Prescribe forms requiring applications for the
1747 registration of securities to be submitted to the office,
1748 including a simplified offering circular to register, under this
1749 section, securities that are sold in offerings in which the
1750 aggregate offering price in any consecutive 12-month period does
1751 not exceed the amount provided in s. 3(b) of the Securities Act
1752 of 1933, as amended.
- 1753 (c) Establish procedures for depositing fees and filing
1754 documents by electronic means, provided that such procedures
1755 provide the office with the information and data required by
1756 this section.
- 1757 (d) Establish requirements and standards for the filing,
1758 content, and circulation of a preliminary, final, or amended
1759 prospectus, advertisements, and other sales literature. In
1760 establishing such requirements and standards, the commission
1761 shall consider the rules and regulations of the Securities and
1762 Exchange Commission relating to requirements for preliminary,
1763 final, or amended or supplemented prospectuses and the rules of
1764 the Financial Industry Regulatory Authority relating to
1765 advertisements and sales literature.
- 1766 (5) All of the following issuers are not eligible to submit
1767 a simplified offering circular:
- 1768 (a) An issuer that is subject to any of the
1769 disqualifications described in Securities and Exchange

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1770 Commission Rule 262, 17 C.F.R. s. 230.262, as amended, or that
1771 has been or is engaged or is about to engage in an activity that
1772 would be grounds for denial, revocation, or suspension under s.
1773 517.111. For purposes of this paragraph, an issuer includes an
1774 issuer's director, officer, general partner, manager or managing
1775 member, trustee, or equity owner, who owns at least 10 percent
1776 of the ownership interests of the issuer; a promoter or selling
1777 agent of the securities to be offered; or any officer, director,
1778 partner, or manager or managing member of such selling agent.

1779 (b) An issuer that is a development-stage company that
1780 either has no specific business plan or purpose or has indicated
1781 that its business plan is to merge with an unidentified business
1782 entity or entities.

1783 (c) An issuer of offerings in which the specific business
1784 or properties cannot be described.

1785 (d) An issuer that the office determines is ineligible
1786 because the simplified circular does not provide full and fair
1787 disclosure of material information for the type of offering to
1788 be registered by the issuer.

1789 (9) (a) ~~(7)~~ The office shall record the registration of a
1790 security in the register of securities if, upon examination of
1791 an ~~any~~ application, it finds that all of the following
1792 requirements are met: ~~the office~~

1793 1. The application is complete.

1794 2. The fee imposed in subsection (8) has been paid.

1795 3. The sale of the security would not be fraudulent and
1796 would not work or tend to work a fraud upon the purchaser.

1797 4. The terms of the sale of such securities would be fair,
1798 just, and equitable.

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1799 5. The enterprise or business of the issuer is not based
1800 upon unsound business principles.

1801 (b) Upon registration, the security may be sold by the
1802 issuer or any registered dealer, subject, however, to the
1803 further order of the office ~~shall find that the sale of the~~
1804 ~~security referred to therein would not be fraudulent and would~~
1805 ~~not work or tend to work a fraud upon the purchaser, that the~~
1806 ~~terms of the sale of such securities would be fair, just, and~~
1807 ~~equitable, and that the enterprise or business of the issuer is~~
1808 ~~not based upon unsound business principles, it shall record the~~
1809 ~~registration of such security in the register of securities; and~~
1810 ~~thereupon such security so registered may be sold by any~~
1811 ~~registered dealer, subject, however, to the further order of the~~
1812 ~~office. In order to determine if an offering is fair, just, and~~
1813 ~~equitable, the commission may by rule establish requirements and~~
1814 ~~standards for the filing, content, and circulation of any~~
1815 ~~preliminary, final, or amended prospectus and other sales~~
1816 ~~literature and may by rule establish merit qualification~~
1817 ~~criteria relating to the issuance of equity securities, debt~~
1818 ~~securities, insurance company securities, real estate investment~~
1819 ~~trusts, and other traditional and nontraditional investments,~~
1820 ~~including, but not limited to, oil and gas investments. The~~
1821 ~~criteria may include such elements as the promoter's equity~~
1822 ~~investment ratio, the financial condition of the issuer, the~~
1823 ~~voting rights of shareholders, the grant of options or warrants~~
1824 ~~to underwriters and others, loans and other affiliated~~
1825 ~~transaction, the use or refund of proceeds of the offering, and~~
1826 ~~such other relevant criteria as the office in its judgment may~~
1827 ~~deem necessary to such determination.~~

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1828 Section 11. Subsection (2) of section 517.101, Florida
1829 Statutes, is amended to read:

1830 517.101 Consent to service.—

1831 (2) Any such action must ~~shall~~ be brought either in the
1832 county of the plaintiff's residence or in the county in which
1833 the office has its official headquarters. The written consent
1834 must ~~shall~~ be authenticated by the seal of the said issuer, if
1835 it has a seal, and by the acknowledged signature of a director,
1836 manager, managing member, general partner, trustee, or officer
1837 of the issuer ~~member of the copartnership or company, or by the~~
1838 ~~acknowledged signature of any officer of the incorporated or~~
1839 ~~unincorporated association, if it be an incorporated or~~
1840 ~~unincorporated association, duly authorized by resolution of the~~
1841 ~~board of directors, trustees, or managers of the corporation or~~
1842 ~~association, and must shall in such case be accompanied by a~~
1843 ~~duly certified copy of the resolution of the issuer's board of~~
1844 ~~directors, trustees, managers, managing members, or general~~
1845 ~~partners or managers of the corporation or association,~~
1846 ~~authorizing the signer to execute the consent officers to~~
1847 ~~execute the same.~~ In case any process or pleadings mentioned in
1848 this chapter are served upon the office, service must ~~it shall~~
1849 be by duplicate copies, one of which must ~~shall~~ be filed in the
1850 office and the other ~~another~~ immediately forwarded by the office
1851 by registered mail to the principal office of the issuer against
1852 which the said process or pleadings are directed.

1853 Section 12. Section 517.131, Florida Statutes, is amended
1854 to read:

1855 517.131 Securities Guaranty Fund.—

1856 (1) As used in this section, the term "final judgment"

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1857 includes an arbitration award confirmed by a court of competent
1858 jurisdiction.

1859 (2) (a) The Chief Financial Officer shall establish a
1860 Securities Guaranty Fund to provide monetary relief to victims
1861 of securities violations under this chapter who are entitled to
1862 monetary damages or restitution and cannot recover the full
1863 amount of such monetary damages or restitution from the
1864 wrongdoer. An amount not exceeding 20 percent of all revenues
1865 received as assessment fees pursuant to s. 517.12(9) and (10)
1866 for dealers and investment advisers or s. 517.1201 for federal
1867 covered advisers and an amount not exceeding 10 percent of all
1868 revenues received as assessment fees pursuant to s. 517.12(9)
1869 and (10) for associated persons must ~~shall~~ be part of the
1870 regular registration license fee and must ~~shall~~ be transferred
1871 to or deposited in the Securities Guaranty Fund.

