

1                   A bill to be entitled  
2           An act relating to securities; amending s. 517.021,  
3           F.S.; providing and revising definitions; amending s.  
4           517.061, F.S.; revising the circumstances under which  
5           securities transactions are exempt from registration  
6           requirements; amending s. 517.0612, F.S.; revising the  
7           filing requirements for securities issuers under the  
8           Florida Invest Local Exemption law; amending s.  
9           517.0614, F.S.; revising circumstances under which  
10          securities offers and sales are not subject to  
11          integration with other offerings; amending s.  
12          517.0616, F.S.; revising the registration exemptions  
13          that are available to specified issuers under certain  
14          circumstances; providing applicability of certain  
15          disqualification provisions under a specified  
16          Securities and Exchange Commission rule; amending s.  
17          517.075, F.S.; making a technical change; amending s.  
18          517.081, F.S.; revising the requirements for  
19          securities registration applications; amending s.  
20          517.12, F.S.; revising the list of persons who must  
21          submit fingerprints for live-scan processing for  
22          registration applications; providing fees for  
23          fingerprint processing; providing and revising  
24          definitions; revising the written assurances  
25          requirements that merger and acquisition brokers must

26 receive from certain control persons under specified  
27 circumstances; revising the circumstances under which  
28 merger and acquisition brokers are not exempt from  
29 specified securities registration; amending s.  
30 517.131, F.S.; providing a definition; revising the  
31 circumstances under which a person is eligible for  
32 payment from the Securities Guaranty Fund; revising  
33 the requirements for applications for payment from the  
34 fund; amending s. 517.301, F.S.; specifying a  
35 prohibition against certain misrepresentations in  
36 issuing and selling securities; amending ss. 517.211  
37 and 517.315, F.S.; conforming cross-references;  
38 providing an effective date.

39  
40 Be It Enacted by the Legislature of the State of Florida:

41  
42 **Section 1. Subsections (6) through (9), (10), (11) through**  
43 **(17), (18) through (25), (26), and (27) of section 517.021,**  
44 **Florida Statutes, are renumbered as subsections (7) through**  
45 **(10), (12), (14) through (20), (23) through (30), (32), and**  
46 **(33), respectively, present subsections (11) and (15) are**  
47 **amended, and new subsections (6), (11), (13), (21), (22), and**  
48 **(31) are added to that section, to read:**

49 517.021 Definitions.—When used in this chapter, unless the  
50 context otherwise indicates, the following terms have the

51 following respective meanings:

52 (6) "Branch manager" means a natural person who  
53 administers or supervises the affairs or operations of a branch  
54 office.

55 (11) "Corporation" has the same meaning as "corporation" or  
56 "domestic corporation" in s. 607.01401 or "foreign corporation"  
57 in s. 607.01401.

58 (13) "Director" means a person appointed or elected to sit  
59 on a board that manages the affairs of a corporation or other  
60 organization by electing or exercising control over its  
61 officers.

62 (14)~~(11)~~ "Federal covered adviser" means a person that is  
63 registered or required to be registered under s. 203 of the  
64 Investment Advisers Act of 1940, as amended. The term does not  
65 include any person that is excluded from the definition of  
66 investment adviser under subparagraphs (19) (b) 1.-7. ~~(16) (b) 1.-7.~~  
67 and 9.

68 (18)~~(15)~~ "Intermediary" means a ~~natural~~ person that  
69 ~~residing in this state or a corporation, trust, partnership,~~  
70 ~~limited liability company, association, or other legal entity~~  
71 ~~registered with the Secretary of State to do business in this~~  
72 ~~state, which~~ facilitates through its website the offer or sale  
73 of securities of an issuer with a principal place of business in  
74 this state.

75 (21) "Limited liability company" has the same meaning as

76 "limited liability company" or "foreign limited liability  
77 company," as those terms are defined in s. 605.0102.

78 (22) "Limited liability company manager" or "limited  
79 liability managing member" means a person who is responsible  
80 alone or in concert with others for performing the management  
81 functions of a limited liability company.

82 (31) "Trust" has the same meaning as in s. 731.201.

83 **Section 2. Subsections (7) and (9), paragraph (f) of**  
84 **subsection (11), and subsections (18), (19), and (20) of section**  
85 **517.061, Florida Statutes, are amended to read:**

86 517.061 Exempt transactions.—Except as otherwise provided  
87 in subsection (11), the exemptions provided herein from the  
88 registration requirements of s. 517.07 are self-executing and do  
89 not require any filing with the office before being claimed. Any  
90 person who claims entitlement to an exemption under this section  
91 bears the burden of proving such entitlement in any proceeding  
92 brought under this chapter. The registration provisions of s.  
93 517.07 do not apply to any of the following transactions;  
94 however, such transactions are subject to s. 517.301:

95 (7) The offer or sale of securities, solely in connection  
96 with the transfer of ownership of an eligible privately held  
97 company, through a merger and acquisition broker in accordance  
98 with s. 517.12(22) ~~s. 517.12(21)~~.

99 (9) The offer or sale of securities to:

100 (a) A bank, trust company, savings institution, insurance

101 company, dealer, investment company as defined in the Investment  
102 Company Act of 1940, 15 U.S.C. s. 80a-3, as amended, pension or  
103 profit-sharing trust, or qualified institutional buyer, whether  
104 any of such entities is acting in its individual or fiduciary  
105 capacity.

106 (b) A savings and loan association, building and loan  
107 association, cooperative bank, homestead association, or credit  
108 union, which is supervised and examined by a state or federal  
109 authority having supervision over any such institution.

110 (c) A federal covered adviser, investment adviser  
111 registered pursuant to the laws of a state, exempt reporting  
112 adviser or private fund adviser as those terms are defined in s.  
113 517.12(23)(a)2. and 3., respectively, investment adviser relying  
114 on the exemption from registering with the Securities and  
115 Exchange Commission under s. 203(1) or (m) of the Investment  
116 Advisers Act of 1940, as amended, business development company  
117 as defined in s. 2(a)(48) of the Investment Company Act of 1940,  
118 as amended, or business development company as defined in s.  
119 202(a)(22) of the Investment Advisers Act of 1940, as amended.

120 (d) A small business investment company licensed by the  
121 Small Business Administration under s. 301(c) of the Small  
122 Business Investment Act of 1958, as amended, or rural business  
123 investment company as defined in s. 384A of the Consolidated  
124 Farm and Rural Development Act.

125 (e) A plan established and maintained by a state, a

126 political subdivision thereof, or any agency or instrumentality  
127 of a state or a political subdivision, for the benefit of its  
128 employees, if such plan has total assets in excess of \$5  
129 million, an employee benefit plan within the meaning of the  
130 Employee Retirement Income Security Act of 1974 if the  
131 investment decision is made by a plan fiduciary, as described in  
132 s. 3(21) of such act, which is a bank, savings and loan  
133 association, insurance company, or federal covered adviser, or  
134 if the employee benefit plan has total assets in excess of \$5  
135 million or, if a self-directed plan, with investment decisions  
136 made solely by persons that are accredited investors.

137 (f) An organization described in s. 501(c)(3) of the  
138 Internal Revenue Code, corporation, Massachusetts trust or  
139 similar business trust, partnership, or limited liability  
140 company, not formed for the specific purpose of acquiring the  
141 securities offered, with total assets in excess of \$5 million.

