

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u> </u>	(Y/N)
ADOPTED AS AMENDED	<u> </u>	(Y/N)
ADOPTED W/O OBJECTION	<u> </u>	(Y/N)
FAILED TO ADOPT	<u> </u>	(Y/N)
WITHDRAWN	<u> </u>	(Y/N)
OTHER	<u> </u>	

1 Committee/Subcommittee hearing bill: Insurance & Banking
2 Subcommittee

3 Representative Barnaby offered the following:

4

5 **Amendment (with title amendment)**

6 Remove everything after the enacting clause and insert:

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

14 517.021 Definitions.—When used in this chapter, unless the
15 context otherwise indicates, the following terms have the
16 following respective meanings:

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

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

26 ~~(5)(4)~~ "Boiler room" means an enterprise in which two or
27 more persons in a common scheme or enterprise solicit potential
28 investors through telephone calls, e-mail, text messages, social
29 media, chat rooms, or other electronic means ~~engage in telephone~~
30 ~~communications with members of the public using two or more~~
31 ~~telephones at one location, or at more than one location in a~~
32 ~~common scheme or enterprise.~~

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

38 (10) (a) ~~(8)~~ "Dealer" includes, unless otherwise specified,
39 a person, other than an associated person of a dealer, that
40 engages, for all or part of the person's time, directly or
41 indirectly, as agent or principal in the business of offering,

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42 buying, selling, or otherwise dealing or trading in securities
43 issued by another person.

44 (b) The term "dealer" does not include any of the
45 following:

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

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

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

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

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

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

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

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

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

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

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

78 ~~(11)(9)~~ "Federal covered adviser" means a person that is
79 registered or required to be registered under s. 203 of the
80 Investment Advisers Act of 1940, as amended. The term does not
81 include any person that is excluded from the definition of
82 investment adviser under subparagraphs (16)(b)1.-7. and 9
83 ~~(14)(b)1.-8.~~

84 (16)(a) ~~(14)(a)~~ "Investment adviser" means a person, other
85 than an associated person of an investment adviser or a federal
86 covered adviser, that receives compensation, directly or
87 indirectly, and engages for all or part of the person's time,
88 directly or indirectly, or through publications or writings, in
89 the business of advising others as to the value of securities or

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90 as to the advisability of investments in, purchasing of, or
91 selling of securities.

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

93 1. A dealer or an associated person of a dealer whose
94 performance of services in paragraph (a) is solely incidental to
95 the conduct of the dealer's or associated person's business as a
96 dealer and who does not receive special compensation for those
97 services.

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

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

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

106 5. A trust company having trust powers, as defined in s.
107 658.12, which it is authorized to exercise in this state, which
108 trust company renders or performs investment advisory services
109 in a fiduciary capacity incidental to the exercise of its trust
110 powers.

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

113 7. A person that, during the preceding 12 months, has
114 fewer than six clients who are residents of this state. As used

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115 in this subparagraph, the term "client" has the same meaning as
116 provided in Securities and Exchange Commission Rule 275.222-2,
117 17 C.F.R. s. 275.222-2, as amended ~~does not hold itself out to~~
118 ~~the general public as an investment adviser and has no more than~~
119 ~~15 clients within 12 consecutive months in this state.~~

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

126 ~~9. A federal covered adviser.~~

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

134 Section 2. Present subsections (9) and (10) of section
135 517.051, Florida Statutes, are redesignated as subsections (10)
136 and (11), respectively, and amended, a new subsection (9) is
137 added to that section, and subsections (1), (3), (4), and (8) of
138 that section are amended, to read:

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139 517.051 Exempt securities.—The exemptions provided herein
140 from the registration requirements of s. 517.07 are self-
141 executing and do not require any filing with the office prior to
142 claiming such exemption. Any person who claims entitlement to
143 any of these exemptions bears the burden of proving such
144 entitlement in any proceeding brought under this chapter. The
145 registration provisions of s. 517.07 do not apply to any of the
146 following securities:

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

152 (a) Except as provided in paragraph (b), a ne person may
153 not shall directly or indirectly offer or sell securities, other
154 than general obligation bonds, described under this subsection
155 if the issuer or guarantor is in default or has been in default
156 any time after December 31, 1975, as to principal or interest:

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

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

161
162 except by an offering circular containing a full and fair
163 disclosure as prescribed by rule of the commission.