1872 (b) If the balance in the Securities Guaranty Fund at any
1873 time exceeds \$1.5 million, transfer of assessment fees to the
1874 ~~this~~ fund must ~~shall~~ be discontinued at the end of that
1875 registration license year, and transfer of such assessment fees
1876 may ~~shall~~ not resume ~~be resumed~~ unless the fund balance is
1877 reduced below \$1 million by disbursement made in accordance with
1878 s. 517.141.

1879 ~~(2) The Securities Guaranty Fund shall be disbursed as~~
1880 ~~provided in s. 517.141 to a person who is adjudged by a court of~~
1881 ~~competent jurisdiction to have suffered monetary damages as a~~
1882 ~~result of any of the following acts committed by a dealer,~~
1883 ~~investment adviser, or associated person who was licensed under~~
1884 ~~this chapter at the time the act was committed:~~

1885 ~~(a) A violation of s. 517.07.~~

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1886 ~~(b) A violation of s. 517.301.~~

1887 (3) A Any person is eligible for payment ~~to seek recovery~~
1888 from the Securities Guaranty Fund if the person:

1889 (a)1. Holds an unsatisfied final judgment in which a
1890 wrongdoer was found to have violated s. 517.07 or s. 517.301;

1891 2. Has applied any amount recovered from the judgment
1892 debtor or any other source to the damages awarded by the court
1893 or arbitrator; and

1894 3. Is a natural person who was a resident of this state, or
1895 is a business entity that was domiciled in this state, at the
1896 time of the violation of s. 517.07 or s. 517.301; or

1897 (b) Is a receiver appointed pursuant to s. 517.191(2) by a
1898 court of competent jurisdiction for a wrongdoer ordered to pay
1899 restitution under s. 517.191(3) as a result of a violation of s.
1900 517.07 or s. 517.301 which has requested payment from the
1901 Securities Guaranty Fund on behalf of a person eligible for
1902 payment under paragraph (a)

1903 ~~(a) Such person has received final judgment in a court of~~
1904 ~~competent jurisdiction in any action wherein the cause of action~~
1905 ~~was based on a violation of those sections referred to in~~
1906 ~~subsection (2).~~

1907 ~~(b) Such person has made all reasonable searches and~~
1908 ~~inquiries to ascertain whether the judgment debtor possesses~~
1909 ~~real or personal property or other assets subject to being sold~~
1910 ~~or applied in satisfaction of the judgment, and by her or his~~
1911 ~~search the person has discovered no property or assets; or she~~
1912 ~~or he has discovered property and assets and has taken all~~
1913 ~~necessary action and proceedings for the application thereof to~~
1914 ~~the judgment, but the amount thereby realized was insufficient~~

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1915 ~~to satisfy the judgment. To verify compliance with such~~
1916 ~~condition, the office may require such person to have a writ of~~
1917 ~~execution be issued upon such judgment, may require a showing~~
1918 ~~that no personal or real property of the judgment debtor liable~~
1919 ~~to be levied upon in complete satisfaction of the judgment can~~
1920 ~~be found, or may require an affidavit from the claimant setting~~
1921 ~~forth the reasonable searches and inquiries undertaken and the~~
1922 ~~result of those searches and inquiries.~~

1923 ~~(c) Such person has applied any amounts recovered from the~~
1924 ~~judgment debtor, or from any other source, to the damages~~
1925 ~~awarded by the court.~~

1926 ~~(d) The act for which recovery is sought occurred on or~~
1927 ~~after January 1, 1979.~~

1928 ~~(e) The office waives compliance with the requirements of~~
1929 ~~paragraph (a) or paragraph (b). The office may waive such~~
1930 ~~compliance if the dealer, investment adviser, or associated~~
1931 ~~person which is the subject of the claim filed with the office~~
1932 ~~is the subject of any proceeding in which a receiver has been~~
1933 ~~appointed by a court of competent jurisdiction. If the office~~
1934 ~~waives such compliance, the office may, upon petition by the~~
1935 ~~debtor or the court appointed trustee, examiner, or receiver,~~
1936 ~~distribute funds from the Securities Guaranty Fund up to the~~
1937 ~~amount allowed under s. 517.141. Any waiver granted pursuant to~~
1938 ~~this section shall be considered a judgment for purposes of~~
1939 ~~complying with the requirements of this section and of s.~~
1940 ~~517.141.~~

1941 (4) A person who has done any of the following is not
1942 eligible for payment from the Securities Guaranty Fund:

1943 (a) Participated or assisted in a violation of this

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1944 chapter.

1945 (b) Attempted to commit or committed a violation of this
1946 chapter.

1947 (c) Profited from a violation of this chapter.

1948 (5) An eligible person, or a receiver on behalf of the
1949 eligible person, seeking payment from the Securities Guaranty
1950 Fund must file with the office a written application on a form
1951 that the commission may prescribe by rule. The commission may
1952 adopt by rule procedures for filing documents by electronic
1953 means, provided that such procedures provide the office with the
1954 information and data required by this section. The application
1955 must be filed with the office within 1 year after the date of
1956 the final judgment, the date on which a restitution order has
1957 been ripe for execution, or the date of any appellate decision
1958 thereon, and, at minimum, must contain all of the following
1959 information:

1960 (a) The eligible person's and, if applicable, the
1961 receiver's full name, address, and contact information.

1962 (b) The person ordered to pay restitution.

1963 (c) If the eligible person is a business entity, the
1964 eligible person's type and place of organization and, as
1965 applicable, a copy, as amended, of its articles of
1966 incorporation, articles of organization, trust agreement, or
1967 partnership agreement.

1968 (d) Any final judgment and a copy thereof.

1969 (e) Any restitution ordered pursuant to s. 517.191(3), and
1970 a copy thereof.

1971 (f) An affidavit from the eligible person stating either
1972 one of the following:

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1973 1. That the eligible person has made all reasonable
1974 searches and inquiries to ascertain whether the judgment debtor
1975 possesses real or personal property or other assets subject to
1976 being sold or applied in satisfaction of the final judgment and,
1977 by the eligible person's search, that the eligible person has
1978 not discovered any property or assets.

1979 2. That the eligible person has taken necessary action on
1980 the property and assets of the wrongdoers but the final judgment
1981 remains unsatisfied.

1982 (g) If the application is filed by the receiver, an
1983 affidavit from the receiver stating the amount of restitution
1984 owed to the eligible person on whose behalf the claim is filed;
1985 the amount of any money, property, or assets paid to the
1986 eligible person on whose behalf the claim is filed by the person
1987 over whom the receiver is appointed; and the amount of any
1988 unsatisfied portion of any eligible person's order of
1989 restitution.

1990 (h) The eligible person's residence or domicile at the time
1991 of the violation of s. 517.07 or s. 517.301 which resulted in
1992 the eligible person's monetary damages.

1993 (i) The amount of any unsatisfied portion of the eligible
1994 person's final judgment.

1995 (j) Whether an appeal or motion to vacate an arbitration
1996 award has been filed.

1997 (6) If the office finds that a person is eligible for
1998 payment from the Securities Guaranty Fund and if the person has
1999 complied with this section and the rules adopted under this
2000 section, the office must approve payment to such person from the
2001 fund. Within 90 days after the office's receipt of a complete

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2002 application, each eligible person or receiver must be given
2003 written notice, personally or by mail, that the office intends
2004 to approve or deny, or has approved or denied, the application
2005 for payment from the Securities Guaranty Fund.