142 (g) A trust, with total assets in excess of \$5 million,  
143 not formed for the specific purpose of acquiring the securities  
144 offered, whose purchase is directed by a sophisticated person as  
145 described in Securities and Exchange Commission Rule  
146 506(b)(2)(ii), 17 C.F.R. s. 230.506(b)(2)(ii), as amended.

147 (h) An entity of a type not listed in paragraphs (a)-(g)  
148 or paragraph (j) which owns investments as defined in Securities  
149 and Exchange Commission Rule 2a51-1(b), 17 C.F.R s. 270.2a51-  
150 1(b), as amended, in excess of \$5 million and is not formed for

151 the specific purpose of acquiring the securities offered.

152 (i) A family office as defined in Securities and Exchange  
153 Commission Rule 202(a)(11)(G)-1 under the Investment Advisers  
154 Act of 1940, 17 C.F.R. s. 275.202(a)(11)(G)-1, as amended,  
155 provided that:

156 1. The family office has assets under management in excess  
157 of \$5 million;

158 2. The family office is not formed for the specific  
159 purpose of acquiring the securities offered; and

160 3. The prospective investment of the family office is  
161 directed by a person who has knowledge and experience in  
162 financial and business matters that the family office is capable  
163 of evaluating the merits and risks of the prospective  
164 investment.

165 (j) An entity in which all of the equity owners are  
166 described in paragraphs (a)-(i).

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

169 (f) The issuer files with the office a notice of  
170 transaction on a form prescribed by commission rule, an  
171 irrevocable written,~~a consent to service of civil process~~  
172 similar to that provided in s. 517.101, and a copy of the  
173 general announcement within 15 days after the first sale is made  
174 in this state. The commission may adopt by rule procedures for  
175 filing documents by electronic means.

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

183 (a) The issuer of the security is actually engaged in  
184 business and is not in the organizational stage or in bankruptcy  
185 or receivership and is not a blank check, blind pool, or shell  
186 company whose primary plan of business is to engage in a merger  
187 or combination of the business with, or an acquisition of, an  
188 unidentified person.

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

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

194 (d) The security is listed in a nationally recognized  
195 securities manual designated by rule of the commission or a  
196 document filed with and publicly viewable through the Securities  
197 and Exchange Commission electronic data gathering and retrieval  
198 system and contains:

199 1. A description of the business and operations of the  
200 issuer.7



201           2. The names of the issuer's officers and directors, if  
202 any, or, in the case of an issuer not domiciled in the United  
203 States, the corporate equivalents of such persons in the  
204 issuer's country of domicile.~~†~~

205           3. An audited balance sheet of the issuer as of a date  
206 within 18 months before such transaction or, in the case of a  
207 reorganization or merger in which parties to the reorganization  
208 or merger had such audited balance sheet, a pro forma balance  
209 sheet.~~†~~ and

210           4. An audited income statement for each of the issuer's  
211 immediately preceding 2 fiscal years, or for the period of  
212 existence of the issuer, if in existence for less than 2 years  
213 or, in the case of a reorganization or merger in which the  
214 parties to the reorganization or merger had such audited income  
215 statement, a pro forma income statement.

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

219           2. The class of security is quoted, offered, purchased, or  
220 sold through an alternative trading system registered under  
221 Securities and Exchange Commission Regulation ATS, 17 C.F.R. s.  
222 242.301, as amended, and the issuer of the security has made  
223 current information publicly available in accordance with  
224 Securities and Exchange Commission Rule 15c2-11, 17 C.F.R. s.  
225 240.15c2-11, as amended;

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

228 4. The issuer of the security has been engaged in  
 229 continuous business, including predecessors, for at least 3  
 230 years; or

231 5. The issuer of the security has total assets of at least  
 232 \$2 million based on an audited balance sheet as of a date within  
 233 18 months before such transaction or, in the case of a  
 234 reorganization or merger in which parties to the reorganization  
 235 or merger had such audited balance sheet, a pro forma balance  
 236 sheet.

237 (19) The offer or sale of any security effected by or  
 238 through a person in compliance with s. 517.12(17) ~~s. 517.12(16)~~.

239 (20) (a) A nonissuer transaction in an outstanding security  
 240 by or through a dealer registered or exempt from registration  
 241 under this chapter, if, at the time of the transaction, all of  
 242 the following conditions are met true:

243 1.(a) The issuer is a reporting issuer in a foreign  
 244 jurisdiction ~~designated by this subsection or by commission~~  
 245 ~~rule~~, and the issuer has been subject to continuous reporting  
 246 requirements in such foreign jurisdiction for not less than 180  
 247 days before the transaction.

248 2.(b) The security is listed on a foreign securities  
 249 exchange or foreign securities market ~~the securities exchange~~  
 250 ~~designated by this subsection or by commission rule~~, is a

251 security of the same issuer which is of senior or substantially  
252 equal rank to the listed security, or is a warrant or right to  
253 purchase or subscribe to any such security.

254 (b) The commission shall consider all of the following in  
255 designating a foreign securities exchange or foreign securities  
256 market for purposes of this subsection:

257 1. Organization under foreign law.

258 2. Association with a generally recognized community of  
259 dealers, financial institutions, or other professional  
260 intermediaries with an established operating history.

261 3. Oversight by a governmental or self-regulatory body.

262 4. Oversight standards set by general law.

263 5. Reporting of securities transactions on a regular basis  
264 to a governmental or self-regulatory body.

265 6. A system for exchange of price quotations through  
266 common communications media.

267 7. An organized clearance and settlement system.

268 8. Listing in Securities and Exchange Commission  
269 Regulation S Rule 902, 17 C.F.R. s. 230.902, as amended.

270  
271 ~~For purposes of this subsection, Canada, together with its~~  
272 ~~provinces and territories, is designated as a foreign~~  
273 ~~jurisdiction, and Toronto Stock Exchange, Inc., is designated as~~  
274 ~~a securities exchange. If, after an administrative hearing in~~  
275 ~~compliance with ss. 120.569 and 120.57, the office finds that~~

276 revocation is necessary or appropriate in furtherance of the  
277 public interest and for the protection of investors, it may  
278 revoke the designation of a foreign securities exchange or  
279 foreign securities market ~~under this subsection.~~

280 **Section 3. Subsection (10) of section 517.0612, Florida**  
281 **Statutes, is amended to read:**

282 517.0612 Florida Invest Local Exemption.—

283 (10) The issuer must file with the office a notice of  
284 transaction on a form prescribed by commission rule, an  
285 irrevocable written consent to service of civil process similar  
286 to that provided in s. 517.101, and a copy of the disclosure  
287 statement described in subsection (8) at least ~~the offering with~~  
288 ~~the office, in writing or in electronic form, in a format~~  
289 ~~prescribed by commission rule, no less than 5 business days~~  
290 ~~before the offering commences, along with the disclosure~~  
291 ~~statement described in subsection (8).~~ If there are any material  
292 changes to the information previously submitted, the issuer  
293 must, within 3 business days after such material change, file an  
294 amended notice.

