

Section 1. Section 517.021, Florida Statutes, is renumbered and 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) “Accelerator” means an organization that gives companies in the early stages of development access to workspace, mentorship, investors, or other financial or management support.

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

(3)~~(2)~~ “Affiliate” means a person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with an applicant or registrant.

(4) “Angel investor group” means a group of accredited investors that holds regular meetings and has defined processes and procedures for making investment decisions, either individually or among the membership of the group as a whole, and is ~~neither not~~ an associated person of, affiliated with, ~~nor~~ an agent of a dealer or investment adviser.

(5)~~(3)~~ “Associated person” means:

(a)1. With respect to a dealer, a natural person who is employed, appointed, or authorized by a dealer and who represents the dealer in effecting or attempting to effect purchases or sales of securities.

2. The term does not include the following:

a. A dealer.

b. A partner, an officer, or a director of a dealer or a person having a similar status or performing similar functions as a dealer, unless such person is specified in subparagraph 1.

c. A dealer's employee whose function is only clerical or ministerial.

d. A person whose transactions in this state are limited to those transactions described in s. 15(i)(3) of the Securities Exchange Act of 1934, as amended.

(b)1. With respect to an investment adviser, a natural person, including, but not limited to, a partner, an officer, a director, or a branch manager, or a person occupying a similar status or performing similar functions, who:

a. Is employed by or associated with, or is subject to the supervision and control of, an investment adviser registered or required to be registered under this chapter; and

b. Does any of the following:

(I) Makes any recommendation or otherwise gives investment advice regarding securities.

(II) Manages accounts or portfolios of clients.

(III) Determines which recommendations or advice regarding securities should be given.

(IV) Receives compensation to solicit, offer, or negotiate for the sale of investment advisory services.

(V) Supervises employees who perform a function under this sub-subparagraph.

2. The term does not include the following:

a. An investment adviser.

b. An employee whose function is only clerical or ministerial.

(c) With respect to a federal covered adviser, a natural person who is an investment adviser representative and who has a place of business in this state, as such terms are defined in Rule 203A-3 of the Securities and Exchange Commission adopted under the Investment Advisers Act of 1940, as amended.

~~(6)(4)~~ "Boiler room" means an enterprise in which two or more persons 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 in a common scheme or enterprise solicit potential investors through telephone calls, electronic mail, text messages, social media, chat rooms, or other electronic means.

~~(7)(5)~~ "Branch office" means any location in this state of a dealer or investment adviser at which one or more associated persons regularly conduct the business of rendering investment advice or effecting any transactions in, or inducing or attempting to induce the purchase or sale of, any security or any location that is held out as such. The commission may adopt by rule exceptions to this definition for dealers in order to maintain consistency with the definition of a branch office used by self-regulatory organizations authorized by the Securities and Exchange Commission, including, but not limited to, the Financial Industry Regulatory Authority. The commission may adopt by rule exceptions to this definition for investment advisers.

~~(8)~~ Business entity means any corporation, partnership, limited partnership, company, limited liability company, proprietorship, firm, enterprise, franchise, association, self-employed individual, or trust, whether fictitiously named or not, doing business in this state.

~~(9)(6)~~ "Commission" means the Financial Services Commission.

~~(10)(7)~~ "Control," including the terms "controlling," "controlled by," and "under common control with," means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person,

whether through the ownership of voting securities, by contract, or otherwise.

(11) Control person means an individual or entity that possesses the power, directly or indirectly, to direct the management or policies of a company through ownership of securities, by contract, or otherwise.

(12)(8)(a) "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 does not include the following:

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

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

(c) 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.

(d) A wholesaler selling exclusively to dealers.

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

(f) An issuer.

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

Commented [1]: Does this conflict with the definitions above for "control," "controlling," and "controlled by."? Do we need the definitions above for "control," "controlling," and "controlled by"? Do we need to go through the chapter and replace terms "control," "controlling," and "controlled by."

Commented [2R2]: We could limit the definition to apply to issuers only.

Commented [3R2]: If we do that, we will need to revise the language in 517.191 and 517.211

Commented [4]: I'm still concerned that this may cause confusion as it relates to Forms ADV/BD

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

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;

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

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.

~~(13)~~(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 (14) (b)1.-8.

~~(14)~~(10) "Federal covered security" means a security that is a covered security under s. 18(b) of the Securities Act of 1933, as amended, or rules and regulations adopted thereunder.

~~(15)~~(11) "Guarantor" means a person that agrees in writing, or that holds itself out to the public as agreeing, to pay the indebtedness of another when due, including, without limitation, payments of principal and interest on a bond, debenture, note, or other evidence of indebtedness, without resort by the holder to any other obligor, whether or not such writing expressly states that the person signing is signing as a guarantor. The obligation of a guarantor hereunder shall be a continuing, absolute, and unconditional guaranty of payment, without regard

to the validity, regularity, or enforceability of the underlying indebtedness.

~~(16)(12)~~ "Guaranty" means an agreement in writing in which one party either agrees, or holds itself out to the public as agreeing, to pay the indebtedness of another when due, including, without limitation, payments of principal and interest on a bond, debenture, note, or other evidence of indebtedness, without resort by the holder to any other obligor, whether or not such writing expressly states that the person signing is signing as a guarantor. An agreement that is not specifically denominated as a guaranty shall nevertheless constitute a guaranty if the holder of the underlying indebtedness or the holder's representative or trustee has the right to sue to enforce the guarantor's obligations under the guaranty. Words of guaranty or equivalent words that otherwise do not specify guaranty of payment create a presumption that payment, rather than collection, is guaranteed by the guarantor. Any guaranty in writing is enforceable notwithstanding any statute of frauds.

(17) "Incubator" means the same as the term "accelerator," which means an organization that gives companies in the early stages of development access to workspace, mentorship, investors, or other financial or management support.

~~(18)(13)~~ "Intermediary" means a natural person residing in this state or a corporation, trust, partnership, limited liability company, association, or other legal entity registered with the Secretary of State to do business in this state, which facilitates through its website the offer or sale of securities of an issuer with a principal place of business in this state.

~~(19)(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 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. A person that ~~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~~ has fewer than six clients during the preceding 12 months who are residents of this state.

b. For the purpose of subparagraph 7., "client" has the same meaning as the term "client" defined by Securities and Exchange Commission Rule 275.222-2 [17 C.F.R. s. 275.222-2], as amended. Also, for purposes of this subparagraph, "client" does not mean other investment advisers, federal covered advisers, or dealers (registered or notice filed in this state unless exempt), banks, savings and loan associations, trust companies, insurance companies, investment companies, pension and profit-sharing trusts (other than self-employed individual retirement plans), or governmental agencies or instrumentalities, whether acting for themselves or as trustees with investment control.

~~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 one or more of the foregoing, or any business entity that is wholly owned directly or indirectly by any one or more of the foregoing, or any officer, agent, or employee of any of the foregoing acting as such in the course of his or her official duty.

(20)(15) "Issuer" means a person that proposes to issue, has issued, or shall hereafter issue any security. A person that acts as a promoter for and on behalf of a corporation, trust, partnership, limited liability company, association, or other legal entity of any kind to be formed shall be deemed an issuer.

(21)(16) "Offer to sell," "offer for sale," or "offer" means an attempt or offer to dispose of, or solicitation of an

offer to buy, a security or interest in a security, or an investment or interest in an investment, for value.

