

## CHAPTER 2024-168

### Committee Substitute for Committee Substitute for Senate Bill No. 532

An act relating to securities; amending s. 517.021, F.S.; revising definitions; defining the terms “angel investor group” and “business entity”; amending s. 517.051, F.S.; revising the list of securities that are exempt from registration requirements under certain provisions; amending s. 517.061, F.S.; revising the list of transactions that are exempt from registration requirements under certain provisions; amending s. 517.0611, F.S.; revising a short title; revising provisions relating to a certain registration exemption for certain securities transactions; updating the federal laws or regulations with which the offer or sale of securities must be in compliance; revising requirements for issuers relating to the registration exemption; revising requirements for the notice of offering that must be filed by the issuer under certain circumstances; specifying the timeframe within which issuers may amend such notice after any material information contained in the notice becomes inaccurate; authorizing the issuer to engage in general advertising and general solicitation under certain circumstances; specifying requirements for such advertising and solicitation; requiring the issuer to provide a disclosure statement to certain entities and persons within a specified timeframe; revising requirements for such statement; deleting requirements for the escrow agreement; conforming provisions to changes made by the act; revising the amount that may be received for sales of certain securities; providing a limit on securities that may be sold by an issuer to an investor; deleting the requirement that an issuer file and provide a certain annual report; conforming cross-references; revising the duties of intermediaries under certain circumstances; providing obligations of issuers under certain circumstances; providing that certain sales are voidable within a specified timeframe; providing requirements for purchasers’ notices to issuers to void purchases; deleting provisions relating to funds received from investors; creating s. 517.0612, F.S.; providing a short title; providing applicability; requiring that offers and sales of securities be in accordance with certain federal laws and rules; specifying certain requirements for issuers relating to the registration exemption; specifying a limitation on the amount of cash and other consideration that may be received from sales of certain securities made within a specified timeframe; prohibiting an issuer from accepting more than a specified amount from a single purchaser under certain circumstances; authorizing the issuer to engage in general advertising and general solicitation of the offering under certain circumstances; specifying that a certain prohibition is enforceable under ch. 517, F.S.; requiring that the purchaser receive a disclosure statement within a specified timeframe; specifying the requirements for such statement; requiring certain funds to be deposited into certain bank and depository institutions; prohibiting the issuer from withdrawing any amount of the offering proceeds until the target offering amount has been

received; requiring the issuer to file a notice of the offering in a certain format within a specified timeframe; requiring the issuer to file an amended notice within a specified timeframe under certain circumstances; prohibiting agents of issuers from engaging in certain acts under certain circumstances; providing that sales made under the exemption are voidable within a specified timeframe; providing requirements for purchasers' notices to issuers to void purchases; creating s. 517.0613, F.S.; providing construction; providing that registration exemptions under certain provisions are not available to issuers for certain transactions under specified circumstances; providing registration requirements; creating s. 517.0614, F.S.; specifying criteria for determining integration of offerings for the purpose of registration or qualifying for a registration exemption; specifying certain requirements for the integration of offerings for an exempt offering for which general solicitation is prohibited; specifying certain requirements for the integration of offerings for two or more exempt offerings that allow general solicitation; specifying the circumstances under which integration analysis is not required; creating s. 517.0615, F.S.; specifying that certain communications are not deemed to constitute general solicitation or general advertising under specified circumstances; creating s. 517.0616, F.S.; providing that registration exemptions under certain provisions are not available to certain issuers under a specified circumstance; amending s. 517.081, F.S.; revising the duties and authority of the Financial Services Commission; authorizing the commission to establish certain criteria relating to the issuance of certain securities, trusts, and investments; authorizing the commission to prescribe certain forms and establish procedures for depositing fees and filing documents and requirements and standards relating to prospectuses, advertisements, and other sales literature; revising the list of issuers that are ineligible to submit simplified offering circulars; deleting provisions that require issuers to provide certain documents to the Office of Financial Regulation under certain circumstances; revising the requirements that must be met before the office must record the registration of a security; amending s. 517.101, F.S.; revising requirements for written consent to service in certain suits, proceedings, and actions; amending s. 517.131, F.S.; defining the term "final judgment"; specifying the purpose of the Securities Guaranty Fund; making technical changes; revising eligibility for payment from the fund; requiring eligible persons or receivers seeking payment from the fund to file a certain application with the office on a certain form; authorizing the commission to adopt rules regarding electronic filing of such application; specifying the timeframe within which certain eligible persons or receivers must file such application; providing requirements for such applications; requiring the office to approve applications for payment under certain circumstances and to provide applicants with certain notices within a specified timeframe; requiring eligible persons or receivers to assign to the office all rights, titles, and interests in final judgments and orders of restitution equal to a specified amount under certain circumstances; requiring the office to deem an application for payment abandoned under certain circumstances; requiring that the time period to complete applications be