2006 (7) Upon receipt by the eligible person or receiver of
2007 notice of the office's decision that the eligible person's or
2008 receiver's application for payment from the Securities Guaranty
2009 Fund is approved, and before any disbursement, the eligible
2010 person shall assign to the office on a form prescribed by
2011 commission rule all right, title, and interest in the final
2012 judgment or order of restitution equal to the amount of such
2013 payment.

2014 (8) The office shall deem an application for payment from
2015 the Securities Guaranty Fund abandoned if the eligible person or
2016 receiver, or any person acting on behalf of the eligible person
2017 or receiver, fails to timely complete the application as
2018 prescribed by commission rule. The time period to complete an
2019 application must be tolled during the pendency of an appeal or
2020 motion to vacate an arbitration award.

2021 ~~(4) Any person who files an action that may result in the~~
2022 ~~disbursement of funds from the Securities Guaranty Fund pursuant~~
2023 ~~to the provisions of s. 517.141 shall give written notice by~~
2024 ~~certified mail to the office as soon as practicable after such~~
2025 ~~action has been filed. The failure to give such notice shall not~~
2026 ~~bar a payment from the Securities Guaranty Fund if all of the~~
2027 ~~conditions specified in subsection (3) are satisfied.~~

2028 ~~(5) The commission may adopt rules pursuant to ss.~~
2029 ~~120.536(1) and 120.54 specifying the procedures for complying~~
2030 ~~with subsections (2), (3), and (4), including rules for the form~~

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2031 ~~of submission and guidelines for the sufficiency and content of~~
2032 ~~submissions of notices and claims.~~

2033 Section 13. Section 517.141, Florida Statutes, is amended
2034 to read:

2035 517.141 Payment from the fund.—

2036 (1) As used in this section, the term:

2037 (a) "Claimant" means a person determined eligible for
2038 payment under s. 517.131 that is approved by the office for
2039 payment from the Securities Guaranty Fund.

2040 (b) "Final judgment" includes an arbitration award
2041 confirmed by a court of competent jurisdiction.

2042 (c) "Specified adult" has the same meaning as in s.
2043 517.34(1).

2044 (2) A claimant is entitled to disbursement from the
2045 Securities Guaranty Fund in the amount equal to the lesser of:

2046 (a) The unsatisfied portion of the claimant's final
2047 judgment or final order of restitution, but only to the extent
2048 that the final judgment or final order of restitution reflects
2049 actual or compensatory damages, excluding postjudgment interest,
2050 costs, and attorney fees; or

2051 (b)1. The sum of \$15,000; or

2052 2. If the claimant is a specified adult or if a specified
2053 adult is a beneficial owner or beneficiary of the claimant, the
2054 sum of \$25,000 ~~Any person who meets all of the conditions~~
2055 ~~prescribed in s. 517.131 may apply to the office for payment to~~
2056 ~~be made to such person from the Securities Guaranty Fund in the~~
2057 ~~amount equal to the unsatisfied portion of such person's~~
2058 ~~judgment or \$10,000, whichever is less, but only to the extent~~
2059 ~~and amount reflected in the judgment as being actual or~~

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2060 ~~compensatory damages, excluding postjudgment interest, costs,~~
2061 ~~and attorney's fees.~~

2062 (3)~~(2)~~ Regardless of the number of claims or claimants
2063 involved, payments for claims are ~~shall be~~ limited in the
2064 aggregate to \$250,000 ~~\$100,000~~ against any one ~~dealer,~~
2065 ~~investment adviser, or associated~~ person. If the total claim
2066 filed by a receiver on behalf of multiple claimants exceeds
2067 ~~claims exceed~~ the aggregate limit of \$250,000 ~~\$100,000~~, the
2068 office must ~~shall~~ prorate the payment to each claimant based
2069 upon the ratio that each claimant's individual ~~the person's~~
2070 claim bears to the total claim ~~claims~~ filed.

2071 (4) If at any time the moneys in the Securities Guaranty
2072 Fund are insufficient to satisfy a valid claim or portion of a
2073 valid claim approved by the office, the office must satisfy the
2074 unpaid claim or portion of the valid claim as soon as a
2075 sufficient amount of money has been deposited into or
2076 transferred to the Securities Guaranty Fund. If more than one
2077 unsatisfied claim is outstanding, the claims must be paid in the
2078 sequence in which the claims were approved by final order of the
2079 office, which final order is not subject to an appeal or other
2080 pending proceeding.

2081 (5) All payments and disbursements made from the Securities
2082 Guaranty Fund must be made by the Chief Financial Officer, or
2083 his or her designee, upon authorization by the office. The
2084 office shall submit such authorization within 30 days after the
2085 approval of an eligible person for payment from the Securities
2086 Guaranty Fund

2087 ~~(3) No payment shall be made on any claim against any one~~
2088 ~~dealer, investment adviser, or associated person before the~~

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2089 ~~expiration of 2 years from the date any claimant is found by the~~
2090 ~~office to be eligible for recovery pursuant to this section. If~~
2091 ~~during this 2-year period more than one claim is filed against~~
2092 ~~the same dealer, investment adviser, or associated person, or if~~
2093 ~~the office receives notice pursuant to s. 517.131(4) that an~~
2094 ~~action against the same dealer, investment adviser, or~~
2095 ~~associated person is pending, all such claims and notices of~~
2096 ~~pending claims received during this period against the same~~
2097 ~~dealer, investment adviser, or associated person may be handled~~
2098 ~~by the office as provided in this section. Two years after the~~
2099 ~~first claimant against that same dealer, investment adviser, or~~
2100 ~~associated person applies for payment pursuant to this section:~~

2101 ~~(a) The office shall determine those persons eligible for~~
2102 ~~payment or for potential payment in the event of a pending~~
2103 ~~action. All such persons may be entitled to receive their pro~~
2104 ~~rata shares of the fund as provided in this section.~~

2105 ~~(b) Those persons who meet all the conditions prescribed in~~
2106 ~~s. 517.131 and who have applied for payment pursuant to this~~
2107 ~~section will be entitled to receive their pro rata shares of the~~
2108 ~~total disbursement.~~

2109 ~~(c) Those persons who have filed notice with the office of~~
2110 ~~a pending claim pursuant to s. 517.131(4) but who are not yet~~
2111 ~~eligible for payment from the fund will be entitled to receive~~
2112 ~~their pro rata shares of the total disbursement once they have~~
2113 ~~complied with subsection (1). However, in the event that the~~
2114 ~~amounts they are eligible to receive pursuant to subsection (1)~~
2115 ~~are less than their pro rata shares as determined under this~~
2116 ~~section, any excess shall be distributed pro rata to those~~
2117 ~~persons entitled to disbursement under this subsection whose pro~~

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2118 ~~rata shares of the total disbursement were less than the amounts~~
2119 ~~of their claims.~~