(22)~~(17)~~ "Office" means the Office of Financial Regulation of the commission.

(23)~~(18)~~ "Predecessor" means a person whose major portion of assets has been acquired directly or indirectly by an issuer.

(24)~~(19)~~ "Principal" means an executive officer of a corporation, partner of a partnership, sole proprietor of a sole proprietorship, trustee of a trust, or any other person with similar supervisory functions with respect to any organization, whether incorporated or unincorporated.

(25)~~(20)~~ "Promoter" includes the following:

(a) A person that, acting alone or in conjunction with one or more other persons, directly or indirectly takes the initiative in founding and organizing the business or enterprise of an issuer.

(b) A person that, in connection with the founding or organizing of the business or enterprise of an issuer, directly or indirectly receives in consideration of services or property, or both services and property, 10 percent or more of any class of securities of the issuer or 10 percent or more of the proceeds from the sale of any class of securities. However, a person that receives such securities or proceeds either solely as underwriting commissions or solely in connection with property shall not be deemed a promoter if such person does not otherwise take part in founding and organizing the enterprise.

(26)~~(21)~~ "Qualified institutional buyer" means a qualified institutional buyer, as defined in Securities and Exchange Commission Rule 144A, 17 C.F.R. s. 230.144A(a), under the Securities Act of 1933, as amended, or any foreign buyer that satisfies the minimum financial requirements set forth in such rule.

~~(27)~~~~(22)~~ "Sale" or "sell" means a contract of sale or disposition of an investment, security, or interest in a security, for value. With respect to a security or interest in a security, the term does not include preliminary negotiations or agreements between an issuer or any person on whose behalf an offering is to be made and any underwriter or among underwriters who are or are to be in privity of contract with an issuer. Any security given or delivered with, or as a bonus on account of, any purchase of securities or any other thing shall be conclusively presumed to constitute a part of the subject of such purchase and to have been offered and sold for value. Every sale or offer of a warrant or right to purchase or subscribe to another security of the same or another issuer, as well as every sale or offer of a security which gives the holder a present or future right or privilege to convert into another security or another issuer, is considered to include an offer of the other security.

~~(28)~~~~(23)~~ "Security" includes any of the following:

- (a) A note.
- (b) A stock.
- (c) A treasury stock.
- (d) A bond.
- (e) A debenture.
- (f) An evidence of indebtedness.
- (g) A certificate of deposit.
- (h) A certificate of deposit for a security.
- (i) A certificate of interest or participation.
- (j) A whiskey warehouse receipt or other commodity warehouse receipt.
- (k) A certificate of interest in a profit-sharing agreement or the right to participate therein.

(l) A certificate of interest in an oil, gas, petroleum, mineral, or mining title or lease or the right to participate therein.

(m) A collateral trust certificate.

(n) A reorganization certificate.

(o) A preorganization subscription.

(p) A transferable share.

(q) An investment contract.

(r) A beneficial interest in title to property, profits, or earnings.

(s) An interest in or under a profit-sharing or participation agreement or scheme.

(t) An option contract that entitles the holder to purchase or sell a given amount of the underlying security at a fixed price within a specified period of time.

(u) Any other instrument commonly known as a security, including an interim or temporary bond, debenture, note, or certificate.

(v) A receipt for a security, or for subscription to a security, or a right to subscribe to or purchase any security.

(w) A viatical settlement investment.

(29)~~(24)~~ "Underwriter" means a person that has purchased from an issuer or an affiliate of an issuer with a view to, or offers or sells for an issuer or an affiliate of an issuer in connection with, the distribution of any security, or participates or has a direct or indirect participation in any such undertaking, or participates or has a participation in the direct or indirect underwriting of any such undertaking; except that a person is presumed not to be an underwriter with respect to any security which it has owned beneficially for at least 1 year; and, further, a dealer is not considered an underwriter with respect to any securities which do not represent part of an

unsold allotment to or subscription by the dealer as a participant in the distribution of such securities by the issuer or an affiliate of the issuer; and, further, in the case of securities acquired on the conversion of another security without payment of additional consideration, the length of time such securities have been beneficially owned by a person includes the period during which the convertible security was beneficially owned and the period during which the security acquired on conversion has been beneficially owned.

~~(30)(25)~~ "Viatical settlement investment" means an agreement for the purchase, sale, assignment, transfer, devise, or bequest of all or any portion of a legal or equitable interest in a viaticated policy as defined in chapter 626.

Section 2. Section 517.051, Florida Statutes, is amended and renumbered 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:

(1) (a) 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;

~~(b) provided that~~ (b) No person shall directly or indirectly offer or sell securities, other than general obligation bonds, 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:

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

~~(ii)(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.

(c) The provisions of subsection 1(ab) shall not apply to any obligations or securities that are industrial or commercial development bonds as defined in Rule 131 of the Securities Act of 1933, as amended, unless payments are made or unconditionally guaranteed by a person whose securities are exempt from registration under Section 18(b)(1) of the Securities Act of 1933, as amended.

(2) A security issued or guaranteed by any foreign government with which the United States is maintaining diplomatic relations at the time of the sale or offer of sale of the security, or by any state, province, or political subdivision thereof having the power of taxation or assessment, which security is recognized at the time it is offered for sale in this state as a valid obligation by such foreign government or by such state, province, or political subdivision thereof issuing the security.

~~(3) A security issued 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.~~

(3) A security issued by and representing or that will represent an interest in or a direct obligation of, or be guaranteed by:

(a) an international banking institution.

(b) a banking institution organized under the laws of the United States; a member bank of the Federal Reserve System; or a depository institution a substantial portion of the business of which consists 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, the National Credit Union Share Insurance Fund, or a successor authorized by federal law or exercising fiduciary powers that are similar to those permitted for national banks under the authority of the Comptroller of Currency pursuant to Section 1 of Public Law 87-722 (12 U.S.C. Section 92a); or

(c) any other regulated depository institution.

(4) A security issued or guaranteed, as to principal, interest, or dividend, by a ~~corporation~~ business entity owning or operating a railroad, other common carrier, or any other public service utility; provided that such ~~corporation~~ business entity 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.

(5) A security issued or guaranteed by any of the following which are subject to the examination, supervision, or control of this state or of the Federal Deposit Insurance Corporation or the National Credit Union Association:

- (a) A bank,
- (b) A trust company,
- (c) A savings institution,
- (d) A building or savings and loan association,
- (e) An international development bank, or
- (f) A credit union;

or the initial subscription for equity securities of any institution listed in paragraphs (a)-(f), provided such institution is subject to the examination, supervision, or control of this state.

(6) A security, other than common stock, providing for a fixed return, which security has been outstanding in the hands of the public for a period of not less than 5 years, and upon which security no default in payment of principal or failure to pay the fixed return has occurred for an immediately preceding period of 5 years.

(7) (a) Securities of nonprofit agricultural cooperatives organized under the laws of this state when the securities are sold or offered for sale to persons principally engaged in agricultural production or selling agricultural products.

(b) A member's or owner's interest in a business entity which represents ownership, or entitles the holder of the interest to possession and occupancy, of a specific residential unit in property owned by such business entity and organized and operated on a cooperative basis, solely for residential purposes.

(c) 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, 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 (i) a bona fide member of the not for profit membership entity or (ii) 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.

~~(8) 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 security issued by a ~~corporation~~ business entity 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 no person shall 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, shall not preempt any provision of this chapter.