tolled under certain circumstances; deleting provisions relating to specified notices to the office and to rulemaking authority; amending s. 517.141, F.S.; defining terms; revising the Securities Guaranty Fund disbursement amounts to which eligible persons are entitled; revising provisions regarding payment of aggregate claims; providing for the satisfaction of claims in the event of an insufficient balance in the fund; requiring payments and disbursements from the Securities Guaranty Fund to be made by the Chief Financial Officer or his or her authorized designee, upon authorization by the office; requiring such authorization to be submitted within a certain timeframe; deleting provisions regarding requirements for payment of claims; conforming provisions to changes made by the act; specifying the circumstances under which a claimant must reimburse the fund for payments received from the fund; providing penalties; authorizing the Department of Financial Services, rather than the office, to institute legal proceedings for certain compliance enforcement and to recover certain interests, costs, and fees; amending s. 517.191, F.S.; deleting an obsolete term; revising the civil penalty amounts for certain violations; authorizing the office to recover certain costs and attorney fees; requiring that moneys recovered be deposited in a specified trust fund; specifying the liability of control persons; providing an exception; specifying circumstances under which certain persons are deemed to have violated ch. 517, F.S.; authorizing the office to issue and serve cease and desist orders and emergency cease and desist orders under certain circumstances; authorizing the office to impose and collect administrative fines for certain violations; specifying the disposition of such fines; authorizing the office to bar applications or notifications for licenses and registrations under certain circumstances; conforming cross-references; providing construction; specifying jurisdiction of the courts relating to the sale or offer of certain securities; making technical changes; amending s. 517.211, F.S.; providing for joint and several liability of control persons in certain circumstances for the purposes of specified actions; specifying the date on which certain interest begins accruing in an action for rescission; providing construction; specifying that certain civil remedies extend to purchasers or sellers of securities; making technical changes; repealing s. 517.221, F.S., relating to cease and desist orders; repealing s. 517.241, F.S., relating to remedies; amending s. 517.301, F.S.; revising the circumstances under which certain activities are considered unlawful and violations of law; conforming provisions to changes made by the act; revising the definition of the term “investment”; specifying that certain misrepresentations by persons issuing or selling securities are unlawful; specifying that certain misrepresentations by persons registered or required to be registered under certain provisions or subject to certain requirements are unlawful; specifying that obtaining money or property in connection with the offer or sale of an investment is unlawful under certain conditions; providing construction; requiring disclaimers for certain statements; making technical changes; repealing s. 517.311, F.S., relating to false representations, deceptive words, and enforcement; repealing s. 517.312, F.S., relating to securities, investments, and boiler rooms, prohibited practices, and remedies; amending ss. 517.072 and

517.12, F.S.; conforming cross-references and making technical changes; amending ss. 517.1201 and 517.1202, F.S.; conforming cross-references; amending s. 517.302, F.S.; conforming a provision to changes made by the act and making a technical change; providing an effective date.

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

Section 1. Present subsections (3), (4), (5), and (6) through (25) of section 517.021, Florida Statutes, are redesignated as subsections (4), (5), (6), and (8) through (27), respectively, new subsections (3) and (7) are added to that section, and subsection (1) and present subsections (4), (8), (9), and (14) of that section are amended, to read:

517.021 Definitions.—When used in this chapter, unless the context otherwise indicates, the following terms have the following respective meanings:

(1) “Accredited investor” shall be defined by rule of the commission in accordance with Securities and Exchange Commission Rule 501, 17 C.F.R. s. 230.501, as amended.