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

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

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

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

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

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

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

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

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

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

194 (4) A security issued or guaranteed, as to principal,
195 interest, or dividend, by a business entity ~~corporation~~ owning
196 or operating a railroad, another common carrier, or any other
197 public service utility; provided that such business entity
198 ~~corporation~~ is subject to regulation or supervision whether as
199 to its rates and charges or as to the issue of its own
200 securities by a public commission, board, or officer of the
201 government of the United States, of any state, territory, or
202 insular possession of the United States, of any municipality
203 located therein, of the District of Columbia, or of the Dominion
204 of Canada or of any province thereof; also equipment securities
205 based on chattel mortgages, leases, or agreements for
206 conditional sale of cars, motive power, or other rolling stock
207 mortgaged, leased, or sold to or furnished for the use of or
208 upon such railroad or other public service utility corporation
209 or where the ownership or title of such equipment is pledged or
210 retained in accordance with ~~the provisions of~~ the laws of the
211 United States or of any state or of the Dominion of Canada to

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212 secure the payment of such equipment securities; and also bonds,
213 notes, or other evidences of indebtedness issued by a holding
214 corporation and secured by collateral consisting of any
215 securities hereinabove described; provided, further, that the
216 collateral securities equal in fair value at least 125 percent
217 of the par value of the bonds, notes, or other evidences of
218 indebtedness so secured.

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

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

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

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

250 (10)-(9) A security issued by a business entity ~~corporation~~
251 organized and operated exclusively for religious, educational,
252 benevolent, fraternal, charitable, or reformatory purposes and
253 not for pecuniary profit, no part of the net earnings of which
254 ~~corporation~~ inures to the benefit of any private stockholder or
255 individual, or any security of a fund that is excluded from the
256 definition of an investment company under s. 3(c)(10)(B) of the
257 Investment Company Act of 1940, as amended; provided that a ~~no~~
258 person may not ~~shall~~ directly or indirectly offer or sell
259 securities under this subsection except by an offering circular
260 containing full and fair disclosure, as prescribed by the rules

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261 of the commission, of all material information, including, but
262 not limited to, a description of the securities offered and
263 terms of the offering, a description of the nature of the
264 issuer's business, a statement of the purpose of the offering
265 and the intended application by the issuer of the proceeds
266 thereof, and financial statements of the issuer prepared in
267 conformance with United States generally accepted accounting
268 principles. Section 6(c) of the Philanthropy Protection Act of
269 1995, Pub. L. No. 104-62, does ~~shall~~ not preempt any provision
270 of this chapter.

271 (11)~~(10)~~ Any insurance or endowment policy or annuity
272 contract or optional annuity contract or self-insurance
273 agreement issued by a business entity ~~corporation~~, insurance
274 company, reciprocal insurer, or risk retention group subject to
275 the supervision of the insurance regulator or bank regulator, or
276 any agency or officer performing like functions, of any state or
277 territory of the United States or the District of Columbia.

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

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

282 517.061 Exempt transactions.—Except as otherwise provided
283 in subsection (11), the exemptions provided herein from the
284 registration requirements of s. 517.07 are self-executing and do
285 not require any filing with the office before being claimed. Any

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286 person who claims entitlement to an exemption under this section
287 bears the burden of proving such entitlement in any proceeding
288 brought under this chapter. The registration provisions of s.
289 517.07 do not apply to any of the following transactions;
290 however, such transactions are subject to s. 517.301:

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

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

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

309 2. After a hearing upon the fairness of such terms and
310 conditions and at which all persons to whom issuance of

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311 securities in such exchange is proposed have the right to
312 appear.

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

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

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

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

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336 for the securities of such equity security holders or claims of
337 such creditors or partly for cash and partly in exchange for the
338 securities or claims of such equity security holders or
339 creditors.

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

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

350 (8) The offer or sale of securities under a bona fide
351 employee stock purchase, savings, option, profit-sharing,
352 pension, or similar employee benefit plan, including any
353 securities, plan interests, and guarantees issued under a
354 compensatory benefit plan or compensation contract, contained in
355 a record, established by the issuer, its parents, its majority-
356 owned subsidiaries, or the majority-owned subsidiaries of the
357 issuer's parent for the participation of their employees. This
358 includes offers or sales of such securities to all of the
359 following persons:

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- 360 (a) Directors, managers, managing members, general
361 partners, officers, consultants, and advisors.
- 362 (b) If the issuer is a business trust, trustees and former
363 trustees.
- 364 (c) Family members who acquire such securities from
365 persons described in this section through gifts or domestic
366 relations orders.
- 367 (d) Former employees, directors, managers, managing
368 members, general partners, officers, consultants, and advisors,
369 if those individuals were employed by or providing services to
370 the issuer when the securities were offered.
- 371 (e) Insurance agents who are exclusive insurance agents of
372 the issuer, or of the issuer's parents or subsidiaries, or who
373 derive more than 50 percent of their annual income from such
374 persons.
- 375 (9) The offer or sale of securities to a bank, trust
376 company, savings institution, insurance company, dealer,
377 investment company as defined in the Investment Company Act of
378 1940, 15 U.S.C. s. 80a-3, as amended, pension or profit-sharing
379 trust, or qualified institutional buyer, whether any of such
380 entities is acting in its individual or fiduciary capacity.
- 381 (10) (a) The offer or sale, by or on behalf of an issuer,
382 of its own securities if the offer or sale is part of an
383 offering made in accordance with all of the following
384 conditions:

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

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

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

400 4. Any sale made pursuant to this subsection is voidable
401 by the purchaser within 3 days after the first tender of
402 consideration is made by such purchaser to the issuer by
403 notifying the issuer that the purchaser expressly voids the
404 purchase. The purchaser's notice to the issuer must be sent by
405 e-mail to the issuer's e-mail address set forth in the
406 disclosure document provided to the purchaser or purchaser's
407 representative or by hand delivery, courier service, or other
408 method by which written proof of delivery to the issuer of the
409 purchaser's election to rescind the purchase is evidenced.

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

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

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

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

426 4. An accredited investor.

427
428 A business entity must be counted as one purchaser. However, if
429 the business entity is organized for the specific purpose of
430 acquiring the securities offered and is not an accredited
431 investor, each beneficial owner of equity securities or equity
432 interests in the business entity must be counted as a separate
433 purchaser. A noncontributory employee benefit plan within the
434 meaning of Title I of the Employee Retirement Income Security

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435 Act of 1974 must be counted as one purchaser if the trustee
436 makes all investment decisions for the plan.

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

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

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

447 (c) The issuer reasonably believes that all purchasers are
448 purchasing for investment and not with the view to or for sale
449 in connection with a distribution of the security. Any resale of
450 a security sold in reliance on this exemption within 12 months
451 after sale is presumed to be with a view to distribution and not
452 for investment, except a resale pursuant to a registration
453 statement effective under this chapter or pursuant to an
454 exemption available under this chapter, the Securities Act of
455 1933, as amended, or the rules and regulations adopted
456 thereunder.

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

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

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

463 c. A brief description of the business.

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

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

468 f. A statement that:

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

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

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

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

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

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

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

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

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

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

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507 bona fide owner, rather than the issuer or underwriter, of the
508 securities if:

509 (a) The offer or sale of securities is in a transaction
510 satisfying all of the conditions specified in subparagraphs
511 (10) (a) 1., 2., and 3. and paragraph (10) (b); or

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

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

522 (14) An unsolicited purchase or sale of securities on
523 order of, and as the agent for, another solely and exclusively
524 by a dealer registered pursuant to s. 517.12; provided that this
525 exemption applies solely and exclusively to such registered
526 dealers and does not authorize or permit the purchase or sale of
527 securities at the direction of, and as agent for, another by any
528 person other than a dealer so registered; and provided further
529 that such purchase or sale may not be directly or indirectly for
530 the benefit of the issuer or an underwriter of such securities

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531 or for the direct or indirect promotion of any scheme or
532 enterprise with the intent of violating or evading this chapter.

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

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

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

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

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

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

552 (17) (a) The offer or sale of securities, as agent or
553 principal, by a dealer registered pursuant to s. 517.12, when
554 such securities are offered or sold at a price reasonably

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555 related to the current market price of such securities, provided
556 that such securities are:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

626 4. An audited income statement for each of the issuer's
627 immediately preceding 2 fiscal years, or for the period of
628 existence of the issuer, if in existence for less than 2 years
629 or, in the case of a reorganization or merger in which the

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630 parties to the reorganization or merger had such audited income
631 statement, a pro forma income statement.

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

635 2. The class of security is quoted, offered, purchased, or
636 sold through an alternative trading system registered under
637 Securities and Exchange Commission Regulation ATS, 17 C.F.R. s.
638 242.301, as amended. and the issuer of the security has made
639 current information publicly available in accordance with
640 Securities and Exchange Commission Rule 15c2-11, 17 C.F.R. s.
641 240.15c2-11, as amended;

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

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

647 5. The issuer of the security has total assets of at least
648 \$2 million based on an audited balance sheet as of a date within
649 18 months before such transaction or, in the case of a
650 reorganization or merger in which parties to the reorganization
651 or merger had such audited balance sheet, a pro forma balance
652 sheet.

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

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

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

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

668
669 For purposes of this subsection, Canada, together with its
670 provinces and territories, is designated as a foreign
671 jurisdiction, and The Toronto Stock Exchange, Inc., is
672 designated as a securities exchange. If, after an administrative
673 hearing in compliance with ss. 120.569 and 120.57, the office
674 finds that revocation is necessary or appropriate in furtherance
675 of the public interest and for the protection of investors, it
676 may revoke the designation of a securities exchange under this
677 subsection.