295 **Section 4. Paragraph (b) of subsection (2) of section**  
296 **517.0614, Florida Statutes, is amended to read:**

297 517.0614 Integration of offerings.—

298 (2) The integration analysis required by subsection (1) is  
299 not required if any of the following nonexclusive safe harbors  
300 apply:

301 (b) Offers and sales made in compliance with any of the  
302 following provisions are not subject to integration with other  
303 offerings:

304 1. Section 517.051 or s. 517.061, except s. 517.061(10) or  
305 (11) ~~s. 517.061(9), (10), or (11)~~.

306 2. Section 517.0611 or s. 517.0612.

307 **Section 5. Section 517.0616, Florida Statutes, is amended**  
308 **to read:**

309 517.0616 Disqualification.—

310 (1) A registration exemption under s. 517.061(11) ~~s.~~  
311 ~~517.061(9), (10), and (11)~~, s. 517.0611, or s. 517.0612 is not  
312 available to an issuer if, at the time the issuer makes an offer  
313 for the sale of a security, the issuer; a predecessor of the  
314 issuer; an affiliated issuer; a director, executive officer, or  
315 other officer of the issuer participating in the offering; a  
316 general partner or managing member of the issuer; a beneficial  
317 owner of 20 percent or more of the issuer's outstanding voting  
318 equity securities, calculated on the basis of voting power; or a  
319 promoter connected with the issuer in any capacity at the time  
320 of such sale ~~that~~ would be disqualified under Securities and  
321 Exchange Commission Rule 506(d), 17 C.F.R. s. 230.506(d), as  
322 amended, at the time the issuer makes an offer for the sale of a  
323 security.

324 (2) The disqualification under Securities and Exchange  
325 Commission Rule 506(d), 17 C.F.R. s. 230.506(d), as amended,

326 does not apply to any other person or entity listed in such  
327 rule.

328 **Section 6. Subsection (2) of section 517.075, Florida**  
329 **Statutes, is amended to read:**

330 517.075 Cuba, prospectus disclosure of doing business  
331 with, required.—

332 (2) Any disclosure required by subsection (1) must  
333 include:

334 (a) The name of such person, affiliate, or government with  
335 which the issuer does business and the nature of that business.+

336 (b) A statement that the information is accurate as of the  
337 date the securities were effective with the ~~United States~~  
338 Securities and Exchange Commission or with the office, whichever  
339 date is later.+ ~~and~~

340 (c) A statement that current information concerning the  
341 issuer's business dealings with the government of Cuba or with  
342 any person or affiliate located in Cuba may be obtained from the  
343 office, which statement must include the address and phone  
344 number of the office.

345 **Section 7. Subsection (5) and paragraph (a) of subsection**  
346 **(9) of section 517.081, Florida Statutes, are amended to read:**

347 517.081 Registration procedure.—

348 (5) ~~All of~~ The following issuers are not eligible to  
349 submit a simplified offering circular:

350 (a) An issuer that is subject to any of the

351 disqualifications described in Securities and Exchange  
352 Commission Rule 262, 17 C.F.R. s. 230.262, as amended, or that  
353 has been or is engaged or is about to engage in an activity that  
354 would be grounds for denial, revocation, or suspension under s.  
355 517.111. For purposes of this paragraph, an issuer includes an  
356 issuer's director, officer, general partner, manager or managing  
357 member, trustee, or a person owning at least 10 percent of the  
358 ownership interests of the issuer; a promoter or selling agent  
359 of the securities to be offered; or any officer, director,  
360 partner, or manager or managing member of such selling agent.

361 (b) An issuer that is a development-stage company that  
362 either has no specific business plan or purpose or has indicated  
363 that its business plan is to merge with an unidentified business  
364 entity or entities.

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

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

371 (9) (a) The office shall record the registration of a  
372 security in the register of securities if, upon examination of  
373 an application, it finds that all of the following requirements  
374 are met:

375 1. The application is complete.

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

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

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

381 ~~5. The enterprise or business of the issuer is not based  
382 upon unsound business principles.~~

383 **Section 8. Subsections (7) through (22) of section 517.12,  
384 Florida Statutes, are renumbered as subsections (8) through  
385 (23), respectively, subsection (6), present subsection (10),  
386 paragraph (b) of present subsection (14), and present  
387 subsections (19), (20), and (21) are amended, and a new  
388 subsection (7) is added to that section, to read:**

389 517.12 Registration of dealers, associated persons,  
390 intermediaries, and investment advisers.—

391 (6) The application must also contain such information as  
392 the commission or office may require about the applicant; any  
393 member, principal, or director of the applicant or any person  
394 having a similar status or performing similar functions; any  
395 person directly or indirectly controlling the applicant; or any  
396 employee of a dealer or of an investment adviser rendering  
397 investment advisory services. ~~Each applicant and any direct  
398 owners, principals, or indirect owners that are required to be  
399 reported on Form BD or Form ADV pursuant to subsection (14)  
400 shall submit fingerprints for live scan processing in accordance~~



401 ~~with rules adopted by the commission. The fingerprints may be~~  
402 ~~submitted through a third party vendor authorized by the~~  
403 ~~Department of Law Enforcement to provide live-scan~~  
404 ~~fingerprinting. The costs of fingerprint processing shall be~~  
405 ~~borne by the person subject to the background check. The~~  
406 ~~Department of Law Enforcement shall conduct a state criminal~~  
407 ~~history background check, and a federal criminal history~~  
408 ~~background check must be conducted through the Federal Bureau of~~  
409 ~~Investigation. The office shall review the results of the state~~  
410 ~~and federal criminal history background checks and determine~~  
411 ~~whether the applicant meets licensure requirements. The~~  
412 ~~commission may waive, by rule, the requirement that applicants,~~  
413 ~~including any direct owners, principals, or indirect owners that~~  
414 ~~are required to be reported on Form BD or Form ADV pursuant to~~  
415 ~~subsection (14), submit fingerprints or the requirement that~~  
416 ~~such fingerprints be processed by the Department of Law~~  
417 ~~Enforcement or the Federal Bureau of Investigation. The~~  
418 ~~commission or office may require information about any such~~  
419 ~~applicant or person concerning such matters as:~~

420 (a) The applicant's or person's full name, and any other  
421 names by which the applicant or person may have been known, and  
422 the applicant's or person's age, social security number,  
423 photograph, qualifications, and educational and business  
424 history.

425 (b) Any injunction or administrative order by a state or

426 federal agency, national securities exchange, or national  
427 securities association involving a security or any aspect of a  
428 dealer's or investment adviser's regulated business and any  
429 injunction or administrative order by a state or federal agency  
430 regulating banking, insurance, finance, or small loan companies,  
431 real estate, mortgage brokers, or other related or similar  
432 industries, which injunctions or administrative orders relate to  
433 such person.

434 (c) The applicant's or person's conviction of, or plea of  
435 nolo contendere to, a criminal offense or the applicant's or  
436 person's commission of any acts which would be grounds for  
437 refusal of an application under s. 517.161.

438 (d) The names and addresses of other persons of whom the  
439 office may inquire as to the applicant's or person's character,  
440 reputation, and financial responsibility.

441 (7)(a)1. The following persons must submit a full set of  
442 fingerprints to the Department of Law Enforcement or to a  
443 vendor, entity, or agency authorized under s. 943.053(13) for  
444 live-scan processing in accordance with rules adopted by the  
445 commission.