2120 (6)~~(4)~~ Individual claims filed by persons owning the same
2121 joint account, or claims arising ~~stemming~~ from any other type of
2122 account ~~maintained by a particular licensee~~ on which more than
2123 one name appears, must ~~shall~~ be treated as the claims of one
2124 eligible claimant with respect to payment from the Securities
2125 Guaranty Fund. If a claimant who has obtained a final judgment
2126 or final order of restitution that ~~which~~ qualifies for
2127 disbursement under s. 517.131 has maintained more than one
2128 account with the ~~dealer, investment adviser, or associated~~
2129 person who is the subject of the claims, for purposes of
2130 disbursement of the Securities Guaranty Fund, all such accounts,
2131 whether joint or individual, must ~~shall~~ be considered as one
2132 account and ~~shall~~ entitle such claimant to only one distribution
2133 from the fund ~~not to exceed the lesser of \$10,000 or the~~
2134 ~~unsatisfied portion of such claimant's judgment as provided in~~
2135 ~~subsection (1)~~. To the extent that a claimant obtains more than
2136 one final judgment or final order of restitution against a
2137 person ~~dealer, investment adviser, or one or more associated~~
2138 ~~persons~~ arising out of the same transactions, occurrences, or
2139 conduct or out of such ~~the dealer's, investment adviser's, or~~
2140 ~~associated~~ person's handling of the claimant's account, the
2141 final ~~such~~ judgments or final orders of restitution ~~shall~~
2142 be consolidated for purposes of this section and ~~shall~~ entitle
2143 the claimant to only one disbursement from the fund ~~not to~~
2144 ~~exceed the lesser of \$10,000 or the unsatisfied portion of such~~
2145 ~~claimant's judgment as provided in subsection (1)~~.

2146 (7)~~(5)~~ If the final judgment or final order of restitution

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2147 that gave rise to the claim is overturned in any appeal or in
2148 any collateral proceeding, the claimant must ~~shall~~ reimburse the
2149 Securities Guaranty Fund all amounts paid from the fund to the
2150 claimant on the claim. If the claimant satisfies the final
2151 judgment or final order of restitution ~~specified in s.~~
2152 ~~517.131(3)(a)~~, the claimant must ~~shall~~ reimburse the Securities
2153 Guaranty Fund all amounts paid from the fund to the claimant on
2154 the claim. Such reimbursement must ~~shall~~ be paid to the
2155 Department of Financial Services ~~office~~ within 60 days after the
2156 final resolution of the appellate or collateral proceedings or
2157 the satisfaction of the final judgment or order of restitution,
2158 with the 60-day period commencing on the date the final order or
2159 decision is entered in such proceedings.

2160 (8)(6) If a claimant receives payments in excess of that
2161 which is permitted under this chapter, the claimant must ~~shall~~
2162 reimburse the Securities Guaranty Fund such excess within 60
2163 days after the claimant receives such excess payment or after
2164 the payment is determined to be in excess of that permitted by
2165 law, whichever is later.

2166 (9) A claimant who knowingly and willfully files or causes
2167 to be filed an application under s. 517.131 or documents
2168 supporting the application, any of which contain false,
2169 incomplete, or misleading information in any material aspect,
2170 forfeits all payments from the Securities Guaranty Fund and
2171 commits a violation of s. 517.301(1)(c).

2172 (10)(7) The Department of Financial Services ~~office~~ may
2173 institute legal proceedings to enforce compliance with this
2174 section and with s. 517.131 to recover moneys owed to the
2175 Securities Guaranty Fund, and is ~~shall be~~ entitled to recover

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2176 interest, costs, and attorney ~~attorney's~~ fees in any action
2177 brought pursuant to this section in which the department ~~office~~
2178 prevails.

2179 ~~(8) If at any time the money in the Securities Guaranty~~
2180 ~~Fund is insufficient to satisfy any valid claim or portion of a~~
2181 ~~valid claim approved by the office, the office shall satisfy~~
2182 ~~such unpaid claim or portion of such valid claim as soon as a~~
2183 ~~sufficient amount of money has been deposited in or transferred~~
2184 ~~to the fund. When there is more than one unsatisfied claim~~
2185 ~~outstanding, such claims shall be paid in the order in which the~~
2186 ~~claims were approved by final order of the office, which order~~
2187 ~~is not subject to an appeal or other pending proceeding.~~

2188 ~~(9) Upon receipt by the claimant of the payment from the~~
2189 ~~Securities Guaranty Fund, the claimant shall assign any~~
2190 ~~additional right, title, and interest in the judgment, to the~~
2191 ~~extent of such payment, to the office. If the provisions of s.~~
2192 ~~517.131(3) (e) apply, the claimant must assign to the office any~~
2193 ~~right, title, and interest in the debt to the extent of any~~
2194 ~~payment by the office from the Securities Guaranty Fund.~~

2195 ~~(10) All payments and disbursements made from the~~
2196 ~~Securities Guaranty Fund shall be made by the Chief Financial~~
2197 ~~Officer upon authorization signed by the director of the office,~~
2198 ~~or such agent as she or he may designate.~~

2199 Section 14. Section 517.191, Florida Statutes, is amended
2200 to read:

2201 517.191 Enforcement by the Office of Financial Regulation
2202 ~~Injunction to restrain violations; civil penalties; enforcement~~
2203 ~~by Attorney General.-~~

2204 (1) When it appears to the office, either upon complaint or

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2205 otherwise, that a person has engaged or is about to engage in
2206 any act or practice constituting a violation of this chapter or
2207 a rule or order hereunder, the office may investigate; and
2208 whenever it shall believe from evidence satisfactory to it that
2209 any such person has engaged, is engaged, or is about to engage
2210 in any act or practice constituting a violation of this chapter
2211 or a rule or order hereunder, the office may, in addition to any
2212 other remedies, bring action in the name and on behalf of the
2213 state against such person and any other person concerned in or
2214 in any way participating in or about to participate in such
2215 practices or engaging therein or doing any act or acts in
2216 furtherance thereof or in violation of this chapter to enjoin
2217 such person or persons from continuing such fraudulent practices
2218 or engaging therein or doing any act or acts in furtherance
2219 thereof or in violation of this chapter. In any such court
2220 proceedings, the office may apply for, and on due showing be
2221 entitled to have issued, the court's subpoena requiring
2222 forthwith the appearance of any defendant and her or his
2223 employees, associated persons, or agents and the production of
2224 documents, books, and records that may appear necessary for the
2225 hearing of such petition, to testify or give evidence concerning
2226 the acts or conduct or things complained of in such application
2227 for injunction. In such action, the ~~equity~~ courts shall have
2228 jurisdiction of the subject matter, and a judgment may be
2229 entered awarding such injunction as may be proper.

2230 (2) In addition to all other means provided by law for the
2231 enforcement of any temporary restraining order, temporary
2232 injunction, or permanent injunction issued in any such court
2233 proceedings, the court shall have the power and jurisdiction,

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2234 upon application of the office, to impound and to appoint a
2235 receiver or administrator for the property, assets, and business
2236 of the defendant, including, but not limited to, the books,
2237 records, documents, and papers appertaining thereto. Such
2238 receiver or administrator, when appointed and qualified, shall
2239 have all powers and duties as to custody, collection,
2240 administration, winding up, and liquidation of such ~~said~~
2241 property and business as may ~~shall from time to time~~ be
2242 conferred upon her or him by the court. In any such action, the
2243 court may issue orders and decrees staying all pending suits and
2244 enjoining any further suits affecting the receiver's or
2245 administrator's custody or possession of such ~~the said~~ property,
2246 assets, and business or, in its discretion, may with the consent
2247 of the presiding judge of the circuit require that all such
2248 suits be assigned to the circuit court judge appointing such ~~the~~
2249 ~~said~~ receiver or administrator.