678 (21) Other transactions exempted by commission rule upon a
679 finding by the office that the application of s. 517.07 to a

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680 particular transaction is not necessary or appropriate in
681 furtherance of the public interest and for the protection of
682 investors due to the small dollar amount of the securities
683 involved or the limited character of the offering. In
684 conjunction with its adoption by rule of such exemptions, the
685 commission may exempt persons selling or offering for sale
686 securities in such a transaction from the registration
687 requirements of s. 517.12. A rule adopted by the commission
688 under this subsection may not have the effect of narrowing or
689 limiting any exemption specified in this section.

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

692 517.0611 The Florida Limited Offering Exemption ~~Intrastate~~
693 ~~crowdfunding.~~—

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

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

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

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

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

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

724 (c) May not be, ~~either~~ before or as a result of the
725 offering, an investment company as defined in s. 3 of the
726 Investment Company Act of 1940, 15 U.S.C. s. 80a-3, as amended,
727 or subject to the reporting requirements of s. 13 or s. 15(d) of
728 the Securities Exchange Act of 1934, 15 U.S.C. s. 78m or s.
729 78o(d), as amended.

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

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

744 (f) Must deposit all funds received from investors in an
745 account in ~~Execute an escrow agreement with~~ a federally insured
746 financial institution authorized to do business in this the
747 state, and maintain all such funds in the account until the
748 target offering amount has been reached or the offering has been
749 terminated or has expired. If the target offering amount has not
750 been reached within the period specified by the issuer in the
751 disclosure statement provided to investors, or if the offering
752 is terminated or expires, the issuer must refund invested funds
753 to all investors within 10 business days after such occurrence
754 ~~for the deposit of investor funds, and ensure that all offering~~

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755 ~~proceeds are provided to the issuer only when the aggregate~~
756 ~~capital raised from all investors is equal to or greater than~~
757 ~~the target offering amount.~~

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

764 (5) The issuer must file a notice of the offering with the
765 office, in writing or in electronic form, in a format prescribed
766 by commission rule, together with a nonrefundable filing fee of
767 \$200. The filing fee must ~~shall~~ be deposited into the Regulatory
768 Trust Fund of the office. The commission may adopt rules
769 establishing procedures for the deposit of fees and the filing
770 of documents by electronic means if the procedures provide the
771 office with the information and data required by this section. A
772 notice is effective upon receipt, by the office, of the
773 completed form, filing fee, and an irrevocable written consent
774 to service of civil process, similar to that provided for in s.
775 517.101. The notice may be terminated by filing with the office
776 a notice of termination. The notice and offering expire 12
777 months after filing the notice with the office and are not
778 eligible for renewal. The notice must:

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

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

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

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

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

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

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

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

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

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

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

825 (8) The issuer must provide a disclosure statement to
826 ~~investors and the dealer or intermediary, along with a copy to~~
827 ~~the office at the time that the notice is filed, and make~~
828 ~~available to potential investors through the dealer or~~

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829 intermediary, as applicable; to the office at the time that the
830 notice is filed; and to each prospective investor at least 3
831 days before the investor's commitment to purchase or payment of
832 any consideration. The~~7~~a disclosure statement must contain
833 ~~containing~~ material information about the issuer and the
834 offering, including all of the following:

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

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

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

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

846 (e) The target offering amount and~~7~~ the deadline to reach
847 the target offering amount,~~7~~~~and regular updates regarding the~~
848 ~~progress of the issuer in meeting the target offering amount.~~

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

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

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

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

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

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

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

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

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

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

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

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

897 2. For offerings that, in combination with all other
898 offerings of the issuer within the preceding 12-month period,
899 have offering amounts of more than \$500,000 ~~\$100,000~~, but not
900 more than \$2.5 million ~~\$500,000~~, the description must include
901 financial statements prepared in accordance with generally
902 accepted accounting principles and reviewed by a certified

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903 public accountant, as defined in s. 473.302, who is independent
904 of the issuer, using professional standards and procedures ~~for~~
905 ~~such review~~ or standards and procedures established by
906 commission the office, by rule, for such purpose.

907 3. For offerings that, in combination with all other
908 offerings of the issuer within the preceding 12-month period,
909 have ~~target~~ offering amounts of more than \$2.5 million ~~\$500,000~~,
910 the description must include audited financial statements
911 prepared in accordance with generally accepted accounting
912 principles by a certified public accountant, as defined in s.
913 473.302, who is independent of the issuer, and other
914 requirements as the commission may establish by rule.

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

917
918 Neither the Securities and Exchange Commission nor any
919 state securities commission has approved or
920 disapproved these securities or determined if this
921 disclosure statement is truthful or complete. Any
922 representation to the contrary is a criminal offense.