446 a. A natural person filing with the office an application  
447 for registration as an associated person.

448 b. A natural person who holds the title of president,  
449 treasurer, chief executive officer, chief financial officer,  
450 chief operations officer, chief legal officer, or chief

451 compliance officer for a dealer or investment adviser applicant.

452 c. A natural person who is a director of a dealer or  
453 investment adviser applicant.

454 d. A natural person who is a trustee of a trust that owns  
455 5 percent or more of a class of a voting security of a dealer or  
456 investment adviser applicant, or that has the right to receive  
457 upon dissolution, or has contributed, 5 percent or more of the  
458 capital of a dealer or investment adviser applicant.

459 e. A natural person who is a direct owner of a dealer or  
460 investment adviser applicant.

461 f. Each natural person who is a shareholder of a  
462 corporation that is a direct owner of a dealer or investment  
463 adviser applicant who beneficially owns, has the right to vote,  
464 or has the power to sell or direct the sale of, 25 percent or  
465 more of a class of a voting security of such corporation. For  
466 purposes of this sub-subparagraph, a shareholder beneficially  
467 owns any securities:

468 (I) Owned by the shareholder's child, stepchild,  
469 grandchild, parent, stepparent, grandparent, spouse, sibling,  
470 mother-in-law, father-in-law, son-in-law, daughter-in-law,  
471 brother-in-law, or sister-in-law sharing the same residence; or

472 (II) That the shareholder has the right to acquire, within  
473 60 days, through the exercise of any option, warrant, or right  
474 to purchase the securities.

475 g. Each natural person who is a general partner of, and

476 each natural person who is a limited partner or special partner  
477 of, a partnership that is a direct owner of a dealer or  
478 investment adviser applicant who has the right to receive upon  
479 dissolution, or has contributed, 25 percent or more of such  
480 partnership's capital.

481 h. Each natural person who is a member of a limited  
482 liability company that is a direct owner of a dealer or  
483 investment adviser applicant who has the right to receive upon  
484 dissolution, or has contributed, 25 percent or more of such  
485 limited liability company's capital, and, if such limited  
486 liability company is managed by elected managers, each elected  
487 manager.

488 2. For purposes of this paragraph, the term "direct owner"  
489 means:

490 a. A shareholder who owns 5 percent or more of a class of  
491 voting securities of a dealer or investment adviser applicant,  
492 and includes any person who owns, beneficially owns, has the  
493 right to vote, or has the power to sell or direct the sale of, 5  
494 percent or more of a class of a voting security of the dealer or  
495 investment adviser applicant. For purposes of this sub-  
496 paragraph, a person beneficially owns any securities:

497 (I) Owned by the shareholder's child, stepchild,  
498 grandchild, parent, stepparent, grandparent, spouse, sibling,  
499 mother-in-law, father-in-law, son-in-law, daughter-in-law,  
500 brother-in-law, or sister-in-law sharing the same residence; or

501 (II) That the shareholder has the right to acquire, within  
502 60 days, through the exercise of any option, warrant, or right  
503 to purchase the securities.

504 b. Each general partner and each limited partner or  
505 special partner of a dealer or investment adviser applicant who  
506 has the right to receive upon dissolution, or has contributed, 5  
507 percent or more of the capital of a dealer or investment adviser  
508 applicant.

509 c. A member who has the right to receive upon dissolution,  
510 or has contributed, 5 percent or more of the capital of a dealer  
511 or investment adviser applicant, and all elected managers of a  
512 dealer or investment adviser applicant.

513 (b) A vendor, entity, or agency authorized under s.  
514 943.053(13) to submit fingerprints electronically to the  
515 Department of Law Enforcement shall submit the fingerprints to  
516 the department for state processing, and the department shall  
517 forward the fingerprints to the Federal Bureau of Investigation  
518 for national processing.

519 (c) Fees for state and federal fingerprint processing  
520 shall be borne by the person subject to the criminal history  
521 record check. The state cost for fingerprint processing shall be  
522 as provided in s. 943.053(3) (e).

523 (d) The office shall review the results of the state and  
524 federal criminal history record checks and determine whether the  
525 applicant is disqualified from registration. The commission may

526 waive by rule the requirement that the persons listed in this  
527 subsection submit fingerprints or the requirement that such  
528 fingerprints be processed by the Department of Law Enforcement  
529 or the Federal Bureau of Investigation.

530 (11) (a) ~~(10) (a)~~ If the office finds that the applicant has  
531 complied with the applicable registration provisions of this  
532 chapter and the rules made pursuant hereto, it shall register  
533 the applicant unless the applicant is otherwise disqualified for  
534 registration pursuant to law. The registration of each dealer,  
535 investment adviser, and associated person expires on December 31  
536 of the year the registration became effective unless the  
537 registrant has renewed its registration on or before that date.  
538 Registration may be renewed by furnishing such information as  
539 the commission may require, together with payment of the fee  
540 required in paragraph (10) (a) ~~(9) (a)~~ for dealers, investment  
541 advisers, or associated persons and the payment of any amount  
542 lawfully due and owing to the office pursuant to any order of  
543 the office or pursuant to any agreement with the office. Any  
544 dealer, investment adviser, or associated person who has not  
545 renewed a registration by the time the current registration  
546 expires may request reinstatement of such registration by filing  
547 with the office, on or before January 31 of the year following  
548 the year of expiration, such information as may be required by  
549 the commission, together with payment of the fee required in  
550 paragraph (10) (a) ~~(9) (a)~~ for dealers, investment advisers, or

551 associated persons and a late fee equal to the amount of such  
552 fee. Any reinstatement of registration granted by the office  
553 during the month of January shall be deemed effective  
554 retroactive to January 1 of that year.

555 (b) The office shall waive the \$50 assessment fee for an  
556 associated person required by paragraph (10)(a) ~~(9)(a)~~ for a  
557 registrant renewing his or her registration who:

558 1. Is an active duty member of the United States Armed  
559 Forces or the spouse of such member;

560 2. Is or was a member of the United States Armed Forces  
561 and served on active duty within the 2 years preceding the  
562 expiration date of the registration pursuant to paragraph (a).  
563 To qualify for the fee waiver, a registrant who is a former  
564 member of the United States Armed Forces who served on active  
565 duty within the 2 years preceding the expiration date of the  
566 registration must have received an honorable discharge upon  
567 separation or discharge from the United States Armed Forces; or

568 3. Is the surviving spouse of a member of the United  
569 States Armed Forces if the member was serving on active duty at  
570 the time of death and died within the 2 years preceding the  
571 surviving spouse's registration expiration date pursuant to  
572 paragraph (a).

573

574 A registrant seeking such fee waiver must submit proof, in a  
575 form prescribed by commission rule, that the registrant meets

576 one of the qualifications in this paragraph.

577 (15) ~~(14)~~

578 (b) In lieu of filing with the office the applications  
579 specified in subsection (5), the fees required by subsection  
580 (10) ~~(9)~~, the renewals required by subsection (11) ~~(10)~~, and the  
581 termination notices required by subsection (12) ~~(11)~~, the  
582 commission may by rule establish procedures for the deposit of  
583 such fees and documents with the Central Registration Depository  
584 or the Investment Adviser Registration Depository of the  
585 Financial Industry Regulatory Authority, as developed under  
586 contract with the North American Securities Administrators  
587 Association, Inc.