2250 (3) In addition to, or in lieu of, any other remedies
2251 provided by this chapter, the office may apply to the court
2252 hearing the ~~this~~ matter for an order directing the defendant to
2253 make restitution of those sums shown by the office to have been
2254 obtained in violation of ~~any of the provisions of~~ this chapter.
2255 The office has standing to request such restitution on behalf of
2256 victims in cases brought by the office under this chapter,
2257 regardless of the appointment of an administrator or receiver
2258 under subsection (2) or an injunction under subsection (1).
2259 Further, such restitution must ~~shall~~, at the option of the
2260 court, be payable to the administrator or receiver appointed
2261 pursuant to this section or directly to the persons whose assets
2262 were obtained in violation of this chapter.

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2263 (4) In addition to any other remedies provided by this
2264 chapter, the office may apply to the court hearing the matter
2265 for, and the court has ~~shall have~~ jurisdiction to impose, a
2266 civil penalty against any person found to have violated ~~any~~
2267 ~~provision of~~ this chapter, any rule or order adopted by the
2268 commission or the office, or any written agreement entered into
2269 with the office in an amount not to exceed any of the following:

2270 (a) The greater of \$20,000 ~~\$10,000~~ for a natural person or
2271 \$25,000 for a business entity ~~any other person~~, or the gross
2272 amount of any pecuniary loss to investors or pecuniary gain to a
2273 natural person or business entity ~~such defendant~~ for each such
2274 violation, other than a violation of s. 517.301, plus the
2275 greater of \$50,000 for a natural person or \$250,000 for a
2276 business entity ~~any other person~~, or the gross amount of any
2277 pecuniary loss to investors or pecuniary gain to a natural
2278 person or business entity ~~such defendant~~ for each violation of
2279 s. 517.301.

2280 (b) Twice the amount of the civil penalty that would
2281 otherwise be imposed under this subsection if a specified adult,
2282 as defined in s. 517.34(1), is the victim of a violation of this
2283 chapter.

2284
2285 All civil penalties collected pursuant to this subsection must
2286 ~~shall~~ be deposited into the Anti-Fraud Trust Fund. The office
2287 may recover any costs and attorney fees related to its
2288 investigation or enforcement of this section. Notwithstanding
2289 any other law, such moneys recovered by the office must be
2290 deposited into the Anti-Fraud Trust Fund.

2291 (5) For purposes of any action brought by the office under

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2292 this section, a control person who controls any person found to
2293 have violated this chapter or any rule adopted thereunder is
2294 jointly and severally liable with, and to the same extent as,
2295 the controlled person in any action brought by the office under
2296 this section unless the control person can establish by a
2297 preponderance of the evidence that he or she acted in good faith
2298 and did not directly or indirectly induce the act that
2299 constitutes the violation or cause of action.

2300 (6) For purposes of any action brought by the office under
2301 this section, a person who knowingly or recklessly provides
2302 substantial assistance to another person in violation of this
2303 chapter or any rule adopted thereunder is deemed to violate this
2304 chapter or the rule to the same extent as the person to whom
2305 such assistance is provided.

2306 (7) The office may issue and serve upon a person a cease
2307 and desist order if the office has reason to believe that the
2308 person violates, has violated, or is about to violate this
2309 chapter, any commission or office rule or order, or any written
2310 agreement entered into with the office.

2311 (8) If the office finds that any conduct described in
2312 subsection (7) presents an immediate danger to the public,
2313 requiring an immediate final order, the office may issue an
2314 emergency cease and desist order reciting with particularity the
2315 facts underlying such findings. The emergency cease and desist
2316 order is effective immediately upon service of a copy of the
2317 order on the respondent named in the order and remains effective
2318 for 90 days after issuance. If the office begins nonemergency
2319 cease and desist proceedings under subsection (7), the emergency
2320 cease and desist order remains effective until the conclusion of

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2321 the proceedings under ss. 120.569 and 120.57.

2322 (9) The office may impose and collect an administrative
2323 fine against any person found to have violated any provision of
2324 this chapter, any rule or order adopted by the commission or
2325 office, or any written agreement entered into with the office in
2326 an amount not to exceed the penalties provided in subsection
2327 (4). All fines collected under this subsection must be deposited
2328 into the Anti-Fraud Trust Fund.

2329 (10) The office may bar, permanently or for a specific
2330 period of time, any person found to have violated this chapter,
2331 any rule or order adopted by the commission or office, or any
2332 written agreement entered into with the office from submitting
2333 an application or notification for a license or registration
2334 with the office.

2335 (11) In addition to all other means provided by law for
2336 enforcing ~~any of the provisions of~~ this chapter, when the
2337 Attorney General, upon complaint or otherwise, has reason to
2338 believe that a person has engaged or is engaged in any act or
2339 practice constituting a violation of s. 517.275 ~~or~~ s. 517.301,
2340 s. 517.311, ~~or s. 517.312,~~ or any rule or order issued under
2341 such sections, the Attorney General may investigate and bring an
2342 action to enforce these provisions as provided in ss. 517.171,
2343 517.201, and 517.2015 after receiving written approval from the
2344 office. Such an action may be brought against such person and
2345 any other person in any way participating in such act or
2346 practice or engaging in such act or practice or doing any act in
2347 furtherance of such act or practice, to obtain injunctive
2348 relief, restitution, civil penalties, and any remedies provided
2349 for in this section. The Attorney General may recover any costs

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2350 and attorney fees related to the Attorney General's
2351 investigation or enforcement of this section. Notwithstanding
2352 any other provision of law, moneys recovered by the Attorney
2353 General for costs, attorney fees, and civil penalties for a
2354 violation of s. 517.275 or s. 517.301, ~~s. 517.311, or s.~~
2355 ~~517.312,~~ or any rule or order issued pursuant to such sections,
2356 must ~~shall~~ be deposited in the Legal Affairs Revolving Trust
2357 Fund. The Legal Affairs Revolving Trust Fund may be used to
2358 investigate and enforce this section.

2359 (12) ~~(6)~~ This section does not limit the authority of the
2360 office to bring an administrative action against any person that
2361 is the subject of a civil action brought pursuant to this
2362 section or limit the authority of the office to engage in
2363 investigations or enforcement actions with the Attorney General.
2364 However, a person may not be subject to both a civil penalty
2365 under subsection (4) and an administrative fine under subsection
2366 (9) ~~s. 517.221(3)~~ as the result of the same facts.

2367 (13) ~~(7)~~ Notwithstanding s. 95.11(4)(f), an enforcement
2368 action brought under this section based on a violation of ~~any~~
2369 ~~provision of~~ this chapter or any rule or order issued under this
2370 chapter shall be brought within 6 years after the facts giving
2371 rise to the cause of action were discovered or should have been
2372 discovered with the exercise of due diligence, but not more than
2373 8 years after the date such violation occurred.

2374 (14) This chapter does not limit any statutory right of the
2375 state to punish a person for a violation of a law.