(3) “Angel investor group” means a group of accredited investors who hold regular meetings and have defined processes and procedures for making investment decisions, individually or among the membership of the group, and who are not associated persons, affiliates, or agents of a dealer or investment adviser.

~~(5)(4) “Boiler room” means an enterprise in which two or more persons in a common scheme or enterprise solicit potential investors through telephone calls, e-mail, text messages, social media, chat rooms, or other electronic means engage in telephone communications with members of the public using two or more telephones at one location, or at more than one location in a common scheme or enterprise.~~

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

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

(b) The term “dealer” does not include any of the following:

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

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

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

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

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

6.(f) An issuer.

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

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

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

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

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

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

(16)(a)(14)(a) "Investment adviser" means a person, other than an associated person of an investment adviser or a federal covered adviser, that receives compensation, directly or indirectly, and engages for all or part of the person's time, directly or indirectly, or through publications or writings, in the business of advising others as to the value of securities or as to the advisability of investments in, purchasing of, or selling of securities.

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

1. A dealer or an associated person of a dealer whose performance of services in paragraph (a) is solely incidental to the conduct of the dealer's or

associated person's business as a dealer and who does not receive special compensation for those services.

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

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

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

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

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

7. A person that, during the preceding 12 months, has fewer than six clients who are residents of this state. As used in this subparagraph, the term "client" has the same meaning as provided in Securities and Exchange Commission Rule 275.222-2, 17 C.F.R. s. 275.222-2, as amended does not hold itself out to the general public as an investment adviser and has no more than 15 clients within 12 consecutive months in this state.

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

~~9. A federal covered adviser.~~

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

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

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

registration provisions of s. 517.07 do not apply to any of the following securities; however, such transactions are subject to s. 517.301:

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

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

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

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

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

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

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

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

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

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

(d) A depository institution, when a substantial portion of its business consists of or will consist of receiving deposits or share accounts that are insured to the maximum amount authorized by statute by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or guaranteed by:

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

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

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

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

(4) A security issued or guaranteed, as to principal, interest, or dividend, by a business entity corporation ~~owning or operating a railroad, another common carrier, or any other public service utility; provided that such business entity corporation~~ is subject to regulation or supervision whether as to its rates and charges or as to the issue of its own securities by a public commission, board, or officer of the government of the United States, of any state, territory, or insular possession of the United States, of any municipality located therein, of the District of Columbia, or of the Dominion of Canada or of any province thereof; also equipment securities based on chattel mortgages, leases, or agreements for conditional sale of cars, motive power, or other rolling stock mortgaged, leased, or sold to or furnished for the use of or upon such railroad or other public service utility corporation or where the ownership or title of such equipment is pledged or retained in accordance with the provisions of the laws of the United States or of any state or of the Dominion of Canada to secure the payment of such equipment securities; and also bonds, notes, or other evidences of indebtedness issued by a holding corporation and secured by collateral consisting of any securities hereinabove described; provided, further, that the collateral securities equal in fair value at least 125 percent of the par value of the bonds, notes, or other evidences of indebtedness so secured.

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

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

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



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

(10)(9) A security issued by a business entity ~~corporation~~ organized and operated exclusively for religious, educational, benevolent, fraternal, charitable, or reformatory purposes and not for pecuniary profit, no part of the net earnings of which ~~corporation~~ inures to the benefit of any private stockholder or individual, or any security of a fund that is excluded from the definition of an investment company under s. 3(c)(10)(B) of the Investment Company Act of 1940, as amended; provided that ~~a no~~ may not shall person directly or indirectly offer or sell securities under this subsection except by an offering circular containing full and fair disclosure, as prescribed by the rules of the commission, of all material information, including, but not limited to, a description of the securities offered and terms of the offering, a description of the nature of the issuer's business, a statement of the purpose of the offering and the intended application by the issuer of the proceeds thereof, and financial statements of the issuer prepared in conformance with United States generally accepted accounting principles. Section 6(c) of the Philanthropy Protection Act of 1995, Pub. L. No. 104-62, does shall not preempt any provision of this chapter.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(8) The offer or sale of securities under a bona fide employee stock purchase, savings, option, profit-sharing, pension, or similar employee benefit plan, including any securities, plan interests, and guarantees issued under a compensatory benefit plan or compensation contract, contained in a record, established by the issuer, its parents, its majority-owned subsidiaries, or the majority-owned subsidiaries of the issuer's parent for the participation of the issuer's employees, directors, managers, managing members, general partners, trustees, officers, consultants, or advisors, and their family members who acquire such securities from such persons through gifts or domestic relations orders. This includes offers or sales of such securities to all of the following persons:

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

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

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

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

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

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

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

4. Any sale made pursuant to this subsection is voidable by the purchaser within 3 days after the first tender of consideration is made by such purchaser to the issuer by notifying the issuer that the purchaser expressly voids the purchase. The purchaser's notice to the issuer must be

sent by e-mail to the issuer's e-mail address set forth in the disclosure document provided to the purchaser or purchaser's representative or by hand delivery, courier service, or other method by which written proof of delivery to the issuer of the purchaser's election to rescind the purchase is evidenced.

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

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

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

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

4. An accredited investor.

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

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

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

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

(c) The issuer reasonably believes that all purchasers are purchasing for investment and not with the view to or for sale in connection with a distribution of the security. Any resale of a security sold in reliance on this exemption within 12 months after sale is presumed to be with a view to distribution and not for investment, except a resale pursuant to a registration statement effective under this chapter or pursuant to an

exemption available under this chapter, the Securities Act of 1933, as amended, or the rules and regulations adopted thereunder.

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

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

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

c. A brief description of the business.

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

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

f. A statement that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

517.0611 The Florida Limited Offering Exemption ~~Intrastate crowd-funding.~~—

(1) This section may be cited as the “The Florida Limited Offering Intrastate Crowdfunding Exemption.”

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

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

(4) An issuer ~~must~~:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(8) The issuer shall provide to the office a copy of the escrow agreement with a financial institution authorized to conduct business in this state. All investor funds must be deposited in the escrow account. The escrow agreement must require that all offering proceeds be released to the issuer~~

~~only when the aggregate capital raised from all investors is equal to or greater than the minimum target offering amount specified in the disclosure statement as necessary to implement the business plan, and that all investors will receive a full return of their investment commitment if that target offering amount is not raised by the date stated in the disclosure statement.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



additional forms of identification and prescribing the process for verifying any identification presented by the prospective investor.

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

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

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

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

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

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

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

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

~~I understand and acknowledge that:~~

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

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

~~The securities I am acquiring in this offering are illiquid and are subject to possible dilution. There is no ready market for the sale of the securities. It~~

~~may be difficult or impossible for me to sell or otherwise dispose of the securities, and I may be required to hold the securities indefinitely.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

517.0612 Florida Invest Local Exemption.—

(1) This section may be cited as the “Florida Invest Local Exemption.”

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) A description of the security being offered.

(e) The total amount of the offering.

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

(g) The target offering amount.

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

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

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

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

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

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

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

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

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

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

(b) Take custody of investor funds or securities.

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

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

517.0613 Failure to comply with a securities registration exemption.—

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

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

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

517.0614 Integration of offerings.—

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

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

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

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

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

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

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

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

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

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

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

2. Section 517.0611 or s. 517.0612.

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

517.0615 Solicitations of interest.—

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

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

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

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

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

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

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

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

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

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

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

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



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

(2) Before any offers or sales are made in connection with an offering, communications by an issuer or any person authorized to act on behalf of the issuer are not deemed to constitute general solicitation or general advertising if the communication is solely for the purpose of determining whether there is any interest in a contemplated securities offering. Requirements imposed under this chapter on written or oral statements made in the course of such communication may be enforced as provided in this chapter. The solicitation or acceptance of money or other consideration or of any commitment, binding or otherwise, from any person is prohibited.

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

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

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

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

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

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

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

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

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

517.081 Registration procedure.—

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

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

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

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

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

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

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

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

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

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

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

~~(4) The commission may, by rule:~~

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

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

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

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

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

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

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

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

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

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

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

1. The application is complete.
2. The fee imposed in subsection (8) has been paid.
3. The sale of the security would not be fraudulent and would not work or tend to work a fraud upon the purchaser.
4. The terms of the sale of such securities would be fair, just, and equitable.
5. The enterprise or business of the issuer is not based upon unsound business principles.

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

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

517.101 Consent to service.—

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

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

517.131 Securities Guaranty Fund.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) Profited from a violation of this chapter.