588 (20) ~~(19)~~ An intermediary may not engage in business in  
589 this state unless the intermediary is registered as a dealer or  
590 as an intermediary with the office pursuant to this section to  
591 facilitate the offer or sale of securities in accordance with s.  
592 517.0611. An intermediary, in order to obtain registration, must  
593 file with the office a written application on a form prescribed  
594 by commission rule and pay a registration fee of \$200. The fees  
595 under this subsection shall be deposited into the Regulatory  
596 Trust Fund of the office. The commission may establish by rule  
597 procedures for depositing fees and filing documents by  
598 electronic means if such procedures provide the office with the  
599 information and data required by this section. Each intermediary  
600 must also file an irrevocable written consent to service of



601 civil process, as provided in s. 517.101.

602 (a) The application must contain such information as the  
603 commission or office may require concerning:

604 1. The name of the applicant and address of its principal  
605 office and each office in this state.

606 2. The applicant's form and place of organization; and, if  
607 the applicant is:

608 a. A corporation, a copy of its articles of incorporation  
609 and amendments to the articles of incorporation;

610 b. A limited liability company, a copy of its articles of  
611 organization and amendments to the articles and a copy of the  
612 company's operating agreement as may be amended; or

613 c. A partnership, a copy of the partnership agreement.

614 3. The website address where securities of the issuer will  
615 be offered.

616 4. Contact information.

617 (b) The application must also contain such information as  
618 the commission may require by rule about the applicant; any  
619 member, principal, or director of the applicant or any person  
620 having a similar status or performing similar functions; or any  
621 persons directly or indirectly controlling the applicant. ~~Each~~  
622 ~~applicant and any direct owners, principals, or indirect owners~~  
623 ~~that are required to be reported on a form adopted by commission~~  
624 ~~rule shall submit fingerprints for live-scan processing in~~  
625 ~~accordance with rules adopted by the commission. The~~

626 ~~fingerprints may be submitted through a third party vendor~~  
627 ~~authorized by the Department of Law Enforcement to provide live-~~  
628 ~~scan fingerprinting. The costs of fingerprint processing shall~~  
629 ~~be borne by the person subject to the background check. The~~  
630 ~~Department of Law Enforcement shall conduct a state criminal~~  
631 ~~history background check, and a federal criminal history~~  
632 ~~background check must be conducted through the Federal Bureau of~~  
633 ~~Investigation. The office shall review the results of the state~~  
634 ~~and federal criminal history background checks and determine~~  
635 ~~whether the applicant meets registration requirements. The~~  
636 ~~commission may waive, by rule, the requirement that applicants,~~  
637 ~~including any direct owners, principals, or indirect owners,~~  
638 ~~which are required to be reported on a form adopted by~~  
639 ~~commission rule, submit fingerprints or the requirement that~~  
640 ~~such fingerprints be processed by the Department of Law~~  
641 ~~Enforcement or the Federal Bureau of Investigation. The~~  
642 ~~commission, by rule, or the office may require information about~~  
643 ~~any applicant or person, including:~~

644       1. The applicant's or person's full name and any other  
645 names by which the applicant or person may have been known and  
646 the applicant's or person's age, social security number,  
647 photograph, qualifications, and educational and business  
648 history.

649       2. Any injunction or administrative order by a state or  
650 federal agency, national securities exchange, or national

651 securities association involving a security or any aspect of an  
652 intermediary's regulated business and any injunction or  
653 administrative order by a state or federal agency regulating  
654 banking, insurance, finance, real estate, mortgage brokers, or  
655 other related or similar industries, which relate to such  
656 person.

657 3. The applicant's or person's conviction of, or plea of  
658 nolo contendere to, a criminal offense or the applicant's or  
659 person's commission of any acts that would be grounds for  
660 refusal of an application under s. 517.161.

661 (c)1. The following natural persons must submit a full set  
662 of fingerprints to the Department of Law Enforcement or to a  
663 vendor, entity, or agency authorized under s. 943.053(13) for  
664 live-scan processing in accordance with rules adopted by the  
665 commission:

666 a. A person filing with the office an application for  
667 registration as an intermediary.

668 b. A person who holds the title of president, treasurer,  
669 chief executive officer, chief financial officer, chief  
670 operations officer, chief legal officer, or chief compliance  
671 officer for an intermediary applicant.

672 c. A person who is a member of the intermediary  
673 applicant's board of directors.

674 d. A person who is a trustee of a trust that owns 5  
675 percent or more of a class of a voting security of the

676 intermediary applicant, or that has the right to receive upon  
677 dissolution or has contributed 5 percent or more of the  
678 intermediary applicant's capital.

679 e. A person who is a direct owner of an intermediary  
680 applicant.

681 f. Each person who is a shareholder of a corporation that  
682 is a direct owner of an intermediary applicant who beneficially  
683 owns, has the right to vote, or has the power to sell or direct  
684 the sale of, 25 percent or more of a class of a voting security  
685 of such corporation. For purposes of this sub-subparagraph, a  
686 shareholder beneficially owns any securities:

687 (I) Owned by the shareholder's child, stepchild,  
688 grandchild, parent, stepparent, grandparent, spouse, sibling,  
689 mother-in-law, father-in-law, son-in-law, daughter-in-law,  
690 brother-in-law, or sister-in-law sharing the same residence; or

691 (II) That the shareholder has the right to acquire, within  
692 60 days, through the exercise of any option, warrant, or right  
693 to purchase the securities.

694 g. Each person who is a general partner and each natural  
695 person who is a limited partner or special partner of a  
696 partnership that is a direct owner of an intermediary applicant  
697 who has the right to receive upon dissolution, or have  
698 contributed, 25 percent or more of such partnership's capital.

699 h. Each person who is a member of a limited liability  
700 company that is a direct owner of an intermediary applicant who

701 has the right to receive upon dissolution, or has contributed,  
702 25 percent or more of such limited liability company's capital,  
703 and, if such limited liability company is managed by elected  
704 managers, each elected manager.

705 2. For purposes of this paragraph, the term "direct owner"  
706 means:

707 a. A shareholder who owns 5 percent or more of a class of  
708 voting securities of an intermediary applicant, and includes any  
709 person who owns, beneficially owns, has the right to vote, or  
710 has the power to sell or direct the sale of, 5 percent or more  
711 of a class of a voting security of the intermediary applicant.  
712 For purposes of this sub-sub-subparagraph, a person beneficially  
713 owns any securities:

714 (I) Owned by the shareholder's child, stepchild,  
715 grandchild, parent, stepparent, grandparent, spouse, sibling,  
716 mother-in-law, father-in-law, son-in-law, daughter-in-law,  
717 brother-in-law, or sister-in-law sharing the same residence; or

718 (II) That the shareholder has the right to acquire, within  
719 60 days, through the exercise of any option, warrant, or right  
720 to purchase the securities.

721 b. Each general partner and each limited partner or  
722 special partner of an intermediary applicant who has the right  
723 to receive upon dissolution, or has contributed, 5 percent or  
724 more of the intermediary applicant's capital.

725 c. A member who has the right to receive upon dissolution,

726 or has contributed, 5 percent or more of the intermediary  
727 applicant's capital, and, if managed by elected managers, each  
728 elected manager.