~~(9)~~~~(10)~~ Any insurance or endowment policy or annuity contract or optional annuity contract or self-insurance agreement issued by a 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 and renumbered to read:

517.061 Exempt transactions.— Except as otherwise provided in s. ~~517.0611~~ for a transaction listed in subsection (11) ~~(21)~~, ~~t~~The exemption for each transaction listed below is self-executing and does not require any filing with the office before claiming the exemption. Any person who claims entitlement to any of the 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 transactions; however, such transactions are subject to the provisions of ss. ~~517.301, 517.311, and 517.312~~:

(1) (a) ~~At~~ Any judicial, executor's, administrator's, guardian's, or conservator's sale, or at any sale by a receiver or trustee in insolvency or bankruptcy, or at any sale by an Assignee—assignee as defined in s. 727.103(2) with respect to an Assignment—assignment as defined in s. 727.103(4), 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 under title 11 of the United States Code, a security which is issued in exchange for one or more bona fide outstanding securities, claims or property interests, or partly in such exchange and partly for cash, where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange shall have the right to appear, by any court, or by any official or agency of the United States, or by any state or territorial banking or insurance commission or other governmental authority expressly authorized by law to grant such approval.

~~(2)(10)~~ 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)(4)~~ ~~The distribution by a corporation, trust, or partnership, actively engaged in the business authorized by its charter or other organizational articles or agreement, of securities to its stockholders or other equity security holders, partners, or beneficiaries as a stock dividend or other distribution out of earnings or surplus.~~ A transaction involving a stock dividend or equivalent equity distribution, whether the corporation or other business organization distributing the dividend or equivalent equity distribution is the issuer or not, 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 if each stockholder or other equity holder may elect to take the dividend or equivalent equity distribution in cash, property, or stock.

~~(4)(6)~~ ~~Any transaction involving the distribution of the securities of an issuer exclusively among its own security holders, including any person who at the time of the transaction is a holder of any convertible security, any nontransferable warrant, or any transferable warrant which is exercisable within not more than 90 days of issuance, when no commission or other remuneration is paid or given directly or indirectly in connection with the sale or distribution of such additional securities.~~ 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 other creditors of a ~~corporation, trust, or partnership~~ business entity in the process of a reorganization of such ~~corporation or partnership~~ business entity, made in good faith and not for the purpose of avoiding the provisions of 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)(9) The offer or sale of securities from one corporation to another corporation, or to security holders thereof, pursuant to a vote or consent of such security holders as may be provided by the articles of incorporation and the applicable corporate statutes in connection with mergers, share exchanges, consolidations, or sale of corporate assets. 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 its parent or subsidiary and the other person, or its parent or subsidiary, are parties.~~

~~(7)(22) 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)(15) The offer or sale of securities under a bona fide employer-sponsored stock option, stock purchase, pension, profit-sharing, savings, or other benefit plan when offered only to employees of the sponsoring organization or to employees of its controlled subsidiaries~~ employees' stock purchase, savings, option, profit-sharing, pension, or similar employees' 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 their employees including offers or sales of such securities to:

(a) directors; general partners; trustees, if the issuer is a business trust; officers; consultants; and advisors;

(b) family members who acquire such securities from those persons through gifts or domestic relations orders;

(c) former employees, directors, general partners, trustees, officers, consultants, and advisors if those individuals were employed by or providing services to the issuer when the securities were offered; and

(d) insurance agents who are exclusive insurance agents of the issuer, or the issuer's subsidiaries or parents, or who derive more than 50 percent of their annual income from those organizations.

~~(9)-(7) The offer or sale of securities to a bank, trust company, savings institution, insurance company, dealer, investment company as defined by the Investment Company Act of 1940, as amended, pension or profit-sharing trust, or qualified institutional buyer as defined by rule of the commission in accordance with Securities and Exchange Commission Rule 144A (17 C.F.R. s. 230.144(A)(a)), whether any of such entities is acting in its individual or fiduciary capacity; ~~provided that such offer or sale of securities 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.~~~~

~~(10)-(11)~~ (a) The offer or sale, by or on behalf of an issuer, of its own securities, which 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 shall include written notification of a purchaser's right to void the sale pursuant to subparagraph (a)4.

4. Any sale made pursuant to this exemption 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 by sending an email to the issuer's email address set forth in the disclosure document provided to purchasers or purchaser's representatives 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. No person defined as a "dealer" in this chapter is paid a commission or compensation for the sale of the issuer's securities unless such person is registered as a dealer under this chapter.

~~5. When sales are made to five or more persons in this state, any sale in this state made pursuant to this subsection~~

~~is voidable by the purchaser in such sale either within 3 days after the first tender of consideration is made by such purchaser to the issuer, an agent of the issuer, or an escrow agent or within 3 days after the availability of that privilege is communicated to such purchaser, whichever occurs later.~~

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

1. ~~Any~~ relative or spouse, or relative of such spouse, of a purchaser who has the same principal residence as such purchaser.

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

3. ~~Any corporation or other organization of~~ 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. ~~Any purchaser who makes a bona fide investment of \$100,000 or more, provided such purchaser or the purchaser's representative receives, or has access to, the information required to be disclosed by subparagraph (a)3.~~

~~5. Any accredited investor, as defined by rule of the commission in accordance with Securities and Exchange Commission Regulation 230.501 (17 C.F.R. s. 230.501).~~

5. A business entity shall be counted as one purchaser. If, however, that entity is organized for the specific purpose of acquiring the securities offered and is not an accredited

investor, then each beneficial owner of equity securities or equity interests in the entity shall count as a separate purchaser.

6. A non-contributory employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 shall be counted as one purchaser where the trustee makes all investment decisions for the plan.

~~(c)1. For purposes of determining which offers and sales of securities constitute part of the same offering under this subsection and are therefore deemed to be integrated with one another:~~

~~a. Offers or sales of securities occurring more than 6 months before an offer or sale of securities made pursuant to this subsection shall not be considered part of the same offering, provided there are no offers or sales by or for the issuer of the same or a similar class of securities during such 6-month period.~~

~~b. Offers or sales of securities occurring at any time after 6 months from an offer or sale made pursuant to this subsection shall not be considered part of the same offering, provided there are no offers or sales by or for the issuer of the same or a similar class of securities during such 6-month period.~~

~~2. Offers or sales which do not satisfy the conditions of any of the provisions of subparagraph 1. may or may not be part of the same offering, depending on the particular facts and circumstances in each case. The commission may adopt a rule or rules indicating what factors should be considered in determining whether offers and sales not qualifying for the provisions of subparagraph 1. are part of the same offering for purposes of this subsection.~~

~~(d) Offers or sales of securities made pursuant to, and in compliance with, any other subsection of this section or any subsection of s. 517.051 shall not be considered part of an offering pursuant to this subsection, regardless of when such offers and sales are made.~~

(11) The offer or sale of a security by an issuer in a transaction that meets the requirements of this section.

(a) Sales of securities shall be made only to persons who are or the issuer reasonably believes are accredited investors.

(b) The exemption is not available to an issuer that is in the development stage that either has no specific business plan or purpose or has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies, or other entity or person.

(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 of sale shall be presumed to be with a view to distribution and not for investment, except a resale pursuant to a registration statement effective under this chapter ~~sections~~ or pursuant to an exemption available under this chapter, the Securities Act of 1933, as amended, or the rules and regulation adopted thereunder.

(d) (1) A general announcement of the proposed offering may be made by any means.

