

By the Committees on Fiscal Policy; and Banking and Insurance;
and 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 an insufficient
140 balance in the fund; requiring payments and
141 disbursements from the Securities Guaranty Fund to be
142 made by the Chief Financial Officer or his or her
143 authorized designee, upon authorization by the office;
144 requiring such authorization to be submitted within a
145 certain timeframe; deleting provisions regarding

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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), (5), and (6)

212 through (25) of section 517.021, Florida Statutes, are

213 redesignated as subsections (4), (5), (6), and (8) through (27),

214 respectively, new subsections (3) and (7) are added to that

215 section, and subsection (1) and present subsections (4), (8),

216 (9), and (14) of that section are amended, to read:

217 517.021 Definitions.—When used in this chapter, unless the

218 context otherwise indicates, the following terms have the

219 following respective meanings:

220 (1) “Accredited investor” shall be defined by rule of the

221 commission in accordance with Securities and Exchange Commission

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

223 (3) “Angel investor group” means a group of accredited

224 investors who hold regular meetings and have defined processes

225 and procedures for making investment decisions, individually or

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

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

228 adviser.

229 (5)~~(4)~~ “Boiler room” means an enterprise in which two or

230 more persons in a common scheme or enterprise solicit potential

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

232 media, chat rooms, or other electronic means ~~engage in telephone~~

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233 ~~communications with members of the public using two or more~~
234 ~~telephones at one location, or at more than one location in a~~
235 ~~common scheme or enterprise.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

281 ~~(11)(9)~~ "Federal covered adviser" means a person that is
282 registered or required to be registered under s. 203 of the
283 Investment Advisers Act of 1940, as amended. The term does not
284 include any person that is excluded from the definition of
285 investment adviser under subparagraphs (16)(b)1.-7. and 9
286 ~~(14)(b)1.-8.~~

287 (16)(a)~~(14)(a)~~ "Investment adviser" means a person, other
288 than an associated person of an investment adviser or a federal
289 covered adviser, that receives compensation, directly or
290 indirectly, and engages for all or part of the person's time,

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291 directly or indirectly, or through publications or writings, in
292 the business of advising others as to the value of securities or
293 as to the advisability of investments in, purchasing of, or
294 selling of securities.

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

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

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

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

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

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

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

316 7. A person that, during the preceding 12 months, has fewer
317 than six clients who are residents of this state. As used in
318 this subparagraph, the term "client" has the same meaning as
319 provided in Securities and Exchange Commission Rule 275.222-2,

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

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

329 ~~9. A federal covered adviser.~~

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

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

341 517.051 Exempt securities.—The exemptions provided herein
342 from the registration requirements of s. 517.07 are self-
343 executing and do not require any filing with the office prior to
344 claiming such exemption. Any person who claims entitlement to
345 any of these exemptions bears the burden of proving such
346 entitlement in any proceeding brought under this chapter. The
347 registration provisions of s. 517.07 do not apply to any of the
348 following securities; however, such transactions are subject to

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349 s. 517.301:

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), no person shall
356 directly or indirectly offer or sell securities, other than
357 general obligation bonds, described under this subsection if the
358 issuer or guarantor is in default or has been in default any
359 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) applies 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 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 the issuer's employees,
561 directors, managers, managing members, general partners,
562 trustees, officers, consultants, or advisors, and their family
563 members who acquire such securities from such persons through
564 gifts or domestic relations orders. This includes offers or
565 sales of such securities to all of the following persons:

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

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

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

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

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

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

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

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

609 (b) The following purchasers are excluded from the

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610 calculation of the number of purchasers under subparagraph
611 (a)1.:

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

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

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

625 4. An accredited investor.

626

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

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

638 (a) The offers or sales of securities are made only to

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639 persons who are, or who the issuer reasonably believes are,
640 accredited investors.

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

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

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

658 a. The name, address, and telephone number of the issuer of
659 the securities.

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

662 c. A brief description of the business.

663 d. The type, number, and aggregate amount of securities
664 being offered.

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

667 f. A statement that:

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668 (I) Sales will be made only to accredited investors;
669 (II) Money or other consideration is not being solicited
670 and will not be accepted by way of this general announcement;
671 and
672 (III) The securities have not been registered with or
673 approved by any state securities agency or the Securities and
674 Exchange Commission and are being offered and sold pursuant to
675 an exemption from registration.

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

680 a. Through an electronic database that is restricted to
681 persons who have been prequalified as accredited investors; or
682 b. After the issuer reasonably believes that the
683 prospective purchaser is an accredited investor.

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

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

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

696 (12) The isolated sale or offer for sale of securities when

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

707 (a) The offer or sale of securities is in a transaction
708 satisfying all of the conditions specified in paragraphs (10) (a)
709 and (b); or

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

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

720 (14) An unsolicited purchase or sale of securities on order
721 of, and as the agent for, another solely and exclusively by a
722 dealer registered pursuant to s. 517.12; provided that this
723 exemption applies solely and exclusively to such registered
724 dealers and does not authorize or permit the purchase or sale of
725 securities at the direction of, and as agent for, another by any

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726 person other than a dealer so registered; and provided further
727 that such purchase or sale may not be directly or indirectly for
728 the benefit of the issuer or an underwriter of such securities
729 or for the direct or indirect promotion of any scheme or
730 enterprise with the intent of violating or evading this chapter.

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

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

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

742 (b)1. Such options transactions are cleared by the Options
743 Clearing Corporation or any other clearinghouse recognized by
744 commission rule;

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

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

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

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

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

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

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

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

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

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

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

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

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

808 (d) The security is listed in a nationally recognized
809 securities manual designated by rule of the commission or a
810 document filed with and publicly viewable through the Securities
811 and Exchange Commission electronic data gathering and retrieval
812 system and contains:

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- 813 1. A description of the business and operations of the
814 issuer;
- 815 2. The names of the issuer's officers and directors, if
816 any, or, in the case of an issuer not domiciled in the United
817 States, the corporate equivalents of such persons in the
818 issuer's country of domicile;
- 819 3. An audited balance sheet of the issuer as of a date
820 within 18 months before such transaction or, in the case of a
821 reorganization or merger in which parties to the reorganization
822 or merger had such audited balance sheet, a pro forma balance
823 sheet; and
- 824 4. An audited income statement for each of the issuer's
825 immediately preceding 2 fiscal years, or for the period of
826 existence of the issuer, if in existence for less than 2 years
827 or, in the case of a reorganization or merger in which the
828 parties to the reorganization or merger had such audited income
829 statement, a pro forma income statement.
- 830 (e)1. The issuer of the security has a class of equity
831 securities listed on a national securities exchange registered
832 under the Securities Exchange Act of 1934, as amended;
- 833 2. The class of security is quoted, offered, purchased, or
834 sold through an alternative trading system registered under
835 Securities and Exchange Commission Regulation ATS, 17 C.F.R. s.
836 242.301, as amended, and the issuer of the security has made
837 current information publicly available in accordance with
838 Securities and Exchange Commission Rule 15c2-11, 17 C.F.R. s.
839 240.15c2-11, as amended;
- 840 3. The issuer of the security is a unit investment trust
841 registered under the Investment Company Act of 1940, as amended;

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

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

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

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

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

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

866
867 For purposes of this subsection, Canada, together with its
868 provinces and territories, is designated as a foreign
869 jurisdiction, and The Toronto Stock Exchange, Inc., is
870 designated as a securities exchange. If, after an administrative

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

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

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

890 517.0611 The Florida Limited Offering Exemption Intrastate
891 crowdfunding.—

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

894 (2) The registration provisions of s. 517.07 do not apply
895 to a securities transaction conducted in accordance with this
896 section; however, such transaction is subject to s. 517.301
897 ~~Notwithstanding any other provision of this chapter, an offer or~~
898 ~~sale of a security by an issuer is an exempt transaction under~~
899 ~~s. 517.061 if the offer or sale is conducted in accordance with~~

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900 ~~this section. The exemption provided in this section may not be~~
901 ~~used in conjunction with any other exemption under s. 517.051 or~~
902 ~~s. 517.061.~~

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

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

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

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

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

928 (d) May not be a business entity that has ~~company with~~ an

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929 undefined business operation, ~~a company that~~ lacks a business
930 plan, ~~a company that~~ lacks a stated investment goal for the
931 funds being raised, or ~~a company that~~ plans to engage in a
932 merger or acquisition with an unspecified business entity.

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

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

956 (g) Must use all funds in accordance with the use of
957 proceeds as disclosed to prospective investors ~~Allow investors~~

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

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

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

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

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

985 (d) Identify any predecessors, owners, officers, directors,
986 general partners, managers, managing members, and control

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

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

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

1001 (g) ~~Include documentation verifying that the issuer is~~
1002 ~~organized under the laws of the state and authorized to do~~
1003 ~~business in the state.~~

1004 (h) If applicable, include the intermediary's website
1005 address where the issuer's securities will be offered.

1006 (g)(i) State Include the target offering amount and the
1007 date, not to exceed 365 days, by which the target amount must be
1008 reached in order to avoid termination of the offering.

1009 (6) The issuer must amend the notice form within 10
1010 business ~~30~~ days after any material information contained in the
1011 notice becomes inaccurate ~~for any reason~~. The commission may
1012 require, by rule, an issuer who has filed a notice under this
1013 section to file amendments with the office.

1014 (7) The issuer may engage in general advertising and
1015 general solicitation of the offering to prospective investors.

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

1022 (8) The issuer must provide a disclosure statement to
1023 investors and the dealer or intermediary, along with a copy to
1024 the office at the time that the notice is filed, and make
1025 available to potential investors through the dealer or
1026 intermediary, as applicable; to the office at the time that the
1027 notice is filed; and to each prospective investor at least 3
1028 days before the investor's commitment to purchase or payment of
1029 any consideration. The, a disclosure statement must contain
1030 containing material information about the issuer and the
1031 offering, including all of the following:

1032 (a) The name, legal status, physical address, e-mail
1033 address, and website address of the issuer.

1034 (b) The names of the directors, officers, managers,
1035 managing members, and general partners and any person occupying
1036 a similar status or performing a similar function, and the name
1037 and ownership percentage of each person holding more than 20
1038 percent of the issuer's equity interests ~~shares of the issuer.~~

1039 (c) A description of the current business ~~of the issuer~~ and
1040 ~~the~~ anticipated business plan of the issuer.

1041 (d) A description of the stated purpose and intended use of
1042 the proceeds of the offering.