729 (d) The vendor, entity, or agency authorized under s.  
730 943.053(13) to submit fingerprints electronically to the  
731 Department of Law Enforcement shall submit the fingerprints to  
732 the department for state processing, and the department shall  
733 forward the fingerprints to the Federal Bureau of Investigation  
734 for national processing.

735 (e) Fees for state and federal fingerprint processing  
736 shall be borne by the person subject to the criminal history  
737 record check. The state cost for fingerprint processing shall be  
738 as provided in s. 943.053(3) (e).

739 (f) The office shall review the results of the state and  
740 federal criminal history record checks and determine whether the  
741 applicant is disqualified from registration. The commission may  
742 waive by rule the requirement that applicants, including any  
743 persons listed in sub-subparagraphs (c)1.b.-g., submit  
744 fingerprints or the requirement that such fingerprints be  
745 processed by the Department of Law Enforcement or the Federal  
746 Bureau of Investigation.

747 (g) ~~(e)~~ The application must be amended within 30 days if  
748 any information contained in the form becomes inaccurate for any  
749 reason.

750 (h) ~~(d)~~ An intermediary or persons affiliated with the

751 intermediary are not subject to any disqualification described  
752 in s. 517.1611 or Securities and Exchange Commission Rule  
753 506(d), 17 C.F.R. 230.506(d), adopted pursuant to the Securities  
754 Act of 1933, as amended. Each director, officer, manager or  
755 managing member, control person of the issuer, any person  
756 occupying a similar status or performing a similar function, and  
757 each person holding more than 20 percent of the ownership  
758 interests of the intermediary is subject to this requirement.

759 (i)~~(e)~~ If the office finds that the applicant has complied  
760 with the applicable registration provisions of this chapter and  
761 the rules adopted thereunder, it shall register the applicant.  
762 The registration of each intermediary expires on December 31 of  
763 the year the registration became effective unless the registrant  
764 renews his or her registration on or before that date.  
765 Registration may be renewed by furnishing such information as  
766 the commission may require by rule, together with payment of a  
767 \$200 fee and the payment of any amount due to the office  
768 pursuant to any order of the office or pursuant to any agreement  
769 with the office. An intermediary who has not renewed a  
770 registration by the time that the current registration expires  
771 may request reinstatement of such registration by filing with  
772 the office, on or before January 31 of the year following the  
773 year of expiration, such information as required by the  
774 commission, together with payment of the \$200 fee and a late fee  
775 of \$200. Any reinstatement of registration granted by the office

776 during the month of January is deemed effective retroactive to  
 777 January 1 of that year.

778 (21) (20) The registration requirements of this section do  
 779 not apply to any general lines insurance agent or life insurance  
 780 agent licensed under chapter 626, with regard to the sale of a  
 781 security as defined in s. 517.021(30)(g) ~~s. 517.021(25)(g)~~, if  
 782 the individual is directly authorized by the issuer to offer or  
 783 sell the security on behalf of the issuer and the issuer is a  
 784 federally chartered savings bank subject to regulation by the  
 785 Federal Deposit Insurance Corporation. Actions under this  
 786 subsection constitute activity under the insurance agent's  
 787 license for purposes of ss. 626.611 and 626.621.

788 (22) (a) ~~(21) (a)~~ As used in this subsection, the term:

789 1. "Broker" has the same meaning as "dealer" as defined in  
 790 s. 517.021.

791 2. "Business combination related shell company" means a  
 792 shell company that is formed by an entity that is not a shell  
 793 company solely for the purpose of:

794 a. Changing the corporate domicile of the entity solely  
 795 within the United States; or

796 b. Completing a business combination transaction, as  
 797 defined in 17 C.F.R. s. 230.165(f), among one or more entities  
 798 other than the company itself, none of which is a shell company.

799 3.2. "Control person" means a person ~~an individual or~~  
 800 ~~entity~~ that possesses the power, directly or indirectly, to



801 direct the management or policies of a company through ownership  
802 of securities, by contract, or otherwise. A person is presumed  
803 to be a control person of a company if, upon completion of a  
804 transaction, the buyer or group of buyers ~~with respect to a~~  
805 ~~particular company, the person:~~

806 ~~a. Is a director, a general partner, a member, or a~~  
807 ~~manager of a limited liability company, or is an officer who~~  
808 ~~exercises executive responsibility or has a similar status or~~  
809 ~~function;~~

810 ~~a.b.~~ Has the power to vote 25 ~~20~~ percent or more of a  
811 class of voting securities or has the power to sell or direct  
812 the sale of 25 ~~20~~ percent or more of a class of voting  
813 securities; or

814 ~~b.c.~~ In the case of a partnership or limited liability  
815 company, may receive upon dissolution, or has contributed, 25 ~~20~~  
816 percent or more of the capital.

817 ~~4.3.~~ "Eligible privately held company" means a privately  
818 held company that meets all of the following conditions:

819 a. The company does not have any class of securities which  
820 is registered, or which is required to be registered, with the  
821 ~~United States~~ Securities and Exchange Commission under the  
822 Securities Exchange Act of 1934, 15 U.S.C. ss. 78a et seq., as  
823 amended, or with the office under s. 517.07, or for which the  
824 company files, or is required to file, summary and periodic  
825 information, documents, and reports under s. 15(d) of the

826 Securities Exchange Act of 1934, 15 U.S.C. s. 78o(d), as  
827 amended.

828 b. In the fiscal year immediately preceding the fiscal  
829 year during which the merger and acquisition broker begins to  
830 provide services for the securities transaction, the company, in  
831 accordance with its historical financial accounting records, has  
832 earnings before interest, taxes, depreciation, and amortization  
833 of less than \$25 million or has gross revenues of less than \$250  
834 million. On July 1, 2021, and every 5 years thereafter, each  
835 dollar amount in this sub-subparagraph shall be adjusted by  
836 dividing the annual value of the Employment Cost Index for wages  
837 and salaries for private industry workers, or any successor  
838 index, as published by the Bureau of Labor Statistics, for the  
839 calendar year preceding the calendar year in which the  
840 adjustment is being made, by the annual value of such index or  
841 successor index for the calendar year ending December 31, 2020  
842 ~~2012~~, and multiplying such dollar amount by the quotient  
843 obtained. Each dollar amount determined under this sub-  
844 subparagraph shall be rounded to the nearest multiple of  
845 \$100,000. The commission may by rule modify the dollar figures  
846 if the commission determines that such a modification is  
847 necessary or appropriate in the public interest or for the  
848 protection of investors.

849 5.4. "Merger and acquisition broker" means a ~~any~~ broker  
850 and any person associated with a broker engaged in the business

851 of effecting securities transactions solely in connection with  
852 the transfer of ownership of an eligible privately held company,  
853 regardless of whether the ~~that~~ broker acts on behalf of a seller  
854 or buyer, through the purchase, sale, exchange, issuance,  
855 repurchase, or redemption of, or a business combination  
856 involving, securities or assets of the eligible privately held  
857 company.