(2) The general announcement shall include only the following information, unless additional information is specifically permitted by the ~~Commission~~commission:

(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; and

(f) A statement that: (i) sales will only be made to accredited investors; (ii) no money or other consideration is being solicited or will 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.

(g) The issuer, in connection with an offer, may provide information in addition to the general announcement under paragraph (e), if such information:

(1) is delivered through an electronic database that is restricted to persons who have been pre-qualified as accredited investors; or

(2) is delivered after the issuer reasonably believes that the prospective purchaser is an accredited investor.

(h) No telephone solicitation shall be permitted unless prior to placing the call, the issuer reasonably believes that the prospective purchaser to be solicited is an accredited investor.

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

(j) The issuer shall file 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 in this state. The commission may establish by rule procedures for filing documents by electronic means.

~~(12)(3)~~—The isolated sale or offer for sale of securities when made by or on behalf of a bona fide owner of such securities ~~vender~~ not the issuer or underwriter of the securities, who, ~~being the bona fide owner of such securities,~~ disposes of such securities for the owner's ~~her or his own property for her or his 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 any provision of 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 ~~vender of~~ bona fide owner of such securities, ~~but~~ not the issuer or underwriter of such securities if:

(a) The offer or sale of securities is in a transaction satisfying all of the requirements of subparagraphs ~~(10)(11)~~(a)1., 2., and 3. and paragraph ~~(10)(11)~~(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.

~~For purposes of this subsection, any person, including, without limitation, a promoter or affiliate of an issuer, shall not be deemed an underwriter, an issuer, or a person acting for the direct or indirect benefit of the issuer or an underwriter with respect to any securities of the issuer which she or he has owned beneficially for at least 1 year.~~

~~(13)(2)~~ By or for the account of a pledgeholder, a secured party as defined in s. 679.1021(1)(ttt), or 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)(13)~~ (a) An unsolicited purchase or sale of securities on order of, and as the agent for, another by a dealer registered pursuant to the provisions of 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 on order of, and as agent for, another by any person other than a dealer so registered; and provided, further, that such purchase or sale is not 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 violation or evading any provision of this chapter.

(b) A nonissuer transaction with a federal covered investment adviser with investments under management in excess of \$100,000,000 acting in the exercise of discretionary authority in a signed record for the account of others.

~~(15)(16)~~ The sale by or through a registered dealer of any securities option if at the time of the sale of the option the conditions of paragraphs (a) or (b) are met:

(a) The performance of the terms of the option is guaranteed by any dealer registered under the federal 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 the office; and

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

~~3. (d)~~ The underlying security may be purchased or sold on a recognized securities exchange or is quoted on the National Association of Securities Dealers Automated Quotation System; and

~~(c) Such sale is not directly or indirectly for the purpose of providing or furthering any scheme to violate or evade any provisions of this chapter registered under the Securities Exchange Act of 1934, as amended.~~

~~(16)(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 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;

4. Securities, other than any security that is a federal covered security pursuant to s. 18(b)(1) of the Securities Act of 1933, as amended, and is not subject to any registration or filing requirements under this act chapter, which appear in any list of securities dealt in on any stock exchange registered

~~pursuant to the Securities Exchange Act of 1934, as amended, and~~
which securities have been listed or approved for listing upon
notice of issuance by a securities exchange registered pursuant
to the Securities Exchange Act of 1934, as amended ~~such~~
~~exchange~~, and also 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
~~companies any stock of which is so~~ 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 for herein
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 ~~controlling persons~~ 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) This exemption ~~shall not be~~ is not available for any
securities which 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.

~~(17)-(20)~~ Any nonissuer transaction by a ~~registered~~
~~associated person of 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, at the time of the transaction the following conditions in subparagraphs (a), (b) and (c) and either subparagraph (d) or (e) are met:

(a) The issuer of the security is actually engaged in business and is not in the organization 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, any 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 ~~broker-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 order of the office or a document filed with and is publicly viewable through the Securities and Exchange Commission's that is publicly available through the commission's electronic data gathering and retrieval system and which 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, ~~and.~~

(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 ~~or designated for trading on the National Association of Securities Dealers Automated Quotation System, unless: .~~

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

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

~~4.2.~~ The issuer of the security has been engaged in continuous business, including predecessors, for at least 3 years; or

~~5.3.~~ 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.

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

(19) ÷ A nonissuer transaction in an outstanding security by or through a dealer registered or exempt from registration under this chapter, if the issuer is a reporting issuer in a foreign jurisdiction designated by this ~~paragraph-subsection~~ or

by ~~commission rule adopted or order issued under this chapter~~; has been subject to continuous reporting requirements in the foreign jurisdiction for not less than 180 days before the transaction; and the security is listed on the foreign jurisdiction's securities exchange that has been designated by this ~~paragraph subsection~~ or by ~~commission rule adopted or order issued under this chapter~~, or is a security of the same issuer that is of senior or substantially equal rank to the listed security or is a warrant or right to purchase or subscribe to any of the foregoing. For purposes of this ~~paragraph subsection~~, Canada, together with its provinces and territories, is a designated foreign jurisdiction and The Toronto Stock Exchange, Inc., is a designated securities exchange. After an administrative hearing in compliance with ~~the state administrative procedure ss. 120.569 and 120.57aet~~, the ~~administrator office~~, by rule adopted or order issued under this ~~chapter~~, may revoke the designation of a securities exchange under this ~~paragraph subsection~~, if the ~~administrator Office~~ finds that revocation is necessary or appropriate in the public interest and for the protection of investors.

(20) ~~(19)~~ Other transactions defined by rules as transactions exempted from the registration provisions of s. 517.07, which rules the commission may adopt from time to time, but only after a finding by the office that the application of the provisions of s. 517.07 to a particular transaction is not necessary in the public interest and for the protection of investors because of the small dollar amount of securities involved or the limited character of the offering. In conjunction with its adoption of such rules, the commission may also provide in such rules that persons selling or offering for sale ~~the exempted securities~~ in a transaction exempted by rule adopted pursuant to this section are exempt from the

registration requirements of s. 517.12. No rule so adopted may have the effect of narrowing or limiting any exemption provided for by statute in the other subsections of this section.

~~(8) The sale of securities from one corporation to another corporation provided that:~~

- ~~(a) The sale price of the securities is \$50,000 or more; and~~
- ~~(b) The buyer and seller corporations each have assets of \$500,000 or more.~~

~~(12) The sale of securities by a bank or trust company organized or incorporated under the laws of the United States or this state at a profit to such bank or trust company of not more than 2 percent of the total sale price of such securities; provided that there is no solicitation of this business by such bank or trust company where such bank or trust company acts as agent in the purchase or sale of such securities.~~

~~(14) The offer or sale of shares of a corporation which represent ownership, or entitle the holders of the shares to possession and occupancy, of specific apartment units in property owned by such corporation and organized and operated on a cooperative basis, solely for residential purposes.~~

~~(21) The offer or sale of a security by an issuer conducted in accordance with s. 517.0611.~~

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

517.0611 Florida ~~Intrastate~~ intrastate crowdfunding exemption.-

(1) This section may be cited as the "Florida Intrastate Crowdfunding Exemption."

(2) The registration provisions of s. 517.07 do not apply to securities transactions under this exemption, however such transactions are subject to the provisions of s. 517.301.