1043 (e) The target offering amount and, the deadline to reach
1044 the target offering amount, ~~and regular updates regarding the~~

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1045 ~~progress of the issuer in meeting the target offering amount.~~

1046 (f) ~~The price to the public of the securities or the method~~
1047 ~~for determining the price. However, before the sale, each~~
1048 ~~investor must receive in writing the final price and all~~
1049 ~~required disclosures and have an opportunity to rescind the~~
1050 ~~commitment to purchase the securities.~~

1051 (g) A description of the ownership and capital structure of
1052 the issuer, including:

1053 1. Terms of the securities being offered and each class of
1054 security of the issuer, including how those terms may be
1055 modified, and a summary of the differences between such
1056 securities, including how the rights of the securities being
1057 offered may be materially limited, diluted, or qualified by
1058 rights of any other class of security of the issuer.

1059 2. A description of how the exercise of the rights held by
1060 the principal equity holders ~~shareholders~~ of the issuer could
1061 negatively impact the purchasers of the securities being
1062 offered.

1063 ~~3. The name and ownership level of each existing~~
1064 ~~shareholder who owns more than 20 percent of any class of the~~
1065 ~~securities of the issuer.~~

1066 ~~4. How the securities being offered are being valued, and~~
1067 ~~examples of methods of how such securities may be valued by the~~
1068 ~~issuer in the future, including during subsequent corporate~~
1069 ~~actions.~~

1070 ~~5. The risks to purchasers of the securities relating to~~
1071 ~~minority ownership in the issuer, the risks associated with~~
1072 ~~corporate action, including additional issuances of shares, a~~
1073 ~~sale of the issuer or of assets of the issuer, or transactions~~

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1074 ~~with related parties.~~

1075 (h) A statement that the security being offered is not
1076 registered under federal or state securities laws and that the
1077 securities are subject to the limitation on resale contained in
1078 Securities and Exchange Commission Rule 147 or Rule 147A.

1079 (i) Any issuer plans, formal or informal, to offer
1080 additional securities in the future.

1081 (j) The risks to purchasers of the securities relating to
1082 minority ownership in the issuer.

1083 (k)~~(h)~~ A description of the financial condition of the
1084 issuer.

1085 1. For offerings that, in combination with all other
1086 offerings of the issuer within the preceding 12-month period,
1087 have ~~target~~ offering amounts of \$500,000 ~~\$100,000~~ or less, the
1088 financial statements of the issuer may be, but are not required
1089 to be, included description must include the most recent income
1090 tax return filed by the issuer, if any, and a financial
1091 statement that must be certified by the principal executive
1092 officer of the issuer as true and complete in all material
1093 respects.

1094 2. For offerings that, in combination with all other
1095 offerings of the issuer within the preceding 12-month period,
1096 have ~~target~~ offering amounts of more than \$500,000 ~~\$100,000~~, but
1097 not more than \$2.5 million ~~\$500,000~~, the description must
1098 include financial statements prepared in accordance with
1099 generally accepted accounting principles and reviewed by a
1100 certified public accountant, as defined in s. 473.302, who is
1101 independent of the issuer, using professional standards and
1102 procedures ~~for such review~~ or standards and procedures

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1103 established by commission ~~the office,~~ by rule, for such purpose.

1104 3. For offerings that, in combination with all other
1105 offerings of the issuer within the preceding 12-month period,
1106 have ~~target~~ offering amounts of more than \$2.5 million ~~\$500,000~~,
1107 the description must include audited financial statements
1108 prepared in accordance with generally accepted accounting
1109 principles by a certified public accountant, as defined in s.
1110 473.302, who is independent of the issuer, and other
1111 requirements as the commission may establish by rule.

1112 (1)(i) The following statement in boldface, conspicuous
1113 type on the front page of the disclosure statement:

1114
1115 Neither the Securities and Exchange Commission nor any
1116 state securities commission has approved or
1117 disapproved these securities or determined if this
1118 disclosure statement is truthful or complete. Any
1119 representation to the contrary is a criminal offense.

1120
1121 These securities are offered under, and will be sold
1122 in reliance upon, an exemption from the registration
1123 requirements of federal and Florida securities laws.
1124 ~~Consequently,~~ Neither the Federal Government nor the
1125 State of Florida has reviewed the accuracy or
1126 completeness of any offering materials. In making an
1127 investment decision, investors must rely on their own
1128 examination of the issuer and the terms of the
1129 offering, including the merits and risks involved.
1130 These securities are subject to restrictions on
1131 transferability and resale and may not be transferred

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1132 or resold except as specifically authorized by
1133 applicable federal and state securities laws.
1134 Investing in these securities involves a speculative
1135 risk, and investors should be able to bear the loss of
1136 their entire investment.

1137
1138 ~~(8) The issuer shall provide to the office a copy of the~~
1139 ~~escrow agreement with a financial institution authorized to~~
1140 ~~conduct business in this state. All investor funds must be~~
1141 ~~deposited in the escrow account. The escrow agreement must~~
1142 ~~require that all offering proceeds be released to the issuer~~
1143 ~~only when the aggregate capital raised from all investors is~~
1144 ~~equal to or greater than the minimum target offering amount~~
1145 ~~specified in the disclosure statement as necessary to implement~~
1146 ~~the business plan, and that all investors will receive a full~~
1147 ~~return of their investment commitment if that target offering~~
1148 ~~amount is not raised by the date stated in the disclosure~~
1149 ~~statement.~~

1150 (9) The sum of all cash and other consideration received
1151 for sales of a security under this section may not exceed \$5 ~~\$1~~
1152 million, less the aggregate amount received for all sales of
1153 securities by the issuer within the 12 months preceding the
1154 first offer or sale made in reliance upon this exemption. Offers
1155 or sales to a person owning 20 percent or more of the
1156 outstanding equity interests ~~shares~~ of any class or classes of
1157 securities or to an officer, director, manager, managing member,
1158 general partner, or trustee, or a person occupying a similar
1159 status, do not count toward this limitation.

1160 (10) Unless the investor is an accredited investor, or the

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

1167 (a) ~~The greater of \$2,000 or 5 percent of the annual income~~
1168 ~~or net worth of such investor, if the annual income or the net~~
1169 ~~worth of the investor is less than \$100,000.~~

1170 (b) ~~Ten percent of the annual income or net worth of such~~
1171 ~~investor, not to exceed a maximum aggregate amount sold of~~
1172 ~~\$100,000, if either the annual income or net worth of the~~
1173 ~~investor is equal to or exceeds \$100,000.~~

1174 (11) ~~The issuer shall file with the office and provide to~~
1175 ~~investors free of charge an annual report of the results of~~
1176 ~~operations and financial statements of the issuer within 45 days~~
1177 ~~after the end of its fiscal year, until no securities under this~~
1178 ~~offering are outstanding. The annual reports must meet the~~
1179 ~~following requirements:~~

1180 (a) ~~Include an analysis by management of the issuer of the~~
1181 ~~business operations and the financial condition of the issuer,~~
1182 ~~and disclose the compensation received by each director,~~
1183 ~~executive officer, and person having an ownership interest of 20~~
1184 ~~percent or more of the issuer, including cash compensation~~
1185 ~~earned since the previous report and on an annual basis, and any~~
1186 ~~bonuses, stock options, other rights to receive securities of~~
1187 ~~the issuer, or any affiliate of the issuer, or other~~
1188 ~~compensation received.~~

1189 (b) ~~Disclose any material change to information contained~~

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1190 ~~in the disclosure statements which was not disclosed in a~~
1191 ~~previous report.~~

1192 ~~(11)-(12)(a)~~ A notice-filing under this section must ~~shall~~
1193 be summarily suspended by the office if:

1194 (a) The payment for the filing is dishonored by the
1195 financial institution upon which the funds are drawn. For
1196 purposes of s. 120.60(6), failure to pay the required notice
1197 filing fee constitutes an immediate and serious danger to the
1198 public health, safety, and welfare. The office shall enter a
1199 final order revoking a notice-filing in which the payment for
1200 the filing is dishonored by the financial institution upon which
1201 the funds are drawn; or-

1202 ~~(b) A notice-filing under this section shall be summarily~~
1203 ~~suspended by the office if~~ The issuer made a material false
1204 statement in the issuer's notice-filing. The summary suspension
1205 remains ~~shall remain~~ in effect until a final order is entered by
1206 the office. For purposes of s. 120.60(6), a material false
1207 statement made in the issuer's notice-filing constitutes an
1208 immediate and serious danger to the public health, safety, and
1209 welfare. If an issuer made a material false statement in the
1210 issuer's notice-filing, the office must ~~shall~~ enter a final
1211 order revoking the notice-filing, issue a fine as prescribed by
1212 s. 517.191(9) ~~s. 517.221(3)~~, and issue permanent bars under s.
1213 517.191(10) ~~s. 517.221(4)~~ to the issuer and all owners,
1214 officers, directors, managers, managing members, general
1215 partners, and control persons, or any person occupying a similar
1216 status or performing a similar function of the issuer, including
1217 title; status as a partner, trustee, sole proprietor, or similar
1218 role; and ownership percentage.

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1219 (12)~~(13)~~ If the issuer employs the services of an
1220 intermediary, the ~~An~~ intermediary must:

1221 (a) Take measures, as established by commission rule, to
1222 reduce the risk of fraud with respect to the ~~transactions,~~
1223 ~~including verifying that the issuer is in compliance with the~~
1224 ~~requirements of this section and, if necessary, denying an~~
1225 ~~issuer access to its platform if the intermediary believes it is~~
1226 ~~unable to adequately assess the risk of fraud of the issuer or~~
1227 ~~its potential~~ offering.

1228 (b) Provide ~~basic~~ information on its website regarding the
1229 high risk of investment in and limitation on the resale of
1230 exempt securities and the potential for loss of an entire
1231 investment. The ~~basic~~ information must include, but need not be
1232 limited to, all of the following:

1233 1. A description of the financial institution into which
1234 investor funds will be deposited ~~escrow agreement that the~~
1235 ~~issuer has executed~~ and the conditions for the use ~~release~~ of
1236 such funds by ~~to~~ the issuer ~~in accordance with the agreement and~~
1237 ~~subsection (4).~~

1238 2. A description of whether financial information provided
1239 by the issuer has been audited by an independent certified
1240 public accountant, as defined in s. 473.302.

1241 (c) Obtain from each prospective investor a zip code or
1242 residence address, a copy of a driver license, and any other
1243 proof of residency in order for the issuer or intermediary to
1244 reasonably believe that the potential investor is a resident of
1245 this state. The commission may adopt rules authorizing
1246 additional forms of identification and prescribing the process
1247 for verifying any identification presented by the prospective

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1248 investor.