923
924 These securities are offered under, and will be sold
925 in reliance upon, an exemption from the registration
926 requirements of federal and Florida securities laws.
927 ~~Consequently,~~ Neither the Federal Government nor the

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928 State of Florida has reviewed the accuracy or
929 completeness of any offering materials. In making an
930 investment decision, investors must rely on their own
931 examination of the issuer and the terms of the
932 offering, including the merits and risks involved.
933 These securities are subject to restrictions on
934 transferability and resale and may not be transferred
935 or resold except as specifically authorized by
936 applicable federal and state securities laws.
937 Investing in these securities involves a speculative
938 risk, and investors should be able to bear the loss of
939 their entire investment.

940 ~~(8) The issuer shall provide to the office a copy of the~~
941 ~~escrow agreement with a financial institution authorized to~~
942 ~~conduct business in this state. All investor funds must be~~
943 ~~deposited in the escrow account. The escrow agreement must~~
944 ~~require that all offering proceeds be released to the issuer~~
945 ~~only when the aggregate capital raised from all investors is~~
946 ~~equal to or greater than the minimum target offering amount~~
947 ~~specified in the disclosure statement as necessary to implement~~
948 ~~the business plan, and that all investors will receive a full~~
949 ~~return of their investment commitment if that target offering~~
950 ~~amount is not raised by the date stated in the disclosure~~
951 ~~statement.~~

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

962 (10) Unless the investor is an accredited investor, or the
963 issuer reasonably believes that the investor is an accredited
964 investor ~~as defined by Rule 501 of Regulation D, adopted~~
965 ~~pursuant to the Securities Act of 1933,~~ the aggregate amount of
966 securities sold by an issuer to an investor ~~in transactions~~
967 ~~exempt from registration requirements under this subsection~~ in a
968 12-month period may not exceed \$10,000÷

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

972 ~~(b) Ten percent of the annual income or net worth of such~~
973 ~~investor, not to exceed a maximum aggregate amount sold of~~
974 ~~\$100,000, if either the annual income or net worth of the~~
975 ~~investor is equal to or exceeds \$100,000.~~

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

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

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

994 ~~(11)(12)(a)~~ A notice-filing under this section must ~~shall~~
995 be summarily suspended by the office if:

996 (a) The payment for the filing is dishonored by the
997 financial institution upon which the funds are drawn. For
998 purposes of s. 120.60(6), failure to pay the required notice
999 filing fee constitutes an immediate and serious danger to the
1000 public health, safety, and welfare. The office shall enter a

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1001 final order revoking a notice-filing in which the payment for
1002 the filing is dishonored by the financial institution upon which
1003 the funds are drawn; ~~or-~~

1004 (b) ~~A notice-filing under this section shall be summarily~~
1005 ~~suspended by the office if~~ The issuer made a material false
1006 statement in the issuer's notice-filing. The summary suspension
1007 remains ~~shall remain~~ in effect until a final order is entered by
1008 the office. For purposes of s. 120.60(6), a material false
1009 statement made in the issuer's notice-filing constitutes an
1010 immediate and serious danger to the public health, safety, and
1011 welfare. If an issuer made a material false statement in the
1012 issuer's notice-filing, the office must ~~shall~~ enter a final
1013 order revoking the notice-filing, issue a fine as prescribed by
1014 s. 517.191(9) ~~s. 517.221(3)~~, and issue permanent bars under s.
1015 517.191(10) ~~s. 517.221(4)~~ to the issuer and all owners,
1016 officers, directors, general partners, and control persons, or
1017 any person occupying a similar status or performing a similar
1018 function of the issuer, including title; status as a partner,
1019 trustee, sole proprietor, or similar role; and ownership
1020 percentage.

1021 ~~(12)-(13)~~ If the issuer employs the services of an
1022 intermediary, the ~~An~~ intermediary must:

1023 (a) Take measures, as established by commission rule, to
1024 reduce the risk of fraud with respect to the transactions,
1025 ~~including verifying that the issuer is in compliance with the~~

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1026 ~~requirements of this section and, if necessary, denying an~~
1027 ~~issuer access to its platform if the intermediary believes it is~~
1028 ~~unable to adequately assess the risk of fraud of the issuer or~~
1029 ~~its potential offering.~~

1030 (b) Provide ~~basic~~ information on its website regarding the
1031 high risk of investment in and limitation on the resale of
1032 exempt securities and the potential for loss of an entire
1033 investment. The ~~basic~~ information must include, but need not be
1034 limited to, all of the following:

1035 1. A description of the financial institution into which
1036 investor funds will be deposited ~~escrow agreement that the~~
1037 ~~issuer has executed~~ and the conditions for the use ~~release~~ of
1038 such funds by ~~to~~ the issuer ~~in accordance with the agreement and~~
1039 ~~subsection (4).~~

1040 2. A description of whether financial information provided
1041 by the issuer has been audited by an independent certified
1042 public accountant, as defined in s. 473.302.