858 ~~6.5.~~ "Public Shell company" means a company that at the  
859 time of a transaction with an eligible privately held company:

860 ~~a. Has any class of securities which is registered, or~~  
861 ~~which is required to be registered, with the United States~~  
862 ~~Securities and Exchange Commission under the Securities Exchange~~  
863 ~~Act of 1934, 15 U.S.C. ss. 78a et seq., or with the office under~~  
864 ~~s. 517.07, or for which the company files, or is required to~~  
865 ~~file, summary and periodic information, documents, and reports~~  
866 ~~under s. 15(d) of the Securities Exchange Act of 1934, 15 U.S.C.~~  
867 ~~s. 78o(d);~~

868 ~~a.b.~~ Has nominal or no operations. ; ~~and~~

869 ~~b.e.~~ Has nominal assets or no assets, assets consisting  
870 solely of cash and cash equivalents, or assets consisting of any  
871 amount of cash and cash equivalents and nominal other assets.

872 (b) Prior to the completion of any securities transaction  
873 described in s. 517.061(7), a merger and acquisition broker must  
874 receive written assurances from the control person with the  
875 largest percentage of ownership for both the buyer and seller

876 engaged in the transaction that:

877 1. After the transaction is completed, any person who  
878 acquires securities or assets of the eligible privately held  
879 company, acting alone or in concert, will be a control person of  
880 the eligible privately held company or will be a control person  
881 for the business conducted with the assets of the eligible  
882 privately held company. ~~;~~ and

883 2. After the transaction is completed, any person who  
884 acquires securities or assets of the eligible privately held  
885 company, acting alone or in concert, will be active in the  
886 management of the eligible privately held company or the  
887 business conducted with the assets of the eligible privately  
888 held company, and active in the management of the assets of the  
889 eligible privately held company, by engaging in acts and  
890 activities that include, but are not limited to, the following:

891 a. Electing executive officers.

892 b. Approving the annual budget.

893 c. Serving as an executive or other executive manager.

894 d. Carrying out such other activities as the commission  
895 may by rule determine to be in the public interest.

896 ~~3.2.~~ If any person is offered securities in exchange for  
897 securities or assets of the eligible privately held company,  
898 such person will, before becoming legally bound to complete the  
899 transaction, receive or be given reasonable access to the most  
900 recent year-end financial statements of the issuer of the

901 securities offered in exchange. The most recent year-end  
902 financial statements shall be customarily prepared by the  
903 issuer's management in the normal course of operations. If the  
904 financial statements of the issuer are audited, reviewed, or  
905 compiled, the most recent year-end financial statements must  
906 include any related statement by the independent certified  
907 public accountant; a balance sheet dated not more than 120 days  
908 before the date of the exchange offer; and information  
909 pertaining to the management, business, results of operations  
910 for the period covered by the foregoing financial statements,  
911 and material loss contingencies of the issuer.

912 (c) A merger and acquisition broker engaged in a  
913 transaction exempt under s. 517.061(7) is exempt from  
914 registration under this section unless the merger and  
915 acquisition broker:

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

920 2. Engages on behalf of an issuer in a public offering of  
921 any class of securities which is registered, or which is  
922 required to be registered, with the ~~United States~~ Securities and  
923 Exchange Commission under the Securities Exchange Act of 1934,  
924 15 U.S.C. ss. 78a et seq., as amended, or with the office under  
925 s. 517.07; or for which the issuer files, or is required to

926 file, periodic information, documents, and reports under s.  
927 15(d) of the Securities Exchange Act of 1934, 15 U.S.C. s.  
928 78o(d), as amended;

929 3. Engages on behalf of any party in a transaction  
930 involving a ~~public~~ shell company, other than a business  
931 combination related shell company;

932 4. Directly, or indirectly through any of its affiliates,  
933 provides financing related to the transfer of ownership of an  
934 eligible privately held company;

935 5. Assists any party to obtain financing from an  
936 unaffiliated third party without:

937 a. Complying with all other applicable laws in connection  
938 with such assistance, including, if applicable, Regulation T  
939 under 12 C.F.R. ss. 220 et seq., as amended; and

940 b. Disclosing any compensation in writing to the party;

941 6. Represents both the buyer and the seller in the same  
942 transaction without providing clear written disclosure as to the  
943 parties the broker represents and obtaining written consent from  
944 both parties to the joint representation;

945 7. Facilitates a transaction with a group of buyers formed  
946 with the assistance of the Merger and Acquisition Broker to  
947 acquire the eligible privately held company;

948 8. Engages in a transaction involving the transfer of  
949 ownership of an eligible privately held company to a passive  
950 buyer or group of passive buyers;

951 9. Binds a party to a transfer of ownership of an eligible  
 952 privately held company; or

953 10. Is subject to, or an officer, director, member,  
 954 manager, partner, or employee of the broker is subject to, the  
 955 following disciplinary actions:

956 a. Has been barred from association with a broker or  
 957 dealer by the Securities and Exchange Commission, any state, or  
 958 any self-regulatory organization; or

959 b. Is suspended from association with a broker or dealer.

960 ~~4. Is subject to a suspension or revocation of~~  
 961 ~~registration under s. 15(b)(4) of the Securities Exchange Act of~~  
 962 ~~1934, 15 U.S.C. s. 78o(b)(4);~~

963 ~~5. Is subject to a statutory disqualification described in~~  
 964 ~~s. 3(a)(39) of the Securities Exchange Act of 1934, 15 U.S.C. s.~~  
 965 ~~78e(a)(39);~~

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

969 ~~7. Is subject to a final order described in s. 15(b)(4)(H)~~  
 970 ~~of the Securities Exchange Act of 1934, 15 U.S.C. s.~~  
 971 ~~78o(b)(4)(H).~~

972 **Section 9. Subsection (1), paragraph (a) of subsection**  
 973 **(2), and subsections (3) and (5) of section 517.131, Florida**  
 974 **Statutes, are amended to read:**

975 517.131 Securities Guaranty Fund.—

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

977 (a) "Final judgment" includes an arbitration award  
978 confirmed by a court of competent jurisdiction.

979 (b) "Restitution order" means a court order awarding a  
980 specified monetary amount to a named aggrieved person for a  
981 violation of s. 517.07 or s. 517.301 to be paid by a named  
982 violator.

983 (2) (a) The Chief Financial Officer shall establish a  
984 Securities Guaranty Fund to provide monetary relief to victims  
985 of securities violations under this chapter who are entitled to  
986 monetary damages or restitution and cannot recover the full  
987 amount of such monetary damages or restitution from the  
988 wrongdoer. An amount not exceeding 20 percent of all revenues  
989 received as assessment fees pursuant to s. 517.12(10) and (11)  
990 ~~s. 517.12(9) and (10)~~ for dealers and investment advisers or s.  
991 517.1201 for federal covered advisers and an amount not  
992 exceeding 10 percent of all revenues received as assessment fees  
993 pursuant to s. 517.12(10) and (11) ~~s. 517.12(9) and (10)~~ for  
994 associated persons must be part of the regular registration  
995 license fee and must be transferred to or deposited in the  
996 Securities Guaranty Fund.