1249 (d) Obtain information sufficient for the issuer or
1250 intermediary to reasonably believe that a particular prospective
1251 investor is an accredited investor

1252 ~~(c) Obtain a zip code or residence address from each~~
1253 ~~potential investor who seeks to view information regarding~~
1254 ~~specific investment opportunities, in order to confirm that the~~
1255 ~~potential investor is a resident of the state.~~

1256 ~~(d) Obtain and verify a valid Florida driver license number~~
1257 ~~or Florida identification card number from each investor before~~
1258 ~~purchase of a security to confirm that the investor is a~~
1259 ~~resident of the state. The commission may adopt rules~~
1260 ~~authorizing additional forms of identification and prescribing~~
1261 ~~the process for verifying any identification presented by the~~
1262 ~~investor.~~

1263 ~~(e) Obtain an affidavit from each investor stating that the~~
1264 ~~investment being made by the investor is consistent with the~~
1265 ~~income requirements of subsection (10).~~

1266 ~~(f) Direct the release of investor funds in escrow in~~
1267 ~~accordance with subsection (4).~~

1268 ~~(g) Direct investors to transmit funds directly to the~~
1269 ~~financial institution designated in the escrow agreement to hold~~
1270 ~~the funds for the benefit of the investor.~~

1271 (e)(h) Provide a monthly update for each offering, after
1272 the first full month after the date of the offering. The update
1273 must be accessible on the intermediary's website and must
1274 display the date and amount of each sale of securities, and each
1275 cancellation of commitment to invest, in the previous calendar
1276 month.

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1277 ~~(i) Require each investor to certify in writing, including~~
1278 ~~as part of such certification his or her signature and his or~~
1279 ~~her initials next to each paragraph of the certification, as~~
1280 ~~follows:~~

1281 ~~I understand and acknowledge that:~~

1282 ~~I am investing in a high risk, speculative business~~
1283 ~~venture. I may lose all of my investment, and I can afford the~~
1284 ~~loss of my investment.~~

1285 ~~This offering has not been reviewed or approved by any~~
1286 ~~state or federal securities commission or other regulatory~~
1287 ~~authority and no regulatory authority has confirmed the accuracy~~
1288 ~~or determined the adequacy of any disclosure made to me relating~~
1289 ~~to this offering.~~

1290 ~~The securities I am acquiring in this offering are illiquid~~
1291 ~~and are subject to possible dilution. There is no ready market~~
1292 ~~for the sale of the securities. It may be difficult or~~
1293 ~~impossible for me to sell or otherwise dispose of the~~
1294 ~~securities, and I may be required to hold the securities~~
1295 ~~indefinitely.~~

1296 ~~I may be subject to tax on my share of the taxable income~~
1297 ~~and losses of the issuer, whether or not I have sold or~~
1298 ~~otherwise disposed of my investment or received any dividends or~~
1299 ~~other distributions from the issuer.~~

1300 ~~By entering into this transaction with the issuer, I am~~
1301 ~~affirmatively representing myself as being a Florida resident at~~
1302 ~~the time this contract is formed, and if this representation is~~
1303 ~~subsequently shown to be false, the contract is void.~~

1304 ~~If I resell any of the securities I am acquiring in this~~
1305 ~~offering to a person that is not a Florida resident within 9~~

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1306 ~~months after the closing of the offering, my contract with the~~
1307 ~~issuer for the purchase of these securities is void.~~

1308 ~~(j) Require each investor to answer questions demonstrating~~
1309 ~~an understanding of the level of risk generally applicable to~~
1310 ~~investments in startups, emerging businesses, and small issuers,~~
1311 ~~and an understanding of the risk of illiquidity.~~

1312 ~~(f)~~(k) Take reasonable steps to protect personal
1313 information collected from investors, as required by s. 501.171.

1314 ~~(g)~~(l) Prohibit its directors, and officers, managers,
1315 managing members, general partners, employees, and agents from
1316 having any financial interest in the issuer using its services.

1317 ~~(m) Implement written policies and procedures that are~~
1318 ~~reasonably designed to achieve compliance with federal and state~~
1319 ~~securities laws; comply with the anti-money laundering~~
1320 ~~requirements of 31 C.F.R. chapter X applicable to registered~~
1321 ~~brokers; and comply with the privacy requirements of 17 C.F.R.~~
1322 ~~part 248 relating to brokers.~~

1323 ~~(13)~~(14) An intermediary not registered as a dealer under
1324 s. 517.12(5) may not:

1325 (a) Offer investment advice or recommendations. A refusal
1326 by an intermediary to post an offering that it deems not
1327 credible or that represents a potential for fraud may not be
1328 construed as an offer of investment advice or recommendation.

1329 (b) Solicit purchases, sales, or offers to buy securities
1330 offered or displayed on its website.

1331 (c) Compensate employees, agents, or other persons for the
1332 solicitation of, or based on the sale of, securities offered or
1333 displayed on its website.

1334 (d) Hold, manage, possess, or otherwise handle investor

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1335 funds or securities.

1336 (e) Compensate promoters, finders, or lead generators for
1337 providing the intermediary with the personal identifying
1338 information of any prospective ~~potential~~ investor.

1339 (f) Engage in any other activities set forth by commission
1340 rule.

1341 (14) If the issuer does not employ a dealer or an
1342 intermediary for an offering pursuant to the exemption created
1343 under this section, the issuer must fulfill each of the
1344 obligations specified in paragraphs (12)(c)-(f).

1345 (15) Any sale made pursuant to the exemption created under
1346 this section is voidable by the purchaser within 3 days after
1347 the first tender of consideration is made by such purchaser to
1348 the issuer by notifying the issuer that the purchaser expressly
1349 voids the purchase. The purchaser's notice to the issuer must be
1350 sent by e-mail to the issuer's e-mail address set forth in the
1351 disclosure statement that is provided to the purchaser or
1352 purchaser's representative or by certified mail or overnight
1353 delivery service with proof of delivery to the mailing address
1354 set forth in the disclosure statement ~~All funds received from~~
1355 ~~investors must be directed to the financial institution~~
1356 ~~designated in the escrow agreement to hold the funds and must be~~
1357 ~~used in accordance with representations made to investors by the~~
1358 ~~intermediary. If an investor cancels a commitment to invest, the~~
1359 ~~intermediary must direct the financial institution designated to~~
1360 ~~hold the funds to promptly refund the funds of the investor.~~

1361 Section 5. Section 517.0612, Florida Statutes, is created
1362 to read:

1363 517.0612 Florida Invest Local Exemption.—

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1364 (1) This section may be cited as the "Florida Invest Local
1365 Exemption."

1366 (2) The registration provisions of s. 517.07 do not apply
1367 to a securities transaction conducted in accordance with this
1368 section; however, such transaction is subject to s. 517.301.

1369 (3) The offer or sale of securities under this section must
1370 meet the requirements of the federal exemption for intrastate
1371 offerings in s. 3(a)(11) of the Securities Act of 1933,
1372 Securities and Exchange Commission Rule 147, or Securities and
1373 Exchange Commission Rule 147A, as amended.

1374 (4) The issuer must be a for-profit business entity
1375 registered with the Department of State which has its principal
1376 place of business in this state. The issuer may not be, before
1377 or as a result of the offering:

1378 (a) An investment company as defined in the Investment
1379 Company Act of 1940, as amended;

1380 (b) Subject to the reporting requirements of the Securities
1381 and Exchange Act of 1934, as amended;

1382 (c) A business entity that has an undefined business
1383 operation, lacks a business plan, lacks a stated investment goal
1384 for the funds being raised, or plans to engage in a merger or an
1385 acquisition with an unspecified business entity; or

1386 (d) Subject to a disqualification as provided in s.
1387 517.0616.

1388 (5) The sum of all cash and other consideration received
1389 from all sales of the securities in reliance upon the exemption
1390 under this section may not exceed \$500,000, less the aggregate
1391 amount received for all sales of securities by the issuer within
1392 the 12 months before the first offer or sale made in reliance on

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1393 this exemption.

1394 (6) (a) The issuer may not accept more than \$10,000 from any
1395 single purchaser unless any of the following apply:

1396 1. The issuer reasonably believes that the purchaser is an
1397 accredited investor.

1398 2. The purchaser is an officer, director, partner, or
1399 trustee, or an individual occupying a similar status or
1400 performing similar functions, of the issuer.

1401 3. The purchaser is an owner of 10 percent or more of the
1402 issuer's outstanding equity.

1403 (b) For purposes of this subsection, the following persons
1404 must be treated collectively as a single purchaser:

1405 1. Any spouse or child of the purchaser or any related
1406 family member who has the same primary residence as the
1407 purchaser.

1408 2. Any business entity of which the purchaser and any
1409 person related to the purchaser as provided in subparagraph 1.
1410 collectively own more than 50 percent of the equity interest.

1411 (7) The issuer may engage in general advertising and
1412 general solicitation of the offering. Any general advertising or
1413 other general announcement must state that the offer is limited
1414 and open only to residents of this state. Any oral or written
1415 statements in advertising or solicitation of the offer which
1416 contain a material misstatement, or which fail to disclose
1417 material information, are subject to enforcement under this
1418 chapter.

1419 (8) A purchaser must receive, at least 3 business days
1420 before any binding commitment to purchase or consideration paid,
1421 a disclosure statement that provides material information

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1422 regarding the issuer, including, but not limited to, all of the
1423 following information:

1424 (a) The issuer's name, type of entity, and contact
1425 information.

1426 (b) The name and contact information of each director,
1427 officer, or other manager of the issuer.

1428 (c) A description of the issuer's business.

1429 (d) A description of the security being offered.

1430 (e) The total amount of the offering.

1431 (f) The intended use of proceeds from the sale of the
1432 securities.

1433 (g) The target offering amount.

1434 (h) A statement that if the target offering amount is not
1435 obtained in cash or in the value of other tangible consideration
1436 received on a date that is no more than 180 days after the
1437 commencement of the offering, the offering will be terminated,
1438 and any funds or other consideration received from purchasers
1439 must be promptly returned.

1440 (i) A statement that the security being offered is not
1441 registered under federal or state securities laws and that the
1442 securities are subject to the limitation on resale contained in
1443 Securities and Exchange Commission Rule 147 or Rule 147A.

1444 (j) The names and addresses of all persons who will be
1445 involved in the offer and sale of securities on behalf of the
1446 issuer.

1447 (k) The name of the bank or other depository institution
1448 into which investor funds will be deposited.

1449 (l) The following statement in boldface, conspicuous type:
1450

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

1456
1457 (9) All funds received from investors must be deposited
1458 into a bank or depository institution authorized to do business
1459 in this state. The issuer may not withdraw any amount of the
1460 offering proceeds unless the target offering amount has been
1461 received.

1462 (10) The issuer must file a notice of the offering with the
1463 office, in writing or in electronic form, in a format prescribed
1464 by commission rule, no less than 5 business days before the
1465 offering commences, along with the disclosure statement
1466 described in subsection (8). If there are any material changes
1467 to the information previously submitted, the issuer must, within
1468 3 business days after such material change, file an amended
1469 notice.

1470 (11) An individual, entity, or entity employee who acts as
1471 an agent for the issuer in the offer or sale of securities and
1472 is not registered as a dealer under this chapter may not do
1473 either of the following:

1474 (a) Receive compensation based upon the solicitation of
1475 purchases, sales, or offers to purchase the securities.