~~Notwithstanding any other provision on 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, as amended, 17 C.F.R. s. 230.147A, 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) ~~Be a for-profit business entity formed under the laws of the state, be registered with the Secretary of State, that maintains its principal place of business in the state and derives its revenues primarily from operations in this state.~~

(b) ~~Conduct transactions for the an offering in excess of \$2,500,000 through a dealer registered with the office or an intermediary registered under s. 517.12(2019). For offerings under \$2,500,000 the issuer may, but is not required to, use such a dealer or intermediary.~~

(c) ~~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, as amended, 15 U.S.C. s. 80a-3, 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. 78, as amended.~~

(d) Not be ~~a company~~ an organization 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) Not be subject to a disqualification established by the commission or office or a disqualification described in s. 517.1611 or ~~United States~~ Securities and Exchange Commission Rule 506(d), 17 C.F.R. 230.506(d), as amended. ~~7-adopted pursuant to the Securities Act of 1933~~. Each director, officer, manager, managing member, general partner or person occupying a similar status or performing a similar function, or person holding more than 20 percent of the ~~shares~~ equity interest of the issuer, is subject to this requirement.

(f) ~~Execute an escrow agreement with~~ Cause all funds received from investors to be deposited in an account in a federally insured financial institution authorized to do business in the this state 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 and maintain all such funds in the account until such time as either the target offering amount has been reached, the offering has been terminated, or the offering has expired. If the target amount has not been reached within the period specified by the issuer in the disclosure document provided to investors or the offering is terminated or expires, the issuer must within 10 business days refund the funds to all investors.

(g) ~~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.~~

Use all funds in accordance with the use of proceeds represented to prospective investors.

(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 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 email address, of the issuer.

(d) Identify any predecessors, owners, officers, directors, ~~and control persons~~ general partners, managers, managing members, 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, sole proprietor or a similar role, and ~~his or her~~ ownership percentage.

(e) Identify the federally insured financial institution, ~~authorized to do business in this state, into~~ 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.~~

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

~~(g)(i)~~ Include State the target offering amount and the date, not to exceed 360 days, by which the target amount must be reached in order for the offering not to be terminated.

(6) The issuer must amend the notice form within ~~30~~ 10 business 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 offer to prospective investors. Any oral or written statements made in advertising or solicitation of the offer are subject to the enforcement provisions of this chapter in the event of any material misstatement or non-disclosure of material information. Any general advertising or other general announcement must state that the offering is limited and open only to residents of the state of Florida.

~~(7)~~ (8) The issuer must provide ~~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, a~~ a disclosure statement to (i) the dealer or intermediary, if applicable, (ii) the office at the time that the notice is filed, and (iii) to each prospective investor at least 3 days prior to the investor's commitment to purchase or payment of any consideration. The disclosure statement containing must contain material information about the issuer and the offering, including:

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

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

(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. The 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 ~~shareholders~~ equity holders 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 SEC Rule 147 or 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.

~~(h)~~(k) 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 ~~\$100,000~~ \$500,000 or less, ~~the 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.~~ financial statements of the issuer may but are not required to be included.

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 ~~\$100,000~~ \$500,000, but not more than ~~\$500,000~~ \$2,500,000, 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 the ~~office~~ commission 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 ~~\$500,000~~ \$2,500,000, 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.

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

(1) Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this ~~prospectus-disclosure statement~~

is truthful or complete. Any representation to the contrary is a criminal offense.

(2) 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 any agency of 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 ~~\$1~~ \$5 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 ~~shares~~ equity interests 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, as defined by Rule 501 of Regulation D, adopted pursuant to the Securities Act of 1933, the aggregate amount 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.~~

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

(a) if 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 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 shall enter a final order revoking the notice-filing, issue a fine as prescribed by s. ~~517.221(3)~~ 517.191(9), and issue permanent bars under s. ~~517.221(4)~~ 517.191(10) to the issuer and all owners, officers, directors, 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.

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

(a) Take measures, as established by commission rule, to reduce the risk of fraud with respect to ~~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.~~ the offering and transactions thereunder.

(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 is not necessarily limited to:

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

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 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.~~

(c) Obtain from each prospective investor a zip code or residence address, a copy of a driver's license, and, if requested by the issuer or intermediary, any other indicia of residency in order for the issuer or intermediary to reasonably believe that the potential 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 prospective investor.

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

~~(h)(e) 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.~~

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

~~(1)(g)~~ Prohibit its directors and officers, 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.

~~(14)~~ (13) 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 ~~potential~~ prospective investor.

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

(14) If a dealer or intermediary is not employed by the issuer for an offering under this exemption, the issuer shall undertake each of the obligations set forth in subsections (12)(c), (d), (e), and (f).

~~(15) 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.~~

(15) Any sale, made pursuant to this exemption, 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 by sending an email to the issuer's email address set forth in the disclosure document provided to purchasers or purchaser's representatives or by certified mail or overnight delivery service with proof of delivery to the mailing address set forth in such disclosure document.

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

517.0612: Florida ~~Invest-invest Local-local~~

Exemptionexemption.-

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

(2) The offer or sale of a security by the issuer is exempt from registration under s. 517.07 if conducted in accordance with ~~each~~-all of the following requirements:

(a) The issuer shall be a for-profit business entity registered with the Florida Department of State with its principal place of business in this state. The issuer cannot be, either before or as a result of the offering:

~~(i)~~1. An investment company as defined in the Investment Company Act of 1940, as amended;

~~(ii)~~2. Subject to the reporting requirements of the Securities and Exchange Act of 1934, as amended;

~~(iii)~~3. Be an organization 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, or

~~(iv)~~4. Be subject to a disqualification pursuant to s. 517.0620616.

(b) The transaction shall meet the requirements of the federal exemption for intrastate offerings in either Section 3(a)(11) of the Securities Act of 1933, Securities and Exchange Commission Rule 147, or Securities and Exchange Commission Rule 147A, as such provisions may be amended.

(c) The sum of all cash and other consideration received for all sales of the security in reliance upon this exemption shall 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.

(d) The issuer shall not accept more than \$10,000 from any single purchaser unless: (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, or (3) the purchaser is an owner of 10% or more of the issuer's outstanding equity. For purposes of this section, (i) any relative, spouse, child or family relative who has the same primary residence of the purchaser shall collectively be treated as a single purchaser, or (ii) any business entity of

which the purchaser and any person related to the purchaser under subsection (i) collectively owns more than 50% of the equity interest shall collectively be treated as a single purchaser.

(e) 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 the state of Florida. Written or oral statements made in the advertising or solicitation of the offer are subject to the enforcement provisions of this chapter.

(f) A purchaser shall receive, at least 3 business days prior to any binding commitment to purchase or consideration paid, a disclosure document which sets forth material information of the issuer, including but not limited to the following:

~~(i)~~1. Issuer's name, form of entity and contact information.

~~2.(ii)~~ The name and contact information of each director, officer or other manager of the issuer.

~~(iii)~~3. A description of the issuer's business.

~~(iv)~~4. A description of the security being offered.

~~(v)~~5. The total amount of the offering.

~~(vi)~~6.) The intended use of proceeds from the sale of the securities.

~~(vii)~~7. The target amount of the offering.

~~(viii)~~8. A statement that if the target amount is not obtained in cash or the value of other tangible consideration received within 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 shall be promptly returned.

~~(ix)~~9. 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 SEC Rules 147 or 147A.

~~(x)~~10. The names and addresses of all persons who will be involved in the offer and sale of securities on behalf of the issuer

11.~~(xi)~~ the The bank or other depository institution into which investor funds will be deposited.