2376 (15) When not in conflict with the Constitution or laws of
2377 the United States, the courts of this state have the same
2378 jurisdiction over civil suits instituted in connection with the

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2379 sale or offer of sale of securities under any laws of the United
2380 States as the courts of this state may have with regard to
2381 similar cases instituted under the laws of this state.

2382 Section 15. Section 517.211, Florida Statutes, is amended
2383 to read:

2384 517.211 Private remedies available in cases of unlawful
2385 sale.—

2386 (1) Every sale made in violation of either s. 517.07 or s.
2387 517.12(1), (3), (4), (8), (10), (12), (15), or (17) may be
2388 rescinded at the election of the purchaser; however, except a
2389 sale made in violation of the provisions of s. 517.1202(3)
2390 relating to a renewal of a branch office notification or shall
2391 ~~not be subject to this section, and a sale made in violation of~~
2392 the provisions of s. 517.12(12) relating to filing a change of
2393 address amendment is shall not be subject to this section. Each
2394 person making the sale and every director, officer, partner, or
2395 agent of or for the seller, if the director, officer, partner,
2396 or agent has personally participated or aided in making the
2397 sale, is jointly and severally liable to the purchaser in an
2398 action for rescission, if the purchaser still owns the security,
2399 or for damages, if the purchaser has sold the security. No
2400 purchaser otherwise entitled will have the benefit of this
2401 subsection who has refused or failed, within 30 days after ~~of~~
2402 receipt, to accept an offer made in writing by the seller, if
2403 the purchaser has not sold the security, to take back the
2404 security in question and to refund the full amount paid by the
2405 purchaser or, if the purchaser has sold the security, to pay the
2406 purchaser an amount equal to the difference between the amount
2407 paid for the security and the amount received by the purchaser

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2408 on the sale of the security, together, in either case, with
2409 interest on the full amount paid for the security by the
2410 purchaser at the legal rate, pursuant to s. 55.03, for the
2411 period from the date of payment by the purchaser to the date of
2412 repayment, less the amount of any income received by the
2413 purchaser on the security.

2414 (2) Any person purchasing or selling a security in
2415 violation of s. 517.301, and every director, officer, partner,
2416 or agent of or for the purchaser or seller, if the director,
2417 officer, partner, or agent has personally participated or aided
2418 in making the sale or purchase, is jointly and severally liable
2419 to the person selling the security to or purchasing the security
2420 from such person in an action for rescission, if the plaintiff
2421 still owns the security, or for damages, if the plaintiff has
2422 sold the security.

2423 (3) For purposes of any action brought under this section,
2424 a control person who controls any person found to have violated
2425 any provision specified in subsection (1) is jointly and
2426 severally liable with, and to the same extent as, such
2427 controlled person in any action brought under this section
2428 unless the control person can establish by a preponderance of
2429 the evidence that he or she acted in good faith and did not
2430 directly or indirectly induce the act that constitutes the
2431 violation or cause of action.

2432 (4) In an action for rescission:

2433 (a) A purchaser may recover the consideration paid for the
2434 security or investment, plus interest thereon at the legal rate
2435 from the date of purchase, less the amount of any income
2436 received by the purchaser on the security or investment upon

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2437 tender of the security or investment.

2438 (b) A seller may recover the security upon tender of the
2439 consideration paid for the security, plus interest at the legal
2440 rate from the date of purchase, less the amount of any income
2441 received by the defendant on the security.

2442 (5)~~(4)~~ In an action for damages brought by a purchaser of a
2443 security or investment, the plaintiff must ~~shall~~ recover an
2444 amount equal to the difference between:

2445 (a) The consideration paid for the security or investment,
2446 plus interest thereon at the legal rate from the date of
2447 purchase; and

2448 (b) The value of the security or investment at the time it
2449 was disposed of by the plaintiff, plus the amount of any income
2450 received on the security or investment by the plaintiff.

2451 (6)~~(5)~~ In an action for damages brought by a seller of a
2452 security, the plaintiff shall recover an amount equal to the
2453 difference between:

2454 (a) The value of the security at the time of the complaint,
2455 plus the amount of any income received by the defendant on the
2456 security; and

2457 (b) The consideration received for the security, plus
2458 interest at the legal rate from the date of sale.

2459 (7)~~(6)~~ In any action brought under this section, including
2460 an appeal, the court shall award reasonable attorney ~~attorneys'~~
2461 fees to the prevailing party unless the court finds that the
2462 award of such fees would be unjust.

2463 (8) This chapter does not limit any statutory or common-law
2464 right of a person to bring an action in a court for an act
2465 involved in the sale of securities or investments.

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2466 (9) The same civil remedies provided by the laws of the
2467 United States for the purchasers or sellers of securities in
2468 interstate commerce also extend to purchasers or sellers of
2469 securities under this chapter.

2470 Section 16. Section 517.221, Florida Statutes, is repealed.

2471 Section 17. Section 517.241, Florida Statutes, is repealed.

2472 Section 18. Section 517.301, Florida Statutes, is amended
2473 to read:

2474 517.301 Fraudulent transactions; falsification or
2475 concealment of facts.—

2476 (1) It is unlawful and a violation of ~~the provisions of~~
2477 this chapter for a person:

2478 (a) In connection with the rendering of any investment
2479 advice or in connection with the offer, sale, or purchase of any
2480 investment or security, including any security exempted under
2481 ~~the provisions of~~ s. 517.051 and including any security sold in
2482 a transaction exempted under ~~the provisions of~~ s. 517.061, s.
2483 517.0611, or s. 517.0612, directly or indirectly:

2484 1. To employ any device, scheme, or artifice to defraud;

2485 2. To obtain money or property by means of any untrue
2486 statement of a material fact or any omission to state a material
2487 fact necessary in order to make the statements made, in the
2488 light of the circumstances under which they were made, not
2489 misleading; or

2490 3. To engage in any transaction, practice, or course of
2491 business which operates or would operate as a fraud or deceit
2492 upon a person.

2493 (b) By use of any means, to publish, give publicity to, or
2494 circulate any notice, circular, advertisement, newspaper,

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2495 article, letter, investment service, communication, or broadcast
2496 that, although ~~which, though~~ not purporting to offer a security
2497 for sale, describes such security for a consideration received
2498 or to be received directly or indirectly from an issuer,
2499 underwriter, or dealer, or from an agent or employee of an
2500 issuer, underwriter, or dealer, without fully disclosing the
2501 receipt, whether past or prospective, of such consideration and
2502 the amount of the consideration.

2503 (c) In any matter within the jurisdiction of the office, to
2504 knowingly and willfully falsify, conceal, or cover up, by any
2505 trick, scheme, or device, a material fact, make any false,
2506 fictitious, or fraudulent statement or representation, or make
2507 or use any false writing or document, knowing the same to
2508 contain any false, fictitious, or fraudulent statement or entry.