1476 (b) Take custody of investor funds or securities.

1477 (12) Any sale made pursuant to the exemption created under
1478 this section is voidable by the purchaser within 3 days after
1479 the first tender of consideration is made by such purchaser to

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

1488 Section 6. Section 517.0613, Florida Statutes, is created
1489 to read:

1490 517.0613 Failure to comply with a securities registration
1491 exemption.—

1492 (1) Failure to meet the requirements for any exemption from
1493 securities registration does not preclude the issuer from
1494 claiming the availability of any other applicable state or
1495 federal exemption.

1496 (2) The exemptions created under ss. 517.061, 517.0611, and
1497 517.0612 are not available to an issuer for any transaction or
1498 series of transactions that, although in technical compliance
1499 with the applicable provisions, is part of a plan or scheme to
1500 evade the registration provisions of s. 517.07, and registration
1501 under s. 517.07 is required in connection with such
1502 transactions.

1503 Section 7. Section 517.0614, Florida Statutes, is created
1504 to read:

1505 517.0614 Integration of offerings.—

1506 (1) If the safe harbors in subsection (2) do not apply in
1507 determining whether two or more offerings are to be treated as
1508 one for the purpose of registration or qualifying for an

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

1519 (a) For an exempt offering prohibiting general
1520 solicitation, the issuer must have a reasonable belief, based on
1521 the facts and circumstances, with respect to each purchaser in
1522 the exempt offering prohibiting general solicitation, that the
1523 issuer or any person acting on the issuer's behalf:

1524 1. Did not solicit such purchaser through the use of
1525 general solicitation; or

1526 2. Established a substantive relationship with such
1527 purchaser before the commencement of the exempt offering
1528 prohibiting general solicitation, provided that a purchaser
1529 previously solicited through the use of general solicitation is
1530 not deemed to have been solicited through the use of general
1531 solicitation in the current offering if, during the 45 calendar
1532 days following such previous general solicitation:

1533 a. No offer or sale of the same or similar class of
1534 securities has been made by or on behalf of the issuer,
1535 including to such purchaser; and

1536 b. The issuer or any person acting on the issuer's behalf
1537 has not solicited such purchaser through the use of general

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1538 solicitation for any other security.

1539 (b) For two or more concurrent exempt offerings permitting
1540 general solicitation, in addition to satisfying the requirements
1541 of the particular exemption relied on, general solicitation
1542 offering materials for one offering that includes information
1543 about the material terms of a concurrent offering under another
1544 exemption may constitute an offer of securities in such other
1545 offering, and therefore the offer must comply with all the
1546 requirements for, and restrictions on, offers under the
1547 exemption being relied on for such other offering, including any
1548 legend requirements and communications restrictions.

1549 (2) The integration analysis required by subsection (1) is
1550 not required if any of the following nonexclusive safe harbors
1551 apply:

1552 (a) An offering commenced more than 30 calendar days before
1553 the commencement of any other offering, or more than 30 calendar
1554 days after the termination or completion of any other offering,
1555 may not be integrated with such other offering, provided that
1556 for an exempt offering for which general solicitation is not
1557 permitted which follows by 30 calendar days or more an offering
1558 that allows general solicitation, paragraph (1)(a) applies.

1559 (b) Offers and sales made in compliance with any of the
1560 following provisions are not subject to integration with other
1561 offerings:

1562 1. Section 517.051 or s. 517.061, except s. 517.061(9),
1563 (10), or (11).

1564 2. Section 517.0611 or s. 517.0612.

1565 Section 8. Section 517.0615, Florida Statutes, is created
1566 to read:

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1567 517.0615 Solicitations of interest.—

1568 (1) A communication will not be deemed to constitute
1569 general solicitation or general advertising if the communication
1570 is made in connection with a seminar or meeting in which more
1571 than one issuer participates and which is sponsored by a
1572 college, a university, or another institution of higher
1573 education; a state or local government or an instrumentality
1574 thereof; a nonprofit chamber of commerce or other nonprofit
1575 organization; or an angel investor group, incubator, or
1576 accelerator, if all of the following apply:

1577 (a) Advertising for the seminar or meeting does not
1578 reference a specific offering of securities by the issuer.

1579 (b) The sponsor of the seminar or meeting does not do any
1580 of the following:

1581 1. Make investment recommendations or provide investment
1582 advice to attendees of the seminar or meeting.

1583 2. Engage in any investment negotiations between the issuer
1584 and investors attending the seminar or meeting.

1585 3. Charge attendees of the seminar or meeting any fees,
1586 other than reasonable administrative fees.

1587 4. Receive any compensation for making introductions
1588 between seminar or meeting attendees and issuers or for
1589 investment negotiations between such parties.

1590 5. Receive any compensation with respect to the seminar or
1591 meeting, which compensation would require registration or
1592 notice-filing under this chapter, the Securities Exchange Act of
1593 1934, 15 U.S.C. ss. 78a et seq., as amended, or the Investment
1594 Advisers Act of 1940, 15 U.S.C. ss. 80b-1 et seq., as amended.

1595 The sponsorship or participation in the seminar or meeting does

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1596 not by itself require registration or notice-filing under this
1597 chapter.

1598 (c) The type of information regarding an offering of
1599 securities by the issuer which is communicated or distributed by
1600 or on behalf of the issuer in connection with the seminar or
1601 meeting is limited to a notification that the issuer is in the
1602 process of offering or planning to offer securities, the type
1603 and amount of securities being offered, the intended use of
1604 proceeds of the offering, and the unsubscribed amount in an
1605 offering.

1606 (d) If the event allows attendees to participate virtually,
1607 rather than in person, online participation in the event is
1608 limited to:

1609 1. Individuals that are members of, or otherwise associated
1610 with, the sponsor organization;

1611 2. Individuals that the sponsor reasonably believes are
1612 accredited investors; or

1613 3. Individuals that have been invited to the event by the
1614 sponsor based on industry or investment-related experience
1615 reasonably selected by the sponsor in good faith and disclosed
1616 in the public communications about the event.

1617 (2) Before any offers or sales are made in connection with
1618 an offering, communications by an issuer or any person
1619 authorized to act on behalf of the issuer are not deemed to
1620 constitute general solicitation or general advertising if the
1621 communication is solely for the purpose of determining whether
1622 there is any interest in a contemplated securities offering.
1623 Requirements imposed under this chapter on written or oral
1624 statements made in the course of such communication may be

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1625 enforced as provided in this chapter. The solicitation or
1626 acceptance of money or other consideration or of any commitment,
1627 binding or otherwise, from any person is prohibited.

1628 (a) The communication must state all of the following:

1629 1. Money or other consideration is not being solicited and,
1630 if sent in response, will not be accepted.

1631 2. Any offer to buy the securities will not be accepted,
1632 and no part of the purchase price will be accepted.

1633 3. A person's indication of interest does not involve
1634 obligation or commitment of any kind.

1635 (b) Any written communication under this subsection may
1636 include a means by which a person may indicate to the issuer
1637 that the person is interested in a potential offering. The
1638 issuer may require the name, address, telephone number, or e-
1639 mail address in any response form included in the written
1640 communication under this paragraph.

1641 (c) A communication in accordance with this subsection is
1642 not subject to s. 501.059, regarding telephone solicitations.

1643 Section 9. Section 517.0616, Florida Statutes, is created
1644 to read:

1645 517.0616 Disqualification.—A registration exemption under
1646 s. 517.061(9), (10), and (11), s. 517.0611, or s. 517.0612 is
1647 not available to an issuer that would be disqualified under
1648 Securities and Exchange Commission Rule 506(d), 17 C.F.R. s.
1649 230.506(d), as amended, at the time the issuer makes an offer
1650 for the sale of a security.

1651 Section 10. Present subsections (4) through (8) of section
1652 517.081, Florida Statutes, are redesignated as subsections (6)
1653 through (10), respectively, new subsections (4) and (5) are

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1654 added to that section, and subsection (2), paragraph (g) of
1655 subsection (3), and present subsection (7) of that section are
1656 amended, to read:

1657 517.081 Registration procedure.—

1658 (2) The office shall receive and act upon applications for
1659 the registration of ~~to have securities registered, and the~~
1660 ~~commission may prescribe forms on which it may require such~~
1661 ~~applications to be submitted.~~ Applications must ~~shall~~ be duly
1662 signed by the applicant, sworn to by any person having knowledge
1663 of the facts, and filed with the office. ~~The commission may~~
1664 ~~establish, by rule, procedures for depositing fees and filing~~
1665 ~~documents by electronic means provided such procedures provide~~
1666 ~~the office with the information and data required by this~~
1667 ~~section.~~ An application may be made either by the issuer of the
1668 securities for which registration is applied or by any
1669 registered dealer desiring to sell such securities ~~the same~~
1670 within the state.

1671 (3) The office may require the applicant to submit to the
1672 office the following information concerning the issuer and such
1673 other relevant information as the office may in its judgment
1674 deem necessary to enable it to ascertain whether such securities
1675 shall be registered pursuant to the provisions of this section:

1676 (g)~~1~~. A specimen copy of the securities certificate, if
1677 applicable, and a copy of any circular, prospectus,
1678 advertisement, or other description of such securities.