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

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

(b) The person ordered to pay restitution.

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

(d) Any final judgment and a copy thereof.

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

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

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

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

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

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

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



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

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

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

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

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

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

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

517.141 Payment from the fund.—

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

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

(b) “Final judgment” includes an arbitration award confirmed by a court of competent jurisdiction.

(c) “Specified adult” has the same meaning as in s. 517.34(1).

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

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

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

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

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

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

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

(3) No payment shall be made on any claim against any one dealer, investment adviser, or associated person before the expiration of 2 years from the date any claimant is found by the office to be eligible for recovery pursuant to this section. If during this 2-year period more than one claim is filed against the same dealer, investment adviser, or associated person, or if the office receives notice pursuant to s. 517.131(4) that an action against the

same dealer, investment adviser, or associated person is pending, all such claims and notices of pending claims received during this period against the same dealer, investment adviser, or associated person may be handled by the office as provided in this section. Two years after the first claimant against that same dealer, investment adviser, or associated person applies for payment pursuant to this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) When it appears to the office, either upon complaint or otherwise, that a person has engaged or is about to engage in any act or practice constituting a violation of this chapter or a rule or order hereunder, the office may investigate; and whenever it shall believe from evidence satisfactory to it that any such person has engaged, is engaged, or is about to engage in any act or practice constituting a violation of this chapter or a rule or order hereunder, the office may, in addition to any other remedies, bring action in the name and on behalf of the state against such person and any other person concerned in or in any way participating in or about to participate in such practices or engaging therein or doing any act or acts in furtherance thereof or in violation of this chapter to enjoin such person or persons from continuing such fraudulent practices or engaging therein or doing any act or acts in furtherance thereof or in violation of this chapter. In any such court proceedings, the office may apply for, and on due showing be entitled to have issued, the court's subpoena requiring forthwith the appearance of any defendant and her or his employees, associated persons, or agents and the production of documents, books, and records that may appear necessary for the hearing of such petition, to testify or give evidence concerning the acts or conduct or things complained of in such application for injunction. In such action, the equity courts shall have jurisdiction of the subject matter, and a judgment may be entered awarding such injunction as may be proper.

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

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

of an administrator or receiver under subsection (2) or an injunction under subsection (1). Further, such restitution must shall, at the option of the court, be payable to the administrator or receiver appointed pursuant to this section or directly to the persons whose assets were obtained in violation of this chapter.

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

(a) The greater of \$20,000 \$10,000 for a natural person or \$25,000 for a business entity any other person, or the gross amount of any pecuniary loss to investors or pecuniary gain to a natural person or business entity such defendant for each such violation, other than a violation of s. 517.301, plus the greater of \$50,000 for a natural person or \$250,000 for a business entity any other person, or the gross amount of any pecuniary loss to investors or pecuniary gain to a natural person or business entity such defendant for each violation of s. 517.301.

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

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

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

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

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

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

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

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

(11) In addition to all other means provided by law for enforcing any of the provisions of this chapter, when the Attorney General, upon complaint or otherwise, has reason to believe that a person has engaged or is engaged in any act or practice constituting a violation of s. 517.275 or; s. 517.301, s. 517.311, or s. 517.312, or any rule or order issued under such sections, the Attorney General may investigate and bring an action to enforce these provisions as provided in ss. 517.171, 517.201, and 517.2015 after receiving written approval from the office. Such an action may be brought against such person and any other person in any way participating in such act or practice or engaging in such act or practice or doing any act in furtherance of such act or practice, to obtain injunctive relief, restitution, civil penalties, and any remedies provided for in this section. The Attorney General may recover any costs and attorney fees related to the Attorney General's investigation or enforcement of this section. Notwithstanding any other provision of law, moneys recovered by the Attorney General for costs, attorney fees, and civil penalties for a violation of s. 517.275 or; s. 517.301, s. 517.311, or s. 517.312, or any rule or order issued pursuant to such sections, must shall be deposited in the Legal Affairs Revolving Trust Fund. The Legal Affairs Revolving Trust Fund may be used to investigate and enforce this section.