2509 (2) For purposes of ~~ss. 517.311 and 517.312~~ and this
2510 section, the term "investment" means any commitment of money or
2511 property principally induced by a representation that an
2512 economic benefit may be derived from such commitment, except
2513 that the term does not include a commitment of money or property
2514 for:

2515 (a) The purchase of a business opportunity, business
2516 enterprise, or real property through a person licensed under
2517 chapter 475 or registered under former chapter 498; or

2518 (b) The purchase of tangible personal property through a
2519 person not engaged in telephone solicitation, electronic mail,
2520 text messages, social media, or other electronic means where
2521 ~~said property is offered and sold in accordance with the~~
2522 ~~following conditions:~~

2523 ~~1.~~ there are no specific representations or guarantees made

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2524 by the offeror or seller as to the economic benefit to be
2525 derived from the purchase.†

2526 ~~2. The tangible property is delivered to the purchaser~~
2527 ~~within 30 days after sale, except that such 30-day period may be~~
2528 ~~extended by the office if market conditions so warrant; and~~

2529 ~~3. The seller has offered the purchaser a full refund~~
2530 ~~policy in writing, exercisable by the purchaser within 10 days~~
2531 ~~of the date of delivery of such tangible personal property,~~
2532 ~~except that the amount of such refund may not exceed the bid~~
2533 ~~price in effect at the time the property is returned to the~~
2534 ~~seller. If the applicable sellers' market is closed at the time~~
2535 ~~the property is returned to the seller for a refund, the amount~~
2536 ~~of such refund shall be based on the bid price for such property~~
2537 ~~at the next opening of such market.~~

2538 (3) It is unlawful for a person in issuing or selling a
2539 security within this state, including a security exempted under
2540 s. 517.051 and including a transaction exempted under s.
2541 517.061, s. 517.0611, or s. 517.0612, to misrepresent that such
2542 security or business entity has been guaranteed, sponsored,
2543 recommended, or approved by the state or an agency or officer of
2544 the state or by the United States or an agency or officer of the
2545 United States.

2546 (4) It is unlawful for a person registered or required to
2547 be registered, or subject to the notice requirements, under this
2548 chapter, including such persons and issuers who are subject to
2549 s. 517.051, s. 517.061, s. 517.0611, s. 517.0612, or s. 517.081,
2550 to misrepresent that such person has been sponsored,
2551 recommended, or approved, or that such person's abilities or
2552 qualifications have in any respect been examined, by the state

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2553 or an agency or officer of the state or by the United States or
2554 an agency or officer of the United States.

2555 (5) It is unlawful and a violation of this chapter for a
2556 person in connection with the offer or sale of an investment to
2557 obtain money or property by means of:

2558 (a) A misrepresentation that the investment offered or sold
2559 is guaranteed, sponsored, recommended, or approved by the state
2560 or an agency or officer of the state or by the United States or
2561 an agency or officer of the United States; or

2562 (b) A misrepresentation that such person is sponsored,
2563 recommended, or approved, or that such person's abilities or
2564 qualifications have in any respect been examined, by the state
2565 or an agency or officer of the state or by the United States or
2566 an agency or officer of the United States.

2567 (6) (a) Subsection (3) or subsection (4) may not be
2568 construed to prohibit a statement that a person or security is
2569 registered or has made a notice filing under this chapter if
2570 such statement is required by this chapter or rules promulgated
2571 thereunder and is true in fact and if the effect of such
2572 statement is not a misrepresentation.

2573 (b) A statement that a person is registered made in
2574 connection with the offer or sale of a security under this
2575 chapter must include the following disclaimer: "Registration
2576 does not imply that such person has been sponsored, recommended,
2577 or approved by the state or an agency or officer of the state or
2578 by the United States or an agency or officer of the United
2579 States."

2580 1. If the statement of registration is made in writing, the
2581 disclaimer must immediately follow such statement and must be in

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2582 the same size and style of print as the statement of
2583 registration.

2584 2. If the statement of registration is made orally, the
2585 disclaimer must be made or broadcast with the same force and
2586 effect as the statement of registration.

2587 (7) It is unlawful and a violation of this chapter for a
2588 person to directly or indirectly manage, supervise, control, or
2589 own, either alone or in association with others, a boiler room
2590 in this state which sells or offers for sale a security or
2591 investment in violation of subsection (1), subsection (3),
2592 subsection (4), subsection (5), or subsection (6).

2593 Section 19. Section 517.311, Florida Statutes, is repealed.

2594 Section 20. Section 517.312, Florida Statutes, is repealed.

2595 Section 21. Subsections (1), (2), and (3) of section
2596 517.072, Florida Statutes, are amended to read:

2597 517.072 Viatical settlement investments.—

2598 (1) The exemptions provided for by s. 517.051(6) and (11)
2599 ~~ss. 517.051(6), (8), and (10)~~ do not apply to a viatical
2600 settlement investment.

2601 (2) The offering of a viatical settlement investment is not
2602 an exempt transaction under s. 517.061(10), (12), (13), and (18)
2603 ~~s. 517.061(2), (3), (8), (11), and (18)~~, regardless of whether
2604 the offering otherwise complies with the conditions of that
2605 section, unless such offering is to a qualified institutional
2606 buyer.

2607 (3) The registration provisions of ss. 517.07 and 517.12 do
2608 not apply to any of the following transactions in viatical
2609 settlement investments; however, such transactions in viatical
2610 settlement investments are subject to s. 517.301 ~~the provisions~~

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2611 ~~of ss. 517.301, 517.311, and 517.312:~~

2612 (a) The transfer or assignment of an interest in a
2613 previously viaticated policy from a natural person who transfers
2614 or assigns no more than one such interest in a single calendar
2615 year.

2616 (b) The provision of stop-loss coverage to a viatical
2617 settlement provider, financing entity, or related provider
2618 trust, as those terms are defined in s. 626.9911, by an
2619 authorized or eligible insurer.

2620 (c) The transfer or assignment of a viaticated policy from
2621 a licensed viatical settlement provider to another licensed
2622 viatical settlement provider, a related provider trust, a
2623 financing entity, or a special purpose entity, as those terms
2624 are defined in s. 626.9911, or to a contingency insurer,
2625 provided that such transfer or assignment is not the direct or
2626 indirect promotion of any scheme or enterprise with the intent
2627 of violating or evading ~~any provision of~~ this chapter.

2628 (d) The transfer or assignment of a viaticated policy to a
2629 bank, trust company, savings institution, insurance company,
2630 dealer, investment company as defined in the Investment Company
2631 Act of 1940, as amended, pension or profit-sharing trust,
2632 qualified institutional buyer, or an accredited investor,
2633 provided such transfer or assignment is not for the direct or
2634 indirect promotion of any scheme or enterprise with the intent
2635 of violating or evading any provision of this chapter.

2636 (e) The transfer or assignment of a viaticated policy by a
2637 conservator of a viatical settlement provider appointed by a
2638 court of competent jurisdiction who transfers or assigns
2639 ownership of viaticated policies pursuant to that court's order.

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2640 Section 22. Subsection (2), paragraph (a) of subsection
2641 (9), paragraph (j) of subsection (16), subsection (20), and
2642 paragraphs (b) and (c) of subsection (21) of section 517.12,
2643 Florida Statutes, are amended to read:

2644 517.12 Registration of dealers, associated persons,
2645 intermediaries, and investment advisers.—

2646 (2) The registration requirements of this section do not
2647 apply in a transaction exempted by s. 517.061(1)-(6), (8), (9),
2648 (12), and (13) ~~s. 517.061(1)-(10), (12), (14), and (15)~~.