1679 ~~2. The commission shall adopt a form for a simplified~~
1680 ~~offering circular to register, under this section, securities~~
1681 ~~that are sold in offerings in which the aggregate offering price~~
1682 ~~in any consecutive 12-month period does not exceed the amount~~

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1683 ~~provided in s. 3(b) of the Securities Act of 1933, as amended.~~
1684 ~~The following issuers shall not be eligible to submit a~~
1685 ~~simplified offering circular adopted pursuant to this~~
1686 ~~subparagraph:~~

1687 ~~a. An issuer seeking to register securities for resale by~~
1688 ~~persons other than the issuer.~~

1689 ~~b. An issuer that is subject to any of the~~
1690 ~~disqualifications described in 17 C.F.R. s. 230.262, adopted~~
1691 ~~pursuant to the Securities Act of 1933, as amended, or that has~~
1692 ~~been or is engaged or is about to engage in an activity that~~
1693 ~~would be grounds for denial, revocation, or suspension under s.~~
1694 ~~517.111. For purposes of this subparagraph, an issuer includes~~
1695 ~~an issuer's director, officer, general partner, manager or~~
1696 ~~managing member, trustee, or equity owner who owns at least 10~~
1697 ~~percent of the ownership interests of the issuer, promoter, or~~
1698 ~~selling agent of the securities to be offered or any officer,~~
1699 ~~director, partner, or manager or managing member of such selling~~
1700 ~~agent.~~

1701 ~~c. An issuer that is a development-stage company that~~
1702 ~~either has no specific business plan or purpose or has indicated~~
1703 ~~that its business plan is to merge with an unidentified company~~
1704 ~~or companies.~~

1705 ~~d. An issuer of offerings in which the specific business or~~
1706 ~~properties cannot be described.~~

1707 ~~e. Any issuer the office determines is ineligible because~~
1708 ~~the form does not provide full and fair disclosure of material~~
1709 ~~information for the type of offering to be registered by the~~
1710 ~~issuer.~~

1711 ~~f. Any issuer that has failed to provide the office the~~

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1712 ~~reports required for a previous offering registered pursuant to~~
1713 ~~this subparagraph.~~

1714
1715 ~~As a condition precedent to qualifying for use of the simplified~~
1716 ~~offering circular, an issuer shall agree to provide the office~~
1717 ~~with an annual financial report containing a balance sheet as of~~
1718 ~~the end of the issuer's fiscal year and a statement of income~~
1719 ~~for such year, prepared in accordance with United States~~
1720 ~~generally accepted accounting principles and accompanied by an~~
1721 ~~independent accountant's report. If the issuer has more than 100~~
1722 ~~security holders at the end of a fiscal year, the financial~~
1723 ~~statements must be audited. Annual financial reports must be~~
1724 ~~filed with the office within 90 days after the close of the~~
1725 ~~issuer's fiscal year for each of the first 5 years following the~~
1726 ~~effective date of the registration.~~

1727 (4) The commission may, by rule:

1728 (a) Establish criteria relating to the issuance of equity
1729 securities, debt securities, insurance company securities, real
1730 estate investment trusts, oil and gas investments, and other
1731 investments. In establishing these criteria, the commission may
1732 consider the rules and regulations of the Securities and
1733 Exchange Commission and statements of policy by the North
1734 American Securities Administrators Association, Inc., relating
1735 to the registration of securities offerings. The criteria must
1736 include all of the following:

1737 1. The promoter's equity investment ratio.

1738 2. The financial condition of the issuer.

1739 3. The voting rights of shareholders.

1740 4. The grant of options or warrants to underwriters and

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1741 others.

1742 5. Loans and other transactions with affiliates of the
1743 issuer.

1744 6. The use, escrow, or refund of proceeds of the offering.

1745 (b) Prescribe forms requiring applications for the
1746 registration of securities to be submitted to the office,
1747 including a simplified offering circular to register, under this
1748 section, securities that are sold in offerings in which the
1749 aggregate offering price in any consecutive 12-month period does
1750 not exceed the amount provided in s. 3(b) of the Securities Act
1751 of 1933, as amended.

1752 (c) Establish procedures for depositing fees and filing
1753 documents by electronic means, provided that such procedures
1754 provide the office with the information and data required by
1755 this section.

1756 (d) Establish requirements and standards for the filing,
1757 content, and circulation of a preliminary, final, or amended
1758 prospectus, advertisements, and other sales literature. In
1759 establishing such requirements and standards, the commission
1760 shall consider the rules and regulations of the Securities and
1761 Exchange Commission relating to requirements for preliminary,
1762 final, or amended or supplemented prospectuses and the rules of
1763 the Financial Industry Regulatory Authority relating to
1764 advertisements and sales literature.

1765 (5) All of the following issuers are not eligible to submit
1766 a simplified offering circular:

1767 (a) An issuer that is subject to any of the
1768 disqualifications described in Securities and Exchange
1769 Commission Rule 262, 17 C.F.R. s. 230.262, as amended, or that

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1770 has been or is engaged or is about to engage in an activity that
1771 would be grounds for denial, revocation, or suspension under s.
1772 517.111. For purposes of this paragraph, an issuer includes an
1773 issuer's director, officer, general partner, manager or managing
1774 member, trustee, or a person owning at least 10 percent of the
1775 ownership interests of the issuer; a promoter or selling agent
1776 of the securities to be offered; or any officer, director,
1777 partner, or manager or managing member of such selling agent.

1778 (b) An issuer that is a development-stage company that
1779 either has no specific business plan or purpose or has indicated
1780 that its business plan is to merge with an unidentified business
1781 entity or entities.

1782 (c) An issuer of offerings in which the specific business
1783 or properties cannot be described.

1784 (d) An issuer that the office determines is ineligible
1785 because the simplified circular does not provide full and fair
1786 disclosure of material information for the type of offering to
1787 be registered by the issuer.

1788 (9) (a) ~~(7)~~ The office shall record the registration of a
1789 security in the register of securities if, upon examination of
1790 an ~~any~~ application, it finds that all of the following
1791 requirements are met: ~~the office~~

1792 1. The application is complete.

1793 2. The fee imposed in subsection (8) has been paid.

1794 3. The sale of the security would not be fraudulent and
1795 would not work or tend to work a fraud upon the purchaser.

1796 4. The terms of the sale of such securities would be fair,
1797 just, and equitable.

1798 5. The enterprise or business of the issuer is not based

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1799 upon unsound business principles.

1800 (b) Upon registration, the security may be sold by the
1801 issuer or any registered dealer, subject, however, to the
1802 further order of the office ~~shall find that the sale of the~~
1803 ~~security referred to therein would not be fraudulent and would~~
1804 ~~not work or tend to work a fraud upon the purchaser, that the~~
1805 ~~terms of the sale of such securities would be fair, just, and~~
1806 ~~equitable, and that the enterprise or business of the issuer is~~
1807 ~~not based upon unsound business principles, it shall record the~~
1808 ~~registration of such security in the register of securities; and~~
1809 ~~thereupon such security so registered may be sold by any~~
1810 ~~registered dealer, subject, however, to the further order of the~~
1811 ~~office. In order to determine if an offering is fair, just, and~~
1812 ~~equitable, the commission may by rule establish requirements and~~
1813 ~~standards for the filing, content, and circulation of any~~
1814 ~~preliminary, final, or amended prospectus and other sales~~
1815 ~~literature and may by rule establish merit qualification~~
1816 ~~criteria relating to the issuance of equity securities, debt~~
1817 ~~securities, insurance company securities, real estate investment~~
1818 ~~trusts, and other traditional and nontraditional investments,~~
1819 ~~including, but not limited to, oil and gas investments. The~~
1820 ~~criteria may include such elements as the promoter's equity~~
1821 ~~investment ratio, the financial condition of the issuer, the~~
1822 ~~voting rights of shareholders, the grant of options or warrants~~
1823 ~~to underwriters and others, loans and other affiliated~~
1824 ~~transaction, the use or refund of proceeds of the offering, and~~
1825 ~~such other relevant criteria as the office in its judgment may~~
1826 ~~deem necessary to such determination.~~

1827 Section 11. Subsection (2) of section 517.101, Florida

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1828 Statutes, is amended to read:

1829 517.101 Consent to service.—

1830 (2) Any such action must ~~shall~~ be brought either in the
1831 county of the plaintiff's residence or in the county in which
1832 the office has its official headquarters. The written consent
1833 must ~~shall~~ be authenticated by the seal of the said issuer, if
1834 it has a seal, and by the acknowledged signature of a director,
1835 manager, managing member, general partner, trustee, or officer
1836 of the issuer ~~member of the copartnership or company, or by the~~
1837 ~~acknowledged signature of any officer of the incorporated or~~
1838 ~~unincorporated association, if it be an incorporated or~~
1839 ~~unincorporated association, duly authorized by resolution of the~~
1840 ~~board of directors, trustees, or managers of the corporation or~~
1841 ~~association, and~~ must ~~shall~~ in such case be accompanied by a
1842 duly certified copy of the resolution of the issuer's board of
1843 directors, trustees, managers, managing members, or general
1844 partners ~~or managers of the corporation or association,~~
1845 authorizing the signer to execute the consent ~~officers to~~
1846 ~~execute the same.~~ In case any process or pleadings mentioned in
1847 this chapter are served upon the office, service must ~~it shall~~
1848 be by duplicate copies, one of which must ~~shall~~ be filed in the
1849 office and the other ~~another~~ immediately forwarded by the office
1850 by registered mail to the principal office of the issuer against
1851 which the said process or pleadings are directed.

1852 Section 12. Section 517.131, Florida Statutes, is amended
1853 to read:

1854 517.131 Securities Guaranty Fund.—

1855 (1) As used in this section, the term "final judgment"
1856 includes an arbitration award confirmed by a court of competent

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1857 jurisdiction.

1858 (2) (a) The Chief Financial Officer shall establish a
1859 Securities Guaranty Fund to provide monetary relief to victims
1860 of securities violations under this chapter who are entitled to
1861 monetary damages or restitution and cannot recover the full
1862 amount of such monetary damages or restitution from the
1863 wrongdoer. An amount not exceeding 20 percent of all revenues
1864 received as assessment fees pursuant to s. 517.12(9) and (10)
1865 for dealers and investment advisers or s. 517.1201 for federal
1866 covered advisers and an amount not exceeding 10 percent of all
1867 revenues received as assessment fees pursuant to s. 517.12(9)
1868 and (10) for associated persons must ~~shall~~ be part of the
1869 regular registration license fee and must ~~shall~~ be transferred
1870 to or deposited in the Securities Guaranty Fund.

1871 (b) If the balance in the Securities Guaranty Fund at any
1872 time exceeds \$1.5 million, transfer of assessment fees to the
1873 ~~this~~ fund must ~~shall~~ be discontinued at the end of that
1874 registration license year, and transfer of such assessment fees
1875 ~~may shall~~ not resume ~~be resumed~~ unless the fund balance is
1876 reduced below \$1 million by disbursement made in accordance with
1877 s. 517.141.