1043 (c) Obtain from each prospective investor a zip code or
1044 residence address, a copy of a driver license, and any other
1045 proof of residency in order for the issuer or intermediary to
1046 reasonably believe that the potential investor is a resident of
1047 this state. The commission may adopt rules authorizing
1048 additional forms of identification and prescribing the process
1049 for verifying any identification presented by the prospective
1050 investor.

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1051 (d) Obtain information sufficient for the issuer or
1052 intermediary to reasonably believe that a particular prospective
1053 investor is an accredited investor

1054 ~~(c) Obtain a zip code or residence address from each~~
1055 ~~potential investor who seeks to view information regarding~~
1056 ~~specific investment opportunities, in order to confirm that the~~
1057 ~~potential investor is a resident of the state.~~

1058 ~~(d) Obtain and verify a valid Florida driver license~~
1059 ~~number or Florida identification card number from each investor~~
1060 ~~before purchase of a security to confirm that the investor is a~~
1061 ~~resident of the state. The commission may adopt rules~~
1062 ~~authorizing additional forms of identification and prescribing~~
1063 ~~the process for verifying any identification presented by the~~
1064 ~~investor.~~

1065 ~~(e) Obtain an affidavit from each investor stating that~~
1066 ~~the investment being made by the investor is consistent with the~~
1067 ~~income requirements of subsection (10).~~

1068 ~~(f) Direct the release of investor funds in escrow in~~
1069 ~~accordance with subsection (4).~~

1070 ~~(g) Direct investors to transmit funds directly to the~~
1071 ~~financial institution designated in the escrow agreement to hold~~
1072 ~~the funds for the benefit of the investor.~~

1073 (e)-(h) Provide a monthly update for each offering, after
1074 the first full month after the date of the offering. The update
1075 must be accessible on the intermediary's website and must

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1076 display the date and amount of each sale of securities, and each
1077 cancellation of commitment to invest, in the previous calendar
1078 month.

1079 ~~(i) Require each investor to certify in writing, including~~
1080 ~~as part of such certification his or her signature and his or~~
1081 ~~her initials next to each paragraph of the certification, as~~
1082 ~~follows:~~

1083 ~~I understand and acknowledge that:~~

1084 ~~I am investing in a high-risk, speculative business~~
1085 ~~venture. I may lose all of my investment, and I can afford the~~
1086 ~~loss of my investment.~~

1087 ~~This offering has not been reviewed or approved by any~~
1088 ~~state or federal securities commission or other regulatory~~
1089 ~~authority and no regulatory authority has confirmed the accuracy~~
1090 ~~or determined the adequacy of any disclosure made to me relating~~
1091 ~~to this offering.~~

1092 ~~The securities I am acquiring in this offering are illiquid~~
1093 ~~and are subject to possible dilution. There is no ready market~~
1094 ~~for the sale of the securities. It may be difficult or~~
1095 ~~impossible for me to sell or otherwise dispose of the~~
1096 ~~securities, and I may be required to hold the securities~~
1097 ~~indefinitely.~~

1098 ~~I may be subject to tax on my share of the taxable income~~
1099 ~~and losses of the issuer, whether or not I have sold or~~

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1100 ~~otherwise disposed of my investment or received any dividends or~~
1101 ~~other distributions from the issuer.~~

1102 ~~By entering into this transaction with the issuer, I am~~
1103 ~~affirmatively representing myself as being a Florida resident at~~
1104 ~~the time this contract is formed, and if this representation is~~
1105 ~~subsequently shown to be false, the contract is void.~~

1106 ~~If I resell any of the securities I am acquiring in this~~
1107 ~~offering to a person that is not a Florida resident within 9~~
1108 ~~months after the closing of the offering, my contract with the~~
1109 ~~issuer for the purchase of these securities is void.~~

1110 ~~(j) Require each investor to answer questions~~
1111 ~~demonstrating an understanding of the level of risk generally~~
1112 ~~applicable to investments in startups, emerging businesses, and~~
1113 ~~small issuers, and an understanding of the risk of illiquidity.~~

1114 ~~(f)(k) Take reasonable steps to protect personal~~
1115 ~~information collected from investors, as required by s. 501.171.~~

1116 ~~(g)(l) Prohibit its directors, and officers, managers,~~
1117 ~~managing members, general partners, employees, and agents from~~
1118 ~~having any financial interest in the issuer using its services.~~

1119 ~~(m) Implement written policies and procedures that are~~
1120 ~~reasonably designed to achieve compliance with federal and state~~
1121 ~~securities laws; comply with the anti-money laundering~~
1122 ~~requirements of 31 C.F.R. chapter X applicable to registered~~
1123 ~~brokers; and comply with the privacy requirements of 17 C.F.R.~~
1124 ~~part 248 relating to brokers.~~

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1125 ~~(13)-(14)~~ An intermediary not registered as a dealer under
1126 s. 517.12(5) may not:

1127 (a) Offer investment advice or recommendations. A refusal
1128 by an intermediary to post an offering that it deems not
1129 credible or that represents a potential for fraud may not be
1130 construed as an offer of investment advice or recommendation.