997 (3) A person is eligible for payment from the Securities  
998 Guaranty Fund if the person:

999 (a)1. Is a judgment creditor in ~~Holds~~ an unsatisfied final  
1000 judgment or a named beneficiary or victim in an unsatisfied



1001 restitution order entered on or after October 1, 2024, in which  
1002 a wrongdoer was found to have violated s. 517.07 or s. 517.301;  
1003 2. Has applied any amount recovered from the judgment  
1004 debtor, a person ordered to pay restitution, or any other source  
1005 to the damages awarded in a final judgment or restitution order  
1006 ~~by the court or arbitrator;~~ and  
1007 3. Is a natural person who was a resident of this state,  
1008 or is a business entity that was domiciled in this state, at the  
1009 time of the violation of s. 517.07 or s. 517.301; or  
1010 (b) Is a receiver appointed pursuant to s. 517.191(2) by a  
1011 court of competent jurisdiction for a wrongdoer ordered to pay  
1012 restitution under s. 517.191(3) as a result of a violation of s.  
1013 517.07 or s. 517.301 which has requested payment from the  
1014 Securities Guaranty Fund on behalf of a person eligible for  
1015 payment under paragraph (a).  
1016  
1017 If a person holds an unsatisfied final judgment or restitution  
1018 order entered before October 1, 2024, in which a wrongdoer was  
1019 found to have violated s. 517.07 or s. 517.301, such person's  
1020 claim for payment from the Securities Guaranty Fund shall be  
1021 governed by the terms of this section and s. 517.141 which were  
1022 effective on the date of such final judgment or restitution  
1023 order.  
1024 (5) An eligible person, or a receiver on behalf of the  
1025 eligible person, seeking payment from the Securities Guaranty

1026 Fund must file with the office a written application on a form  
1027 that the commission may prescribe by rule. The commission may  
1028 adopt by rule procedures for filing documents by electronic  
1029 means, provided that such procedures provide the office with the  
1030 information and data required by this section. The application  
1031 must be filed with the office within 1 year after the date of  
1032 the final judgment, the date on which a restitution order has  
1033 been ripe for execution, or the date of any appellate decision  
1034 thereon, and, at minimum, must contain all of the following  
1035 information:

1036 (a) The eligible person's and, if applicable, the  
1037 receiver's full names, addresses, and contact information.

1038 (b) The name of the judgment debtor or person ordered to  
1039 pay restitution.

1040 (c) If the eligible person is a business entity, the  
1041 eligible person's type and place of organization and, as  
1042 applicable, a copy, as amended, of its articles of  
1043 incorporation, articles of organization, trust agreement, or  
1044 partnership agreement.

1045 (d) A copy of any final judgment or ~~and a copy thereof.~~

1046 ~~(e) Any restitution order pursuant to s. 517.191(3), and a~~  
1047 ~~copy thereof.~~

1048 (e)-(f) An affidavit from the eligible person stating  
1049 either one of the following:

1050 1. That the eligible person has made all reasonable

1051 searches and inquiries to ascertain whether the judgment debtor  
1052 or person ordered to pay restitution possesses real or personal  
1053 property or other assets subject to being sold or applied in  
1054 satisfaction of the final judgment or restitution order and, by  
1055 the eligible person's search, that the eligible person has not  
1056 discovered any property or assets.

1057 2. That the eligible person has taken necessary action on  
1058 the property and assets of the wrongdoers but the final judgment  
1059 or restitution order remains unsatisfied.

1060 (f)~~(g)~~ If the application is filed by the receiver, an  
1061 affidavit from the receiver stating the amount of restitution  
1062 owed to the eligible person on whose behalf the claim is filed;  
1063 the amount of any money, property, or assets paid to the  
1064 eligible person on whose behalf the claim is filed by the person  
1065 over whom the receiver is appointed; and the amount of any  
1066 unsatisfied portion of any eligible person's restitution order  
1067 ~~of restitution~~.

1068 (g)~~(h)~~ The eligible person's residence or domicile at the  
1069 time of the violation of s. 517.07 or s. 517.301 which resulted  
1070 in the eligible person's monetary damages.

1071 (h)~~(i)~~ The amount of any unsatisfied portion of the  
1072 eligible person's final judgment or restitution order.

1073 (i)~~(j)~~ Whether an appeal ~~or motion to vacate an~~  
1074 ~~arbitration award~~ has been filed.

1075 **Section 10. Subsection (3) of section 517.301, Florida**

1076 **Statutes, is amended to read:**

1077 517.301 Fraudulent transactions; falsification or  
1078 concealment of facts.—

1079 (3) It is unlawful for a person in issuing or selling a  
1080 security within this state, including a security exempted under  
1081 s. 517.051 and including a transaction exempted under s.  
1082 517.061, s. 517.0611, or s. 517.0612, to misrepresent that such  
1083 security or person ~~business entity~~ has been guaranteed,  
1084 sponsored, recommended, or approved by the state or an agency or  
1085 officer of the state or by the United States or an agency or  
1086 officer of the United States.

1087 **Section 11. Subsection (1) of section 517.211, Florida**  
1088 **Statutes, is amended to read:**

1089 517.211 Private remedies available in cases of unlawful  
1090 sale.—

1091 (1) Every sale made in violation of either s. 517.07 or s.  
1092 517.12(1), (3), (4), (9), (11), (13), (16), or (18) ~~s.~~  
1093 ~~517.12(1), (3), (4), (8), (10), (12), (15), or (17)~~ may be  
1094 rescinded at the election of the purchaser; however, a sale made  
1095 in violation of the provisions of s. 517.1202(3) relating to a  
1096 renewal of a branch office notification or in violation of the  
1097 provisions of s. 517.12(13) ~~s. 517.12(12)~~ relating to filing a  
1098 change of address amendment is not subject to this section. Each  
1099 person making the sale and every director, officer, partner, or  
1100 agent of or for the seller, if the director, officer, partner,

1101 or agent has personally participated or aided in making the  
1102 sale, is jointly and severally liable to the purchaser in an  
1103 action for rescission, if the purchaser still owns the security,  
1104 or for damages, if the purchaser has sold the security. No  
1105 purchaser otherwise entitled will have the benefit of this  
1106 subsection who has refused or failed, within 30 days after  
1107 receipt, to accept an offer made in writing by the seller, if  
1108 the purchaser has not sold the security, to take back the  
1109 security in question and to refund the full amount paid by the  
1110 purchaser or, if the purchaser has sold the security, to pay the  
1111 purchaser an amount equal to the difference between the amount  
1112 paid for the security and the amount received by the purchaser  
1113 on the sale of the security, together, in either case, with  
1114 interest on the full amount paid for the security by the  
1115 purchaser at the legal rate, pursuant to s. 55.03, for the  
1116 period from the date of payment by the purchaser to the date of  
1117 repayment, less the amount of any income received by the  
1118 purchaser on the security.

1119 **Section 12. Subsection (2) of section 517.315, Florida**  
1120 **Statutes, is amended to read:**

1121 517.315 Fees.—All fees of any nature collected by the  
1122 office pursuant to this chapter shall be disbursed as follows:

1123 (2) After the transfer required in subsection (1), the  
1124 office shall transfer the \$50 assessment fee collected from each  
1125 associated person under s. 517.12(10) and (11) ~~s. 517.12(9) and~~

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1126 ~~(10)~~ and 30.44 percent of the \$100 assessment fee paid by  
1127 dealers and investment advisers for each office in the state  
1128 under s. 517.12(10) and (11) ~~s. 517.12(9) and (10)~~ to the  
1129 Regulatory Trust Fund.

1130 **Section 13.** This act shall take effect upon becoming a  
1131 law.