1878 ~~(2) The Securities Guaranty Fund shall be disbursed as~~
1879 ~~provided in s. 517.141 to a person who is adjudged by a court of~~
1880 ~~competent jurisdiction to have suffered monetary damages as a~~
1881 ~~result of any of the following acts committed by a dealer,~~
1882 ~~investment adviser, or associated person who was licensed under~~
1883 ~~this chapter at the time the act was committed:~~

1884 ~~(a) A violation of s. 517.07.~~

1885 ~~(b) A violation of s. 517.301.~~

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1886 (3) ~~A~~ Any person is eligible for payment to seek recovery
1887 from the Securities Guaranty Fund if the person:

1888 (a)1. Holds an unsatisfied final judgment entered on or
1889 after October 1, 2024, in which a wrongdoer was found to have
1890 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
1904 If a person holds an unsatisfied final judgment entered before
1905 October 1, 2024, in which a wrongdoer was found to have violated
1906 s. 517.07 or s. 517.301, such person's claim for payment from
1907 the Securities Guaranty Fund shall be governed by the terms of
1908 this section and s. 517.141 which were effective on the date of
1909 such final judgment

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

1914 ~~(b) Such person has made all reasonable searches and~~

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1915 ~~inquiries to ascertain whether the judgment debtor possesses~~
1916 ~~real or personal property or other assets subject to being sold~~
1917 ~~or applied in satisfaction of the judgment, and by her or his~~
1918 ~~search the person has discovered no property or assets; or she~~
1919 ~~or he has discovered property and assets and has taken all~~
1920 ~~necessary action and proceedings for the application thereof to~~
1921 ~~the judgment, but the amount thereby realized was insufficient~~
1922 ~~to satisfy the judgment. To verify compliance with such~~
1923 ~~condition, the office may require such person to have a writ of~~
1924 ~~execution be issued upon such judgment, may require a showing~~
1925 ~~that no personal or real property of the judgment debtor liable~~
1926 ~~to be levied upon in complete satisfaction of the judgment can~~
1927 ~~be found, or may require an affidavit from the claimant setting~~
1928 ~~forth the reasonable searches and inquiries undertaken and the~~
1929 ~~result of those searches and inquiries.~~

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

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

1935 ~~(e) The office waives compliance with the requirements of~~
1936 ~~paragraph (a) or paragraph (b). The office may waive such~~
1937 ~~compliance if the dealer, investment adviser, or associated~~
1938 ~~person which is the subject of the claim filed with the office~~
1939 ~~is the subject of any proceeding in which a receiver has been~~
1940 ~~appointed by a court of competent jurisdiction. If the office~~
1941 ~~waives such compliance, the office may, upon petition by the~~
1942 ~~debtor or the court-appointed trustee, examiner, or receiver,~~
1943 ~~distribute funds from the Securities Guaranty Fund up to the~~

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1944 ~~amount allowed under s. 517.141. Any waiver granted pursuant to~~
1945 ~~this section shall be considered a judgment for purposes of~~
1946 ~~complying with the requirements of this section and of s.~~
1947 ~~517.141.~~

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

1950 (a) Participated or assisted in a violation of this
1951 chapter.

1952 (b) Attempted to commit or committed a violation of this
1953 chapter.

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

1955 (5) An eligible person, or a receiver on behalf of the
1956 eligible person, seeking payment from the Securities Guaranty
1957 Fund must file with the office a written application on a form
1958 that the commission may prescribe by rule. The commission may
1959 adopt by rule procedures for filing documents by electronic
1960 means, provided that such procedures provide the office with the
1961 information and data required by this section. The application
1962 must be filed with the office within 1 year after the date of
1963 the final judgment, the date on which a restitution order has
1964 been ripe for execution, or the date of any appellate decision
1965 thereon, and, at minimum, must contain all of the following
1966 information:

1967 (a) The eligible person's and, if applicable, the
1968 receiver's full name, address, and contact information.

1969 (b) The person ordered to pay restitution.

1970 (c) If the eligible person is a business entity, the
1971 eligible person's type and place of organization and, as
1972 applicable, a copy, as amended, of its articles of

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1973 incorporation, articles of organization, trust agreement, or
1974 partnership agreement.

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

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

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

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

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

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

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

2000 (i) The amount of any unsatisfied portion of the eligible
2001 person's final judgment.

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2002 (j) Whether an appeal or motion to vacate an arbitration
2003 award has been filed.

2004 (6) If the office finds that a person is eligible for
2005 payment from the Securities Guaranty Fund and if the person has
2006 complied with this section and the rules adopted under this
2007 section, the office must approve payment to such person from the
2008 fund. Within 90 days after the office's receipt of a complete
2009 application, each eligible person or receiver must be given
2010 written notice, personally or by mail, that the office intends
2011 to approve or deny, or has approved or denied, the application
2012 for payment from the Securities Guaranty Fund.

2013 (7) Upon receipt by the eligible person or receiver of
2014 notice of the office's decision that the eligible person's or
2015 receiver's application for payment from the Securities Guaranty
2016 Fund is approved, and before any disbursement, the eligible
2017 person shall assign to the office on a form prescribed by
2018 commission rule all right, title, and interest in the final
2019 judgment or order of restitution equal to the amount of such
2020 payment.

2021 (8) The office shall deem an application for payment from
2022 the Securities Guaranty Fund abandoned if the eligible person or
2023 receiver, or any person acting on behalf of the eligible person
2024 or receiver, fails to timely complete the application as
2025 prescribed by commission rule. The time period to complete an
2026 application must be tolled during the pendency of an appeal or
2027 motion to vacate an arbitration award.

2028 ~~(4) Any person who files an action that may result in the~~
2029 ~~disbursement of funds from the Securities Guaranty Fund pursuant~~
2030 ~~to the provisions of s. 517.141 shall give written notice by~~

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2031 ~~certified mail to the office as soon as practicable after such~~
2032 ~~action has been filed. The failure to give such notice shall not~~
2033 ~~bar a payment from the Securities Guaranty Fund if all of the~~
2034 ~~conditions specified in subsection (3) are satisfied.~~

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

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

2042 517.141 Payment from the fund.—

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

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

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

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

2051 (2) A claimant is entitled to disbursement from the
2052 Securities Guaranty Fund in the amount equal to the lesser of:

2053 (a) The unsatisfied portion of the claimant's final
2054 judgment or final order of restitution, but only to the extent
2055 that the final judgment or final order of restitution reflects
2056 actual or compensatory damages, excluding postjudgment interest,
2057 costs, and attorney fees; or

2058 (b)1. The sum of \$15,000; or

2059 2. If the claimant is a specified adult or if a specified

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2060 adult is a beneficial owner or beneficiary of the claimant, the
2061 sum of \$25,000 ~~Any person who meets all of the conditions~~
2062 ~~prescribed in s. 517.131 may apply to the office for payment to~~
2063 ~~be made to such person from the Securities Guaranty Fund in the~~
2064 ~~amount equal to the unsatisfied portion of such person's~~
2065 ~~judgment or \$10,000, whichever is less, but only to the extent~~
2066 ~~and amount reflected in the judgment as being actual or~~
2067 ~~compensatory damages, excluding postjudgment interest, costs,~~
2068 ~~and attorney's fees.~~

2069 (3)~~(2)~~ Regardless of the number of claims or claimants
2070 involved, payments for claims are shall be limited in the
2071 aggregate to \$250,000 ~~\$100,000~~ against any one dealer,
2072 investment adviser, or associated person. If the total claim
2073 filed by a receiver on behalf of multiple claimants exceeds
2074 claims exceed the aggregate limit of \$250,000 ~~\$100,000~~, the
2075 office must shall prorate the payment to each claimant based
2076 upon the ratio that each claimant's individual the person's
2077 claim bears to the total claim claims filed.

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

2088 (5) All payments and disbursements made from the Securities

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

2094 ~~(3) No payment shall be made on any claim against any one~~
2095 ~~dealer, investment adviser, or associated person before the~~
2096 ~~expiration of 2 years from the date any claimant is found by the~~
2097 ~~office to be eligible for recovery pursuant to this section. If~~
2098 ~~during this 2-year period more than one claim is filed against~~
2099 ~~the same dealer, investment adviser, or associated person, or if~~
2100 ~~the office receives notice pursuant to s. 517.131(4) that an~~
2101 ~~action against the same dealer, investment adviser, or~~
2102 ~~associated person is pending, all such claims and notices of~~
2103 ~~pending claims received during this period against the same~~
2104 ~~dealer, investment adviser, or associated person may be handled~~
2105 ~~by the office as provided in this section. Two years after the~~
2106 ~~first claimant against that same dealer, investment adviser, or~~
2107 ~~associated person applies for payment pursuant to this section:~~

2108 ~~(a) The office shall determine those persons eligible for~~
2109 ~~payment or for potential payment in the event of a pending~~
2110 ~~action. All such persons may be entitled to receive their pro~~
2111 ~~rata shares of the fund as provided in this section.~~

2112 ~~(b) Those persons who meet all the conditions prescribed in~~
2113 ~~s. 517.131 and who have applied for payment pursuant to this~~
2114 ~~section will be entitled to receive their pro rata shares of the~~
2115 ~~total disbursement.~~

2116 ~~(c) Those persons who have filed notice with the office of~~
2117 ~~a pending claim pursuant to s. 517.131(4) but who are not yet~~

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2118 ~~eligible for payment from the fund will be entitled to receive~~
2119 ~~their pro rata shares of the total disbursement once they have~~
2120 ~~complied with subsection (1). However, in the event that the~~
2121 ~~amounts they are eligible to receive pursuant to subsection (1)~~
2122 ~~are less than their pro rata shares as determined under this~~
2123 ~~section, any excess shall be distributed pro rata to those~~
2124 ~~persons entitled to disbursement under this subsection whose pro~~
2125 ~~rata shares of the total disbursement were less than the amounts~~
2126 ~~of their claims.~~

2127 (6)(4) Individual claims filed by persons owning the same
2128 joint account, or claims arising stemming from any other type of
2129 account ~~maintained by a particular licensee~~ on which more than
2130 one name appears, must shall be treated as the claims of one
2131 eligible claimant with respect to payment from the Securities
2132 Guaranty Fund. If a claimant who has obtained a final judgment
2133 or final order of restitution that ~~which~~ qualifies for
2134 disbursement under s. 517.131 has maintained more than one
2135 account with the ~~dealer, investment adviser, or associated~~
2136 person who is the subject of the claims, for purposes of
2137 disbursement of the Securities Guaranty Fund, all such accounts,
2138 whether joint or individual, must shall be considered as one
2139 account and ~~shall~~ entitle such claimant to only one distribution
2140 from the fund ~~not to exceed the lesser of \$10,000 or the~~
2141 ~~unsatisfied portion of such claimant's judgment as provided in~~
2142 ~~subsection (1). To the extent that a claimant obtains more than~~
2143 one final judgment or final order of restitution against a
2144 person ~~dealer, investment adviser, or one or more associated~~
2145 ~~persons~~ arising out of the same transactions, occurrences, or
2146 conduct or out of such ~~the dealer's, investment adviser's, or~~

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2147 ~~associated~~ person's handling of the claimant's account, the
2148 final such judgments or final orders of restitution must shall
2149 be consolidated for purposes of this section and ~~shall~~ entitle
2150 the claimant to only one disbursement from the fund ~~not to~~
2151 ~~exceed the lesser of \$10,000 or the unsatisfied portion of such~~
2152 ~~claimant's judgment as provided in subsection (1).~~

2153 (7)(5) If the final judgment or final order of restitution
2154 that gave rise to the claim is overturned in any appeal or in
2155 any collateral proceeding, the claimant must shall reimburse the
2156 Securities Guaranty Fund all amounts paid from the fund to the
2157 claimant on the claim. If the claimant satisfies the final
2158 judgment or final order of restitution specified in s.
2159 517.131(3)(a), the claimant must shall reimburse the Securities
2160 Guaranty Fund all amounts paid from the fund to the claimant on
2161 the claim. Such reimbursement must shall be paid to the
2162 Department of Financial Services office within 60 days after the
2163 final resolution of the appellate or collateral proceedings or
2164 the satisfaction of the final judgment or order of restitution,
2165 with the 60-day period commencing on the date the final order or
2166 decision is entered in such proceedings.