1131 (b) Solicit purchases, sales, or offers to buy securities
1132 offered or displayed on its website.

1133 (c) Compensate employees, agents, or other persons for the
1134 solicitation of, or based on the sale of, securities offered or
1135 displayed on its website.

1136 (d) Hold, manage, possess, or otherwise handle investor
1137 funds or securities.

1138 (e) Compensate promoters, finders, or lead generators for
1139 providing the intermediary with the personal identifying
1140 information of any prospective ~~potential~~ investor.

1141 (f) Engage in any other activities set forth by commission
1142 rule.

1143 (14) If the issuer does not employ a dealer or an
1144 intermediary for an offering pursuant to the exemption created
1145 under this section, the issuer must fulfill each of the
1146 obligations specified in paragraphs (12)(c)-(f).

1147 (15) Any sale made pursuant to the exemption created under
1148 this section is voidable by the purchaser within 3 days after
1149 the first tender of consideration is made by such purchaser to

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1150 the issuer by notifying the issuer that the purchaser expressly
1151 voids the purchase. The purchaser's notice to the issuer must be
1152 sent by e-mail to the issuer's e-mail address set forth in the
1153 disclosure statement that is provided to the purchaser or
1154 purchaser's representative or by certified mail or overnight
1155 delivery service with proof of delivery to the mailing address
1156 set forth in the disclosure statement ~~All funds received from~~
1157 ~~investors must be directed to the financial institution~~
1158 ~~designated in the escrow agreement to hold the funds and must be~~
1159 ~~used in accordance with representations made to investors by the~~
1160 ~~intermediary. If an investor cancels a commitment to invest, the~~
1161 ~~intermediary must direct the financial institution designated to~~
1162 ~~hold the funds to promptly refund the funds of the investor.~~

1163 Section 5. Section 517.0612, Florida Statutes, is created
1164 to read:

1165 517.0612 Florida Invest Local Exemption.-

1166 (1) This section may be cited as the "Florida Invest Local
1167 Exemption."

1168 (2) The registration provisions of s. 517.07 do not apply
1169 to a securities transaction conducted in accordance with this
1170 section; however, such transaction is subject to s. 517.301.

1171 (3) The offer or sale of securities under this section
1172 must meet the requirements of the federal exemption for
1173 intrastate offerings in s. 3(a)(11) of the Securities Act of

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1174 1933, Securities and Exchange Commission Rule 147, or Securities
1175 and Exchange Commission Rule 147A, as amended.

1176 (4) The issuer must be a for-profit business entity
1177 registered with the Department of State which has its principal
1178 place of business in this state. The issuer may not be, before
1179 or as a result of the offering:

1180 (a) An investment company as defined in the Investment
1181 Company Act of 1940, as amended;

1182 (b) Subject to the reporting requirements of the
1183 Securities and Exchange Act of 1934, as amended;

1184 (c) A business entity that has an undefined business
1185 operation, lacks a business plan, lacks a stated investment goal
1186 for the funds being raised, or plans to engage in a merger or
1187 acquisition with an unspecified business entity; or

1188 (d) Subject to a disqualification as provided in s.
1189 517.0616.

1190 (5) The sum of all cash and other consideration received
1191 from all sales of the securities in reliance upon the exemption
1192 under this section may not exceed \$500,000, less the aggregate
1193 amount received for all sales of securities by the issuer within
1194 the 12 months before the first offer or sale made in reliance on
1195 this exemption.

1196 (6) (a) The issuer may not accept more than \$10,000 from
1197 any single purchaser unless any of the following apply:

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1198 1. The issuer reasonably believes that the purchaser is an
1199 accredited investor.

1200 2. The purchaser is an officer, director, partner, or
1201 trustee, or an individual occupying a similar status or
1202 performing similar functions, of the issuer.

1203 3. The purchaser is an owner of 10 percent or more of the
1204 issuer's outstanding equity.

1205 (b) For purposes of this subsection, the following persons
1206 must be treated collectively as a single purchaser:

1207 1. Any spouse or child of the purchaser or any related
1208 family member who has the same primary residence as the
1209 purchaser.