2649 (9) (a) An applicant for registration shall pay an
2650 assessment fee of \$200, in the case of a dealer or investment
2651 adviser, or \$50, in the case of an associated person. An
2652 associated person may be assessed an additional fee to cover the
2653 cost for the fingerprints to be processed by the office. Such
2654 fee shall be determined by rule of the commission. Such fees
2655 become the revenue of the state, except for those assessments
2656 provided for under s. 517.131(2) ~~s. 517.131(1)~~ until such time
2657 as the Securities Guaranty Fund satisfies the statutory limits,
2658 and are not returnable in the event that registration is
2659 withdrawn or not granted.

2660 (16)

2661 (j) All fees collected under this subsection become the
2662 revenue of the state, except those assessments provided for
2663 under s. 517.131(2) ~~s. 517.131(1)~~, until the Securities Guaranty
2664 Fund has satisfied the statutory limits. Such fees are not
2665 returnable if a notice-filing is withdrawn.

2666 (20) The registration requirements of this section do not
2667 apply to any general lines insurance agent or life insurance
2668 agent licensed under chapter 626, with regard to ~~for~~ the sale of

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2669 a security as defined in s. 517.021(25)(g) ~~s. 517.021(23)(g)~~, if
2670 the individual is directly authorized by the issuer to offer or
2671 sell the security on behalf of the issuer and the issuer is a
2672 federally chartered savings bank subject to regulation by the
2673 Federal Deposit Insurance Corporation. Actions under this
2674 subsection ~~shall~~ constitute activity under the insurance agent's
2675 license for purposes of ss. 626.611 and 626.621.

2676 (21)

2677 (b) Prior to the completion of any securities transaction
2678 described in s. 517.061(7) ~~s. 517.061(22)~~, a merger and
2679 acquisition broker must receive written assurances from the
2680 control person with the largest percentage of ownership for both
2681 the buyer and seller engaged in the transaction that:

2682 1. After the transaction is completed, any person who
2683 acquires securities or assets of the eligible privately held
2684 company, acting alone or in concert, will be a control person of
2685 the eligible privately held company or will be a control person
2686 for the business conducted with the assets of the eligible
2687 privately held company; and

2688 2. If any person is offered securities in exchange for
2689 securities or assets of the eligible privately held company,
2690 such person will, before becoming legally bound to complete the
2691 transaction, receive or be given reasonable access to the most
2692 recent year-end financial statements of the issuer of the
2693 securities offered in exchange. The most recent year-end
2694 financial statements shall be customarily prepared by the
2695 issuer's management in the normal course of operations. If the
2696 financial statements of the issuer are audited, reviewed, or
2697 compiled, the most recent year-end financial statements must

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2698 include any related statement by the independent certified
2699 public accountant; a balance sheet dated not more than 120 days
2700 before the date of the exchange offer; and information
2701 pertaining to the management, business, results of operations
2702 for the period covered by the foregoing financial statements,
2703 and material loss contingencies of the issuer.

2704 (c) A merger and acquisition broker engaged in a
2705 transaction exempt under s. 517.061(7) ~~s. 517.061(22)~~ is exempt
2706 from registration under this section unless the merger and
2707 acquisition broker:

2708 1. Directly or indirectly, in connection with the transfer
2709 of ownership of an eligible privately held company, receives,
2710 holds, transmits, or has custody of the funds or securities to
2711 be exchanged by the parties to the transaction;

2712 2. Engages on behalf of an issuer in a public offering of
2713 any class of securities which is registered, or which is
2714 required to be registered, with the United States Securities and
2715 Exchange Commission under the Securities Exchange Act of 1934,
2716 15 U.S.C. ss. 78a et seq., or with the office under s. 517.07;
2717 or for which the issuer files, or is required to file, periodic
2718 information, documents, and reports under s. 15(d) of the
2719 Securities Exchange Act of 1934, 15 U.S.C. s. 78o(d);

2720 3. Engages on behalf of any party in a transaction
2721 involving a public shell company;

2722 4. Is subject to a suspension or revocation of registration
2723 under s. 15(b)(4) of the Securities Exchange Act of 1934, 15
2724 U.S.C. s. 78o(b)(4);

2725 5. Is subject to a statutory disqualification described in
2726 s. 3(a)(39) of the Securities Exchange Act of 1934, 15 U.S.C. s.

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2727 78c(a) (39);

2728 6. Is subject to a disqualification under the United States
2729 Securities and Exchange Commission Rule 506(d), 17 C.F.R. s.
2730 230.506(d); or

2731 7. Is subject to a final order described in s. 15(b) (4) (H)
2732 of the Securities Exchange Act of 1934, 15 U.S.C. s.
2733 78o(b) (4) (H).

2734 Section 23. Subsection (6) of section 517.1201, Florida
2735 Statutes, is amended to read:

2736 517.1201 Notice filing requirements for federal covered
2737 advisers.—

2738 (6) All fees collected under this section become the
2739 revenue of the state, except for those assessments provided for
2740 under s. 517.131(2) ~~s. 517.131(1)~~ until such time as the
2741 Securities Guaranty Fund satisfies the statutory limits, and are
2742 not returnable in the event that a notice filing is withdrawn.

2743 Section 24. Subsections (4) and (8) of section 517.1202,
2744 Florida Statutes, are amended to read:

2745 517.1202 Notice-filing requirements for branch offices.—

2746 (4) A branch office notice-filing under this section shall
2747 be summarily suspended by the office if the notice-filer fails
2748 to provide to the office, within 30 days after a written request
2749 by the office, all of the information required by this section
2750 and the rules adopted under this section. The summary suspension
2751 shall be in effect for the branch office until such time as the
2752 notice-filer submits the requested information to the office,
2753 pays a fine as prescribed by s. 517.191(9) ~~s. 517.221(3)~~, and a
2754 final order is entered. At such time, the suspension shall be
2755 lifted. For purposes of s. 120.60(6), failure to provide all

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2756 information required by this section and the underlying rules
2757 constitutes immediate and serious danger to the public health,
2758 safety, and welfare. If the notice-filer fails to provide all of
2759 the requested information within a period of 90 days, the
2760 notice-filing shall be revoked by the office.

2761 (8) All fees collected under this section become the
2762 revenue of the state, except for those assessments provided for
2763 under s. 517.131(2) ~~s. 517.131(1)~~ until such time as the
2764 Securities Guaranty Fund satisfies the statutory limits, and are
2765 not returnable in the event that a branch office notice-filing
2766 is withdrawn.

2767 Section 25. Subsection (2) of section 517.302, Florida
2768 Statutes, is amended to read:

2769 517.302 Criminal penalties; alternative fine; Anti-Fraud
2770 Trust Fund; time limitation for criminal prosecution.-

2771 (2) Any person who violates s. 517.301 ~~the provisions of s.~~
2772 ~~517.312(1)~~ by obtaining money or property of an aggregate value
2773 exceeding \$50,000 from five or more persons is guilty of a
2774 felony of the first degree, punishable as provided in s.
2775 775.082, s. 775.083, or s. 775.084.

2776 Section 26. This act shall take effect October 1, 2024.