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

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

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

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

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

2195 ~~(9) Upon receipt by the claimant of the payment from the~~
2196 ~~Securities Guaranty Fund, the claimant shall assign any~~
2197 ~~additional right, title, and interest in the judgment, to the~~
2198 ~~extent of such payment, to the office. If the provisions of s.~~
2199 ~~517.131(3)(c) apply, the claimant must assign to the office any~~
2200 ~~right, title, and interest in the debt to the extent of any~~
2201 ~~payment by the office from the Securities Guaranty Fund.~~

2202 ~~(10) All payments and disbursements made from the~~
2203 ~~Securities Guaranty Fund shall be made by the Chief Financial~~
2204 ~~Officer upon authorization signed by the director of the office,~~

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2205 ~~or such agent as she or he may designate.~~

2206 Section 14. Section 517.191, Florida Statutes, is amended
2207 to read:

2208 517.191 Enforcement by the Office of Financial Regulation
2209 ~~Injunction to restrain violations; civil penalties;~~ enforcement
2210 by Attorney General.—

2211 (1) When it appears to the office, either upon complaint or
2212 otherwise, that a person has engaged or is about to engage in
2213 any act or practice constituting a violation of this chapter or
2214 a rule or order hereunder, the office may investigate; and
2215 whenever it shall believe from evidence satisfactory to it that
2216 any such person has engaged, is engaged, or is about to engage
2217 in any act or practice constituting a violation of this chapter
2218 or a rule or order hereunder, the office may, in addition to any
2219 other remedies, bring action in the name and on behalf of the
2220 state against such person and any other person concerned in or
2221 in any way participating in or about to participate in such
2222 practices or engaging therein or doing any act or acts in
2223 furtherance thereof or in violation of this chapter to enjoin
2224 such person or persons from continuing such fraudulent practices
2225 or engaging therein or doing any act or acts in furtherance
2226 thereof or in violation of this chapter. In any such court
2227 proceedings, the office may apply for, and on due showing be
2228 entitled to have issued, the court's subpoena requiring
2229 forthwith the appearance of any defendant and her or his
2230 employees, associated persons, or agents and the production of
2231 documents, books, and records that may appear necessary for the
2232 hearing of such petition, to testify or give evidence concerning
2233 the acts or conduct or things complained of in such application

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2234 for injunction. In such action, the ~~equity~~ courts shall have
2235 jurisdiction of the subject matter, and a judgment may be
2236 entered awarding such injunction as may be proper.

2237 (2) In addition to all other means provided by law for the
2238 enforcement of any temporary restraining order, temporary
2239 injunction, or permanent injunction issued in any such court
2240 proceedings, the court shall have the power and jurisdiction,
2241 upon application of the office, to impound and to appoint a
2242 receiver or administrator for the property, assets, and business
2243 of the defendant, including, but not limited to, the books,
2244 records, documents, and papers appertaining thereto. Such
2245 receiver or administrator, when appointed and qualified, shall
2246 have all powers and duties as to custody, collection,
2247 administration, winding up, and liquidation of such ~~said~~
2248 property and business as may ~~shall from time to time~~ be
2249 conferred upon her or him by the court. In any such action, the
2250 court may issue orders and decrees staying all pending suits and
2251 enjoining any further suits affecting the receiver's or
2252 administrator's custody or possession of such ~~the said~~ property,
2253 assets, and business or, in its discretion, may with the consent
2254 of the presiding judge of the circuit require that all such
2255 suits be assigned to the circuit court judge appointing such ~~the~~
2256 ~~said~~ receiver or administrator.

2257 (3) In addition to, or in lieu of, any other remedies
2258 provided by this chapter, the office may apply to the court
2259 hearing the ~~this~~ matter for an order directing the defendant to
2260 make restitution of those sums shown by the office to have been
2261 obtained in violation of ~~any of the provisions of~~ this chapter.
2262 The office has standing to request such restitution on behalf of

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2263 victims in cases brought by the office under this chapter,
2264 regardless of the appointment of an administrator or receiver
2265 under subsection (2) or an injunction under subsection (1).
2266 Further, such restitution must ~~shall~~, at the option of the
2267 court, be payable to the administrator or receiver appointed
2268 pursuant to this section or directly to the persons whose assets
2269 were obtained in violation of this chapter.

2270 (4) In addition to any other remedies provided by this
2271 chapter, the office may apply to the court hearing the matter
2272 for, and the court has ~~shall have~~ jurisdiction to impose, a
2273 civil penalty against any person found to have violated ~~any~~
2274 ~~provision of~~ this chapter, any rule or order adopted by the
2275 commission or the office, or any written agreement entered into
2276 with the office in an amount not to exceed any of the following:

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

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

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

2298 (5) For purposes of any action brought by the office under
2299 this section, a control person who controls any person found to
2300 have violated this chapter or any rule adopted thereunder is
2301 jointly and severally liable with, and to the same extent as,
2302 the controlled person in any action brought by the office under
2303 this section unless the control person can establish by a
2304 preponderance of the evidence that he or she acted in good faith
2305 and did not directly or indirectly induce the act that
2306 constitutes the violation or cause of action.

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

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

2318 (8) If the office finds that any conduct described in
2319 subsection (7) presents an immediate danger to the public,
2320 requiring an immediate final order, the office may issue an

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2321 emergency cease and desist order reciting with particularity the
2322 facts underlying such findings. The emergency cease and desist
2323 order is effective immediately upon service of a copy of the
2324 order on the respondent named in the order and remains effective
2325 for 90 days after issuance. If the office begins nonemergency
2326 cease and desist proceedings under subsection (7), the emergency
2327 cease and desist order remains effective until the conclusion of
2328 the proceedings under ss. 120.569 and 120.57.

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

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

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

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2350 517.201, and 517.2015 after receiving written approval from the
2351 office. Such an action may be brought against such person and
2352 any other person in any way participating in such act or
2353 practice or engaging in such act or practice or doing any act in
2354 furtherance of such act or practice, to obtain injunctive
2355 relief, restitution, civil penalties, and any remedies provided
2356 for in this section. The Attorney General may recover any costs
2357 and attorney fees related to the Attorney General's
2358 investigation or enforcement of this section. Notwithstanding
2359 any other provision of law, moneys recovered by the Attorney
2360 General for costs, attorney fees, and civil penalties for a
2361 violation of s. 517.275 or s. 517.301, ~~s. 517.311, or s.~~
2362 ~~517.312,~~ or any rule or order issued pursuant to such sections,
2363 must ~~shall~~ be deposited in the Legal Affairs Revolving Trust
2364 Fund. The Legal Affairs Revolving Trust Fund may be used to
2365 investigate and enforce this section.

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

2374 (13) ~~(7)~~ Notwithstanding s. 95.11(4)(f), an enforcement
2375 action brought under this section based on a violation of ~~any~~
2376 ~~provision of~~ this chapter or any rule or order issued under this
2377 chapter shall be brought within 6 years after the facts giving
2378 rise to the cause of action were discovered or should have been

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2379 discovered with the exercise of due diligence, but not more than
2380 8 years after the date such violation occurred.

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

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

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

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

2393 (1) Every sale made in violation of either s. 517.07 or s.
2394 517.12(1), (3), (4), (8), (10), (12), (15), or (17) may be
2395 rescinded at the election of the purchaser; however, except a
2396 sale made in violation of the provisions of s. 517.1202(3)
2397 relating to a renewal of a branch office notification or shall
2398 not be subject to this section, and a sale made in violation of
2399 the provisions of s. 517.12(12) relating to filing a change of
2400 address amendment is shall not be subject to this section. Each
2401 person making the sale and every director, officer, partner, or
2402 agent of or for the seller, if the director, officer, partner,
2403 or agent has personally participated or aided in making the
2404 sale, is jointly and severally liable to the purchaser in an
2405 action for rescission, if the purchaser still owns the security,
2406 or for damages, if the purchaser has sold the security. No
2407 purchaser otherwise entitled will have the benefit of this

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2408 subsection who has refused or failed, within 30 days after ~~of~~
2409 receipt, to accept an offer made in writing by the seller, if
2410 the purchaser has not sold the security, to take back the
2411 security in question and to refund the full amount paid by the
2412 purchaser or, if the purchaser has sold the security, to pay the
2413 purchaser an amount equal to the difference between the amount
2414 paid for the security and the amount received by the purchaser
2415 on the sale of the security, together, in either case, with
2416 interest on the full amount paid for the security by the
2417 purchaser at the legal rate, pursuant to s. 55.03, for the
2418 period from the date of payment by the purchaser to the date of
2419 repayment, less the amount of any income received by the
2420 purchaser on the security.

2421 (2) Any person purchasing or selling a security in
2422 violation of s. 517.301, and every director, officer, partner,
2423 or agent of or for the purchaser or seller, if the director,
2424 officer, partner, or agent has personally participated or aided
2425 in making the sale or purchase, is jointly and severally liable
2426 to the person selling the security to or purchasing the security
2427 from such person in an action for rescission, if the plaintiff
2428 still owns the security, or for damages, if the plaintiff has
2429 sold the security.

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

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2437 directly or indirectly induce the act that constitutes the
2438 violation or cause of action.

2439 (4) In an action for rescission:

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

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

2449 (5)~~(4)~~ In an action for damages brought by a purchaser of a
2450 security or investment, the plaintiff must ~~shall~~ recover an
2451 amount equal to the difference between:

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

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

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

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

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

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

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

2473 (9) The same civil remedies provided by the laws of the
2474 United States for the purchasers or sellers of securities in
2475 interstate commerce also extend to purchasers or sellers of
2476 securities under this chapter.

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

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

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

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

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

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

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

2492 2. To obtain money or property by means of any untrue
2493 statement of a material fact or any omission to state a material
2494 fact necessary in order to make the statements made, in the

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2495 light of the circumstances under which they were made, not
2496 misleading; or

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

2500 (b) By use of any means, to publish, give publicity to, or
2501 circulate any notice, circular, advertisement, newspaper,
2502 article, letter, investment service, communication, or broadcast
2503 that, although ~~which, though~~ not purporting to offer a security
2504 for sale, describes such security for a consideration received
2505 or to be received directly or indirectly from an issuer,
2506 underwriter, or dealer, or from an agent or employee of an
2507 issuer, underwriter, or dealer, without fully disclosing the
2508 receipt, whether past or prospective, of such consideration and
2509 the amount of the consideration.