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

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

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

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

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

517.211 Private remedies available in cases of unlawful sale.—

(1) Every sale made in violation of either s. 517.07 or s. 517.12(1), (3), (4), (8), (10), (12), (15), or (17) may be rescinded at the election of the purchaser; however, ~~except~~ a sale made in violation of the provisions of s. 517.1202(3) relating to a renewal of a branch office notification or shall not be subject to this section, and a sale made in violation of the provisions of s. 517.12(12) relating to filing a change of address amendment is shall not be subject to this section. Each person making the sale and every director, officer, partner, or agent of or for the seller, if the director, officer, partner, or agent has personally participated or aided in making the sale, is jointly and severally liable to the purchaser in an action for rescission, if the purchaser still owns the security, or for damages, if the purchaser has sold the security. No purchaser otherwise entitled will have the benefit of this subsection who has refused or failed, within 30 days after of receipt, to accept an offer made in writing by the seller, if the purchaser has not sold the security, to take back the security in question and to refund the full amount paid by the purchaser or, if the purchaser has sold the security, to pay the purchaser an amount equal to the difference between the amount paid for the security and the amount received by the purchaser on the sale of the security, together, in either case, with interest on the full amount paid for the security by the purchaser at the legal rate, pursuant to s. 55.03, for the period from the date of payment by the purchaser to the date of repayment, less the amount of any income received by the purchaser on the security.

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



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

(4) In an action for rescission:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

517.301 Fraudulent transactions; falsification or concealment of facts.

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

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

1. To employ any device, scheme, or artifice to defraud;
2. To obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
3. To engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon a person.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

517.072 Viatical settlement investments.—

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

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

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

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

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

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

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

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

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

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

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

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

(16)

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

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

(21)

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

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

2. If any person is offered securities in exchange for securities or assets of the eligible privately held company, such person will, before becoming legally bound to complete the transaction, receive or be given reasonable access to the most recent year-end financial statements of the issuer of the securities offered in exchange. The most recent year-end financial statements shall be customarily prepared by the issuer's management in the normal course of operations. If the financial statements of the issuer are audited, reviewed, or compiled, the most recent year-end financial statements must include any related statement by the independent certified public accountant; a balance sheet dated not more than 120 days before the date of the exchange offer; and information pertaining to the management, business, results of operations for the period covered by the foregoing financial statements, and material loss contingencies of the issuer.

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

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

2. Engages on behalf of an issuer in a public offering of any class of securities which is registered, or which is required to be registered, with the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, 15 U.S.C. ss. 78a et seq., or with the office under s. 517.07; or for which the issuer files, or is required to file, periodic information, documents, and reports under s. 15(d) of the Securities Exchange Act of 1934, 15 U.S.C. s. 78o(d);
3. Engages on behalf of any party in a transaction involving a public shell company;
4. Is subject to a suspension or revocation of registration under s. 15(b)(4) of the Securities Exchange Act of 1934, 15 U.S.C. s. 78o(b)(4);
5. Is subject to a statutory disqualification described in s. 3(a)(39) of the Securities Exchange Act of 1934, 15 U.S.C. s. 78c(a)(39);
6. Is subject to a disqualification under the United States Securities and Exchange Commission Rule 506(d), 17 C.F.R. s. 230.506(d); or
7. Is subject to a final order described in s. 15(b)(4)(H) of the Securities Exchange Act of 1934, 15 U.S.C. s. 78o(b)(4)(H).

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

517.1201 Notice filing requirements for federal covered advisers.—

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

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

517.1202 Notice-filing requirements for branch offices.—

(4) A branch office notice-filing under this section shall be summarily suspended by the office if the notice-filer fails to provide to the office, within 30 days after a written request by the office, all of the information required by this section and the rules adopted under this section. The summary suspension shall be in effect for the branch office until such time as the notice-filer submits the requested information to the office, pays a fine as prescribed by s. 517.191(9) ~~s. 517.221(3)~~, and a final order is entered. At such time, the suspension shall be lifted. For purposes of s. 120.60(6), failure to provide all information required by this section and the underlying rules constitutes immediate and serious danger to the public health, safety, and welfare. If the notice-filer fails to provide all of the requested information within a period of 90 days, the notice-filing shall be revoked by the office.

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

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

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

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

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

Approved by the Governor May 10, 2024.

Filed in Office Secretary of State May 10, 2024.