12.~~(xii)~~ A statement in boldface type that "Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this ~~prospectus-disclosure document~~ is truthful or complete. Any representation to the contrary is a criminal offense."

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

(h) 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 document described in subsection (f). -Issuer must, within 3 business days, file an amended notice if there are any material changes to the information previously submitted.

(3) An individual, entity, or entity employee who acts as an agent for the issuer in the offer or sale of securities under this exemption and is not registered as a dealer under this chapter shall not:

(a) receive compensation based upon the solicitation of purchases, sales, or offers to purchase the securities, or
(b) take custody of investor funds or securities.

(4) Any sale made pursuant to this exemption 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 by sending an email to the issuer's email address set forth in the disclosure document provided to purchasers or purchaser's representatives 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.--

(a) Failure to comply with any exemption from securities registration does not preclude the issuer from claiming the availability of any other applicable state or federal exemption.

(b) Sections 517.061, 517.0611 and 517.0612 are not available to any issuer for any transaction or chain of transactions that, although in technical compliance with the applicable provisions, is part of a plan or scheme to evade the registration provisions of section 517.07. In such cases, registration under section 517.07 is required.

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

517.0614 Integration of offerings.--

(a1) If the safe harbors in paragraph (b) of this section 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 will not be integrated if, based on the particular facts and circumstances, the issuer can establish that each offering either 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:

(1a) 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 either:

~~(i)~~1. Did not solicit such purchaser through the use of general solicitation; or

2.~~(ii)~~ Established a substantive relationship with such purchaser prior to the commencement of the exempt offering prohibiting general solicitation; provided that, a purchaser previously solicited through the use of general solicitation shall not be 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)a. no~~—No offer or sale of the same or similar class of securities shall have been made by or on behalf of the issuer, including to such purchaser, and

~~(b)~~b. ~~the~~The issuer or any person acting on the issuer's behalf shall not have solicited such purchaser through the use of general solicitation for any other security; and

(2b) 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.

~~(b2)~~ No integration analysis under ~~paragraph (a)~~subsection (1) of this section is required, if any of the following non-exclusive safe harbors apply:

~~(1a)~~ Any 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, will not be integrated with such other offering, provided that for an exempt offering for which general solicitation is not permitted that follows by 30 calendar days or more an offering that allows general solicitation, the provisions of (a)(1) shall apply.

~~(2b)~~ Offers and sales made in compliance with any of the provisions of s. 517.051 or 517.061, except 517.061(9), (10) and (11) and 517.0611 and 517.0612, will not be subject to integration with other offerings.

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

517.0615 Demo day presentations and testing the waters safe harbors.--

(a1) A communication will not be deemed to constitute general solicitation or general advertising if made in connection with a seminar or meeting in which more than one issuer participates that is sponsored by a college, university, or other institution of higher education, ~~State-state~~ or local government or instrumentality thereof, a nonprofit chamber of commerce or other nonprofit organization, or angel investor group, incubator, or accelerator, provided that:

(1a) No advertising for the seminar or meeting references a specific offering of securities by the issuer;

(2b) The sponsor of the seminar or meeting does not:

1.~~(i)~~ Make investment recommendations or provide investment advice to attendees of the event;

~~(ii)~~2. Engage in any investment negotiations between the issuer and investors attending the event;

~~(iii)~~3. Charge attendees of the event any fees, other than reasonable administrative fees;

~~(iv)~~4. Receive any compensation for making introductions between event attendees and issuers or for investment negotiations between such parties; and

~~(v)~~5. Receive any compensation with respect to the event that would require registration of the sponsor as a broker or a dealer under this chapter or under Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), as amended, or an investment adviser under the Investment Advisers Act of 1940 (15 U.S.C. 80b-1 et seq.), as amended. The sponsorship or participation in such a seminar or meeting does not by itself require registration under this chapter.

(3c) The type of information regarding an offering of securities by the issuer that is communicated or distributed by

or on behalf of the issuer in connection with the event 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; and

(4d) If the event allows attendees to participate virtually, rather than in person, online participation in the event is limited to:

~~(i)~~1. Individuals who are members of, or otherwise associated with the sponsor organization;

~~(ii)~~2. Individuals that the sponsor reasonably believes are accredited investors; or

3.~~(iii)~~ Individuals who 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.

~~(b)2~~ Before any offers or sales are made in connection with any offering, a communication by an issuer or any person authorized to act on behalf of an issuer will not be 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. Written or oral statements made in the course of such communication are subject to the enforcement provisions of this chapter. No solicitation or acceptance of money or other consideration, nor of any commitment, binding or otherwise, from any person is permitted-.

~~(1a)~~ The communications must:

~~(i)~~1. State that no money or other consideration is being solicited, and if sent in response, will not be accepted;

~~(ii)~~2. State that no offer to buy the securities can be accepted and no part of the purchase price can be received, and

~~(iii)~~3. State that a person's indication of interest involves no obligation or commitment of any kind.

~~(2b)~~ Any written communication under this rule may include a means by which a person may indicate to the issuer that such person is interested in a potential offering. This issuer may require the name, address, telephone number, and/or email address in any response form included pursuant to this paragraph ~~(e)~~.

~~(3c)~~ Communications in accordance with this section will not be subject to ~~Fl. Stat. s. 501 ff.s. 501.059~~ regarding telephone solicitations.

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

517.0616 Disqualification-

No registration exemption under s. 517.061(9), (10) and (11), s. 517.0611 or 517.0612 is available to an issuer that would be disqualified under Securities and Exchange Commission Rule 506(d), 17 C.F.R. 230.506(d), as amended, at the time the issuer makes an offer for the sale of a security.

Section 10. Section 517.081, Florida Statutes, is amended to read:

517.081 Registration procedure.-

(1) All securities required by this chapter to be registered before being sold in this state and not entitled to registration by notification shall be registered in the manner provided by this section.

(2) The office shall receive and act upon applications to have securities registered, and the commission may prescribe forms on which it may require such applications to be submitted. Applications 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 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:

(a) The names and addresses of:

1. All the directors, trustees, and officers, if the issuer is a corporation, association, or trust.
2. All the managers or managing members, if the issuer is a limited liability company.
3. All the partners, if the issuer is a partnership.
4. The issuer, if the issuer is a sole proprietorship or natural person.

(b) The location of the issuer's principal business office and of its principal office in this state, if any.

(c) The general character of the business actually to be transacted by the issuer and the purposes of the proposed issue.

(d) A statement of the capitalization of the issuer.

(e) A balance sheet showing the amount and general character of its assets and liabilities on a day not more than 90 days prior to the date of filing such balance sheet or such longer period of time, not exceeding 6 months, as the office may permit at the written request of the issuer on a showing of good cause therefor.

(f) A detailed statement of the plan upon which the issuer proposes to transact business.

(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 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.~~

~~(h) A statement of the amount of the issuer's income, expenses, and fixed charges during the last fiscal year or, if in actual business less than 1 year, then for such time as the issuer has been in actual business.~~

~~(i) A statement of the issuer's cash sources and application during the last fiscal year or, if in actual business less than 1 year, then for such time as the issuer has been in actual business.~~

~~(j) A statement showing the maximum price at which such security is proposed to be sold, together with the maximum amount of commission, including expenses, or other form of remuneration to be paid in cash or otherwise, directly or~~

indirectly, for or in connection with the sale or offering for sale of such securities.