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

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

2522 (a) The purchase of a business opportunity, business
2523 enterprise, or real property through a person licensed under

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2524 chapter 475 or registered under former chapter 498; or

2525 (b) The purchase of tangible personal property through a
2526 person not engaged in telephone solicitation, electronic mail,
2527 text messages, social media, or other electronic means where
2528 ~~said property is offered and sold in accordance with the~~
2529 ~~following conditions:~~

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

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

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

2545 (3) It is unlawful for a person in issuing or selling a
2546 security within this state, including a security exempted under
2547 s. 517.051 and including a transaction exempted under s.
2548 517.061, s. 517.0611, or s. 517.0612, to misrepresent that such
2549 security or business entity has been guaranteed, sponsored,
2550 recommended, or approved by the state or an agency or officer of
2551 the state or by the United States or an agency or officer of the
2552 United States.

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

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

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

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

2574 (6) (a) Subsection (3) or subsection (4) may not be
2575 construed to prohibit a statement that a person or security is
2576 registered or has made a notice filing under this chapter if
2577 such statement is required by this chapter or rules promulgated
2578 thereunder and is true in fact and if the effect of such
2579 statement is not a misrepresentation.

2580 (b) A statement that a person is registered made in
2581 connection with the offer or sale of a security under this

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2582 chapter must include the following disclaimer: "Registration
2583 does not imply that such person has been sponsored, recommended,
2584 or approved by the state or an agency or officer of the state or
2585 by the United States or an agency or officer of the United
2586 States."

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

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

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

2600 Section 19. Section 517.311, Florida Statutes, is repealed.

2601 Section 20. Section 517.312, Florida Statutes, is repealed.

2602 Section 21. Subsections (1), (2), and (3) of section
2603 517.072, Florida Statutes, are amended to read:

2604 517.072 Viatical settlement investments.—

2605 (1) The exemptions provided for by s. 517.051(6) and (11)
2606 ss. 517.051(6), (8), and (10) do not apply to a viatical
2607 settlement investment.

2608 (2) The offering of a viatical settlement investment is not
2609 an exempt transaction under s. 517.061(10), (12), (13), and (18)
2610 s. 517.061(2), (3), (8), (11), and (18), regardless of whether

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2611 the offering otherwise complies with the conditions of that
2612 section, unless such offering is to a qualified institutional
2613 buyer.

2614 (3) The registration provisions of ss. 517.07 and 517.12 do
2615 not apply to any of the following transactions in viatical
2616 settlement investments; however, such transactions in viatical
2617 settlement investments are subject to s. 517.301 ~~the provisions~~
2618 ~~of ss. 517.301, 517.311, and 517.312:~~

2619 (a) The transfer or assignment of an interest in a
2620 previously viaticated policy from a natural person who transfers
2621 or assigns no more than one such interest in a single calendar
2622 year.

2623 (b) The provision of stop-loss coverage to a viatical
2624 settlement provider, financing entity, or related provider
2625 trust, as those terms are defined in s. 626.9911, by an
2626 authorized or eligible insurer.

2627 (c) The transfer or assignment of a viaticated policy from
2628 a licensed viatical settlement provider to another licensed
2629 viatical settlement provider, a related provider trust, a
2630 financing entity, or a special purpose entity, as those terms
2631 are defined in s. 626.9911, or to a contingency insurer,
2632 provided that such transfer or assignment is not the direct or
2633 indirect promotion of any scheme or enterprise with the intent
2634 of violating or evading ~~any provision of~~ this chapter.

2635 (d) The transfer or assignment of a viaticated policy to a
2636 bank, trust company, savings institution, insurance company,
2637 dealer, investment company as defined in the Investment Company
2638 Act of 1940, as amended, pension or profit-sharing trust,
2639 qualified institutional buyer, or an accredited investor,

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2640 provided such transfer or assignment is not for the direct or
2641 indirect promotion of any scheme or enterprise with the intent
2642 of violating or evading any provision of this chapter.

2643 (e) The transfer or assignment of a viaticated policy by a
2644 conservator of a viatical settlement provider appointed by a
2645 court of competent jurisdiction who transfers or assigns
2646 ownership of viaticated policies pursuant to that court's order.

2647 Section 22. Subsection (2), paragraph (a) of subsection
2648 (9), paragraph (j) of subsection (16), subsection (20), and
2649 paragraphs (b) and (c) of subsection (21) of section 517.12,
2650 Florida Statutes, are amended to read:

2651 517.12 Registration of dealers, associated persons,
2652 intermediaries, and investment advisers.—

2653 (2) The registration requirements of this section do not
2654 apply in a transaction exempted by s. 517.061(1)-(6), (8), (9),
2655 (12), and (13) ~~s. 517.061(1)-(10), (12), (14), and (15)~~.

2656 (9) (a) An applicant for registration shall pay an
2657 assessment fee of \$200, in the case of a dealer or investment
2658 adviser, or \$50, in the case of an associated person. An
2659 associated person may be assessed an additional fee to cover the
2660 cost for the fingerprints to be processed by the office. Such
2661 fee shall be determined by rule of the commission. Such fees
2662 become the revenue of the state, except for those assessments
2663 provided for under s. 517.131(2) ~~s. 517.131(1)~~ until such time
2664 as the Securities Guaranty Fund satisfies the statutory limits,
2665 and are not returnable in the event that registration is
2666 withdrawn or not granted.

2667 (16)

2668 (j) All fees collected under this subsection become the

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2669 revenue of the state, except those assessments provided for
2670 under s. 517.131(2) ~~s. 517.131(1)~~, until the Securities Guaranty
2671 Fund has satisfied the statutory limits. Such fees are not
2672 returnable if a notice-filing is withdrawn.

2673 (20) The registration requirements of this section do not
2674 apply to any general lines insurance agent or life insurance
2675 agent licensed under chapter 626, with regard to ~~for~~ the sale of
2676 a security as defined in s. 517.021(25)(g) ~~s. 517.021(23)(g)~~, if
2677 the individual is directly authorized by the issuer to offer or
2678 sell the security on behalf of the issuer and the issuer is a
2679 federally chartered savings bank subject to regulation by the
2680 Federal Deposit Insurance Corporation. Actions under this
2681 subsection ~~shall~~ constitute activity under the insurance agent's
2682 license for purposes of ss. 626.611 and 626.621.

2683 (21)

2684 (b) Prior to the completion of any securities transaction
2685 described in s. 517.061(7) ~~s. 517.061(22)~~, a merger and
2686 acquisition broker must receive written assurances from the
2687 control person with the largest percentage of ownership for both
2688 the buyer and seller engaged in the transaction that:

2689 1. After the transaction is completed, any person who
2690 acquires securities or assets of the eligible privately held
2691 company, acting alone or in concert, will be a control person of
2692 the eligible privately held company or will be a control person
2693 for the business conducted with the assets of the eligible
2694 privately held company; and

2695 2. If any person is offered securities in exchange for
2696 securities or assets of the eligible privately held company,
2697 such person will, before becoming legally bound to complete the

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2698 transaction, receive or be given reasonable access to the most
2699 recent year-end financial statements of the issuer of the
2700 securities offered in exchange. The most recent year-end
2701 financial statements shall be customarily prepared by the
2702 issuer's management in the normal course of operations. If the
2703 financial statements of the issuer are audited, reviewed, or
2704 compiled, the most recent year-end financial statements must
2705 include any related statement by the independent certified
2706 public accountant; a balance sheet dated not more than 120 days
2707 before the date of the exchange offer; and information
2708 pertaining to the management, business, results of operations
2709 for the period covered by the foregoing financial statements,
2710 and material loss contingencies of the issuer.

2711 (c) A merger and acquisition broker engaged in a
2712 transaction exempt under s. 517.061(7) ~~s. 517.061(22)~~ is exempt
2713 from registration under this section unless the merger and
2714 acquisition broker:

2715 1. Directly or indirectly, in connection with the transfer
2716 of ownership of an eligible privately held company, receives,
2717 holds, transmits, or has custody of the funds or securities to
2718 be exchanged by the parties to the transaction;

2719 2. Engages on behalf of an issuer in a public offering of
2720 any class of securities which is registered, or which is
2721 required to be registered, with the United States Securities and
2722 Exchange Commission under the Securities Exchange Act of 1934,
2723 15 U.S.C. ss. 78a et seq., or with the office under s. 517.07;
2724 or for which the issuer files, or is required to file, periodic
2725 information, documents, and reports under s. 15(d) of the
2726 Securities Exchange Act of 1934, 15 U.S.C. s. 78o(d);

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2727 3. Engages on behalf of any party in a transaction
2728 involving a public shell company;

2729 4. Is subject to a suspension or revocation of registration
2730 under s. 15(b)(4) of the Securities Exchange Act of 1934, 15
2731 U.S.C. s. 78o(b)(4);

2732 5. Is subject to a statutory disqualification described in
2733 s. 3(a)(39) of the Securities Exchange Act of 1934, 15 U.S.C. s.
2734 78c(a)(39);

2735 6. Is subject to a disqualification under the United States
2736 Securities and Exchange Commission Rule 506(d), 17 C.F.R. s.
2737 230.506(d); or

2738 7. Is subject to a final order described in s. 15(b)(4)(H)
2739 of the Securities Exchange Act of 1934, 15 U.S.C. s.
2740 78o(b)(4)(H).

2741 Section 23. Subsection (6) of section 517.1201, Florida
2742 Statutes, is amended to read:

2743 517.1201 Notice filing requirements for federal covered
2744 advisers.—

2745 (6) All fees collected under this section become the
2746 revenue of the state, except for those assessments provided for
2747 under s. 517.131(2) ~~s. 517.131(1)~~ until such time as the
2748 Securities Guaranty Fund satisfies the statutory limits, and are
2749 not returnable in the event that a notice filing is withdrawn.

2750 Section 24. Subsections (4) and (8) of section 517.1202,
2751 Florida Statutes, are amended to read:

2752 517.1202 Notice-filing requirements for branch offices.—

2753 (4) A branch office notice-filing under this section shall
2754 be summarily suspended by the office if the notice-filer fails
2755 to provide to the office, within 30 days after a written request

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

2768 (8) All fees collected under this section become the
2769 revenue of the state, except for those assessments provided for
2770 under s. 517.131(2) ~~s. 517.131(1)~~ until such time as the
2771 Securities Guaranty Fund satisfies the statutory limits, and are
2772 not returnable in the event that a branch office notice-filing
2773 is withdrawn.

2774 Section 25. Subsection (2) of section 517.302, Florida
2775 Statutes, is amended to read:

2776 517.302 Criminal penalties; alternative fine; Anti-Fraud
2777 Trust Fund; time limitation for criminal prosecution.—

2778 (2) Any person who violates s. 517.301 ~~the provisions of s.~~
2779 ~~517.312(1)~~ by obtaining money or property of an aggregate value
2780 exceeding \$50,000 from five or more persons is guilty of a
2781 felony of the first degree, punishable as provided in s.
2782 775.082, s. 775.083, or s. 775.084.

2783 Section 26. This act shall take effect October 1, 2024.