(k) A copy of the opinion or opinions of counsel concerning the legality of the issue or other matters which the office may determine to be relevant to the issue.

(l) A detailed statement showing the items of cash, property, services, patents, good will, and any other consideration in payment for which such securities have been or are to be issued.

(m) The amount of securities to be set aside and disposed of and a statement of all securities issued from time to time for promotional purposes.

(n) If the issuer is a corporation, there shall be filed with the application a copy of its articles of incorporation with all amendments and of its existing bylaws, if not already on file in the office. If the issuer is a limited liability company, there shall be filed with the application a copy of the articles of organization with all the amendments and a copy of the company's operating agreement as may be amended, if not already on file with the office. If the issuer is a trustee, there shall be filed with the application a copy of all instruments by which the trust is created or declared and in which it is accepted and acknowledged. If the issuer is a partnership, unincorporated association, joint-stock company, or any other form of organization whatsoever, there shall be filed with the application a copy of its articles of partnership or association and all other papers pertaining to its organization, if not already on file in the office.

(4) All of the statements, exhibits, and documents of every kind required under this section, except properly certified public documents, shall be verified by the oath of the applicant

or of the issuer in such manner and form as may be required by the commission.

(5) (a) The commission may prescribe forms on which it may require applications for the registration of securities to be submitted to the office.

(b) The commission may by rule establish requirements and standards for the filing, content, and circulation of a preliminary, final, or amended prospectus and other sales literature and may by rule establish 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 commission in its judgment may deem necessary.

(c) The commission may by rule fix the maximum discounts, commissions, expenses, remuneration, and other compensation to be paid in cash or otherwise, not to exceed 20 percent, directly or indirectly, for or in connection with the sale or offering for sale of such securities in this state.

(d) 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:

1. 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.

2. 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.

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

4. An 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.

(e) 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.

(6) An issuer filing an application under this section shall, at the time of filing, pay the office a nonreturnable fee of \$1,000 per application for each offering that exceeds the amount provided in s. 3(b) of the Securities Act of 1933, as amended, or \$200 per application for each offering that does not

exceed the amount provided in s. 3(b) of the Securities Act of 1933, as amended.

(7) (a) The office shall record the registration of a security in the register of securities if, ~~If upon examination of any application 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][disclosure] 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.~~ finds that:

1. ~~the~~ The application is complete;

2. ~~the~~The fee in subsection (6) has been paid;

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

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

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

(b) Upon registration, such security may be sold by the issuer or any registered dealer, subject, however, to the further order of the office.

(8) The office shall deem an application to register securities filed with the office abandoned if the issuer or any person acting on behalf of the issuer has failed to timely complete an application specified by commission rule.

Section 11. Section 517.101, Florida Statutes, is amended to read:

517.101 Consent to service.—

(1) Upon any initial application for registration under s. 517.081 or s. 517.082, or upon request of the office, the issuer shall file with such application the irrevocable written consent of the issuer that in suits, proceedings, and actions growing out of the violation of any provision of this chapter, the service on the office of a notice, process, or pleading therein, authorized by the laws of this state, shall be as valid and binding as if due service had been made on the issuer.

(2) Any such action 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 shall be authenticated by the seal of said issuer, if it has a seal, and by the acknowledged signature of a ~~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 shall in such case be accompanied by a duly certified copy of the resolution of the board of directors, trustees, or managers of the corporation or association, authorizing the officers to execute the same~~ director, manager, general partner, trustee or officer of the issuer, and shall be accompanied by a duly certified copy of the resolution of the board of directors, managers or trustees of the issuer, or of the general partner, authorizing the signor to execute the consent. In case any process or pleadings mentioned in this chapter are served upon the office, it shall be by duplicate copies, one of which shall be filed in the office and another immediately forwarded by the office by registered mail to the principal office of the issuer against which said process or pleadings are directed.

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

517.131 Securities Guaranty Fund

(1) (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 are unable to 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~~(10)~~(9) and ~~(11)~~(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~~(10)~~(9) and ~~(11)~~(10) for associated persons shall be part

of the regular ~~license~~ registration fee and shall be transferred to or deposited in the Securities Guaranty Fund.

(b) If the ~~fund~~ Securities Guaranty Fund at any time exceeds \$1.5 million, transfer of assessment fees to ~~this~~the Securities Guaranty Fund shall be discontinued at the end of that ~~license~~ registration year, and transfer of such assessment fees shall not be resumed unless the Securities Guaranty Fund 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:~~ For purposes of this section and s. 517.141, "final judgment" shall include an arbitration award confirmed by a court of competent jurisdiction.

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

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

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

(a) 1. ~~holds~~ Holds an unsatisfied final judgment in which a wrongdoer was found to have violated ss. 517.07 or 517.301;

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

3. ~~is~~ Is a natural person who was a resident of Florida or is a business entity that was domiciled in Florida at the time of the violation of any section referred to in subparagraph

(a)1.; 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 pursuant to s. 517.191(3) as a result of a violation of ss. 517.07 or 517.301, that has requested payment from the Securities Guaranty Fund on behalf of a person eligible for payment under paragraph (3)(a) of this section.

~~(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.~~

~~(c) 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) 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. Notwithstanding subsection (2)(3), a person is not eligible for payment from the Securities Guaranty Fund if such person:~~

~~(a) participated-Participated or assisted in a violation of this chapter; or~~

~~(b) attempted-Attempted to commit or committed a violation of this chapter; or~~

~~(c) profited-Profited from a violation of this chapter.~~

~~(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. An eligible person or a~~

receiver, on behalf of an eligible person or persons, seeking payment from the Securities Guaranty Fund must file with the office a written application, on a form which the commission may by rule prescribe. The commission may establish, by rule procedures for filing documents by electronic means provided such procedures provide the office with the information and data required by this section. The application shall be filed with the office within one year of the date of that final judgment or of the date that restitution order has been ripe for execution-, or any appellate decision thereon and shall contain such info ~~or~~ as the office may require concerning such matters as:

(a) The eligible person's full name, address, and contact information;

(b) The receiver's full name, address, and contact information, if any;

(c) The person ordered to pay restitution;

(d) The eligible person's form and place of organization, if the eligible person is a business entity; and a copy of its articles of incorporation, its articles of organization with amendments, trust agreement, or its partnership agreement.

(e) Any final judgment and a copy thereof;

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

(g) An affidavit stating 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 the eligible person has discovered no property or assets; or the eligible person has available property and assets executed on all of the wrongdoer and the final judgment remains unsatisfied-;

(h) An affidavit from the receiver stating the amount of restitution owed to the eligible person(s) on whose behalf the claim is filed, the amount, if any, of any money, property, or assets paid to the eligible person(s) 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.

(i) The eligible person's residence or domicile at the time of the violation of ss. 517.07 or 517.301 which resulted in eligible person's monetary damages or order of restitution;

(j) The amount of any unsatisfied portion of the eligible person's final judgment;

(k) 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 has complied with the provisions of this section and rules promulgated thereunder, it shall approve such person for payment from the Securities Guaranty Fund. Each eligible person or receiver, within 90 days of the ~~Office's-office's~~ receipt of a complete application, shall be given written notice, personally or by mail, that the office intends to approve or deny the application for payment from the Securities Guaranty Fund, 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-office's~~ decision that the eligible person's or receiver's application for payment from the Securities Guaranty Fund is approved and prior to any disbursement, the eligible person shall assign all right, title, and interest in the final judgment or order of restitution to the extent of such payment, to the office on a form prescribed by commission rule.

(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 shall be tolled during the pendency of an appeal or motion to vacate an arbitration award.

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

517.141 Payment from the fund.

~~(1) Any person who meets all of the conditions prescribed in s. 517.131 may apply to~~ For purposes of this section, a "claimant" is an eligible person under s. 517.131 who is approved by 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.

(2) A claimant is entitled to disbursement in the amount equal to the lesser of the unsatisfied portion of the claimant's final judgment or order of restitution but only to the extent the final judgment reflects actual or compensatory damages, excluding post judgement interest, costs and attorney's fees; or either (a) \$15,000; or (b) \$25,000 if the claimant is a specified adult as defined in s. 517.34(1)(b), or the specified adult is a beneficial owner or beneficiary of a claimant.

~~(2)(3)~~ (3) Regardless of the number of claims or claimants involved, payments for claims shall be limited in the aggregate to \$100,000 \$250,000 against any one dealer, investment adviser,

~~or associated person. If the total claims filed by a receiver on behalf of claimants exceeds the aggregate limit of \$100,000 \$250,000, the office shall prorate the payment to each claimant based upon the ratio that the person's each claimant's individual claim bears to the total claims filed.~~

~~(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.~~

(4) 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 Securities Guaranty 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.

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

~~(4)~~(6) Individual claims filed by persons owning the same joint account, or claims stemming arising from any other type of account maintained by a particular licensee on which more than one name appears, 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 order of restitution 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, 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 order of restitution against a ~~dealer, investment adviser, or one or more associated persons~~ arising out of the same transactions, occurrences, or conduct or out of ~~the dealer's investment adviser's, or associated~~ such person's handling of the claimant's account, such final judgments or orders of restitution 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).~~

~~(5)~~(7) 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 shall reimburse the Securities Guaranty Fund all amounts paid from the Securities Guaranty Fund to the claimant on the claim. If the claimant satisfies the final judgment or order of restitution, specified in s. 517131(3)(a), the claimant shall reimburse the Securities Guaranty Fund all amounts paid from the Securities Guaranty Fund to the claimant on the claim. Such reimbursement shall be paid to the ~~office~~ Department of Financial Services 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.

~~(6)~~(8) If a claimant receives payments in excess of that which is permitted under this chapter, the claimant 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 shall forfeit all payments from the Securities Guaranty Fund and such act shall be a violation of s. 517.301(c-).

~~(7)~~(10) The office Department of Financial Services 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 shall be entitled to recover interest, costs, and attorney's fees in any action brought pursuant to this section in which the office Department of Financial Services 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.~~

~~(11) The commission may adopt rules pursuant to ss. 120.536(1) and 120.54 specifying procedures for complying with this section, including rules for the form of submission and guidelines for the sufficiency and content of submissions of notices and claims.~~

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

517.191 Enforcement by the Office-office 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 said property and business as 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 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 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 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 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 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 office, or any written agreement entered into with the office in an amount not to exceed:

(a) ~~the~~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;

(b) ~~the~~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; or

(c) ~~if~~If a specified adult as such term is defined in s. 517.34(1)(b) is the victim of a violation of this chapter, then up to twice the amount of the civil penalty that would otherwise be imposed under this subsection. All civil penalties collected pursuant to this subsection shall be deposited into the Anti-

Fraud Trust Fund. The office may recover any costs and attorney fees related to the office's investigation or enforcement of this section. Notwithstanding any other law, moneys recovered by the office for costs and attorney fees collected pursuant to this subsection 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 of a controlled person found to have violated any provision of this chapter or any rule adopted under any provision of this chapter is jointly and severally liable with, and to the same extent as, such 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 a provision of this chapter or of any rule adopted under any provision of this chapter is deemed to violate the provision 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 whenever the office has reason to believe that such person is violating, has violated, or is about to violate any provision of this chapter, any rule or order promulgated by the commission or office, or any written agreement entered into with the office.

(8) Whenever the office finds that conduct described in subsection (6) presents an immediate danger to the public requiring an immediate final order, it 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 therein and remains effective for 90 days. If the office begins nonemergency cease and desist proceedings under subsection (6), the emergency cease and desist order remains effective until 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 promulgated by the commission or office, or any written agreement entered into with the office in an amount not to exceed the penalties set forth in subsection (4). All fines collected hereunder shall be deposited as received in the Anti- Fraud Trust Fund.

(10) The office may bar, permanently or for a specific time period, 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 from submitting an application or notification for a license or registration with the office.

(11) ~~(5)~~ 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~~7~~ or s. 517.301~~7~~ s. 517.311~~7~~, or s. 517.312~~7~~, 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, 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 (8) ~~s. 517.221(3)~~ as the result of the same facts.

(13) ~~(7)~~ Notwithstanding s. 95.11(4)(e), 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) Nothing in this chapter limits any statutory right of the state to punish any 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 under similar cases instituted under the laws of the 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), ~~(4), (5), (9), (11), (13), (16), or (18)~~ (3), (4), (8), (10), (12), (15), or (17) may be rescinded at the election of the purchaser, except a sale made in violation of the provisions of s. 517.1202(3) relating to a renewal of a branch office notification shall not be subject to this section, and a sale made in violation of the provisions of ~~s. 517.12(13)~~ s. 517.12(12) relating to filing a change of address amendment 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 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 of a controlled 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.

~~(3)~~(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.

~~(4)~~(5) In an action for damages brought by a purchaser of a security or investment, the plaintiff 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.

~~(5)~~(6) 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.

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

(8) Nothing in this chapter limits 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 laws of the United States for the purchasers or sellers of securities, under any such laws, in interstate commerce extend also to purchasers or sellers of securities under this chapter.

Section 16. Section 517.241, Florida Statutes, is repealed.

Section 17. 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. 57.0612, 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 ~~To~~ publish, give publicity to, or circulate any notice, circular, advertisement, newspaper, article, letter, investment service, communication, or broadcast 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) It is unlawful for a person in issuing or selling a security within the state, including a security exempted under the provisions of s. 517.051 and including a transaction exempted under the provisions of s. 517.061, s. 517.0611, or s. 517.0612, to misrepresent that such security, or company 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.

(3) It is unlawful for a person registered or required to be registered, or subject to the notice requirements, under any section of this chapter, including such persons and issuers within the purview of ss. 517.051, 517.061, 517.0611, or 517.0612, to misrepresent that such person has been sponsored, recommended, or approved, or that her or his abilities or qualifications have in any respect been passed upon, 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 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 passed upon, 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) (a) No provision of subsection (2) or subsection (3) shall 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 the provisions of this chapter or rules promulgated thereunder, if such statement is true in fact, and if the effect of such statement is not misrepresented.

(b) A statement that a person is registered made in connection with the offer or sale of a security under the provisions of this chapter shall 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 shall immediately follow such statement and shall 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 shall be made or broadcast with the same force and effect as the statement of registration.

(6) 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 subsections (1), (2), (3), (4) or (5).

(7)(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 as defined in s. 559.80(1)(a), 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~~ by telephone, electronic mail, text messages, social media, chat rooms, or other electronic means, where ~~said property is offered and sold in accordance with the following conditions: there~~
~~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.~~

Section 18. Section 517.311, Florida Statutes, is repealed.

Section 19. Section 517.312, Florida Statutes, is repealed.