1210 2. Any business entity of which the purchaser and any
1211 person related to the purchaser as provided in subparagraph 1.
1212 collectively own more than 50 percent of the equity interest.

1213 (7) The issuer may engage in general advertising and
1214 general solicitation of the offering. Any general advertising or
1215 other general announcement must state that the offer is limited
1216 and open only to residents of this state. Any oral or written
1217 statements in advertising or solicitation of the offer which
1218 contain a material misstatement, or which fail to disclose
1219 material information, are subject to enforcement under this
1220 chapter.

1221 (8) A purchaser must receive, at least 3 business days
1222 before any binding commitment to purchase or consideration paid,

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1223 a disclosure statement that provides material information
1224 regarding the issuer, including, but not limited to, all of the
1225 following information:

1226 (a) The issuer's name, type of entity, and contact
1227 information.

1228 (b) The name and contact information of each director,
1229 officer, or other manager of the issuer.

1230 (c) A description of the issuer's business.

1231 (d) A description of the security being offered.

1232 (e) The total amount of the offering.

1233 (f) The intended use of proceeds from the sale of the
1234 securities.

1235 (g) The target offering amount.

1236 (h) A statement that if the target offering amount is not
1237 obtained in cash or in the value of other tangible consideration
1238 received on a date that is no more than 180 days after the
1239 commencement of the offering, the offering will be terminated,
1240 and any funds or other consideration received from purchasers
1241 must be promptly returned.

1242 (i) A statement that the security being offered is not
1243 registered under federal or state securities laws and that the
1244 securities are subject to the limitation on resale contained in
1245 Securities and Exchange Commission Rule 147 or Rule 147A.

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1246 (j) The names and addresses of all persons who will be
1247 involved in the offer and sale of securities on behalf of the
1248 issuer.

1249 (k) The name of the bank or other depository institution
1250 into which investor funds will be deposited.

1251 (l) The following statement in boldface, conspicuous type:

1252
1253 Neither the Securities and Exchange Commission nor any
1254 state securities commission has approved or
1255 disapproved these securities or determined that this
1256 disclosure statement is truthful or complete. Any
1257 representation to the contrary is a criminal offense.

1258
1259 (9) All funds received from investors must be deposited
1260 into a bank or depository institution authorized to do business
1261 in this state. The issuer may not withdraw any amount of the
1262 offering proceeds unless the target offering amount has been
1263 received.

1264 (10) The issuer must file a notice of the offering with
1265 the office, in writing or in electronic form, in a format
1266 prescribed by commission rule, no less than 5 business days
1267 before the offering commences, along with the disclosure
1268 statement described in subsection (8). If there are any material
1269 changes to the information previously submitted, the issuer,

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1270 within 3 business days after such material change, must file an
1271 amended notice.

1272 (11) An individual, entity, or entity employee who acts as
1273 an agent for the issuer in the offer or sale of securities and
1274 is not registered as a dealer under this chapter may not do
1275 either of the following:

1276 (a) Receive compensation based upon the solicitation of
1277 purchases, sales, or offers to purchase the securities.

1278 (b) Take custody of investor funds or securities.

1279 (12) Any sale made pursuant to the exemption created under
1280 this section is voidable by the purchaser within 3 days after
1281 the first tender of consideration is made by such purchaser to
1282 the issuer by notifying the issuer that the purchaser expressly
1283 voids the purchase. The purchaser's notice to the issuer must be
1284 sent by e-mail to the issuer's e-mail address set forth in the
1285 disclosure statement that is provided to a purchaser or the
1286 purchaser's representative or by hand delivery, courier service,
1287 or other method by which written proof of delivery to the issuer
1288 of the purchaser's election to rescind the purchase is
1289 evidenced.

1290 Section 6. Section 517.0613, Florida Statutes, is created
1291 to read:

1292 517.0613 Failure to comply with a securities registration
1293 exemption.-

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1294 (1) Failure to meet the requirements for any exemption
1295 from securities registration does not preclude the issuer from
1296 claiming the availability of any other applicable state or
1297 federal exemption.

1298 (2) The exemptions created under ss. 517.061, 517.0611,
1299 and 517.0612 are not available to an issuer for any transaction
1300 or series of transactions that, although in technical compliance
1301 with the applicable provisions, is part of a plan or scheme to
1302 evade the registration provisions of s. 517.07, and registration
1303 under s. 517.07 is required in connection with such
1304 transactions.

1305 Section 7. Section 517.0614, Florida Statutes, is created
1306 to read:

1307 517.0614 Integration of offerings.—

1308 (1) If the safe harbors in subsection (2) do not apply, in
1309 determining whether two or more offerings are to be treated as
1310 one for the purpose of registration or qualifying for an
1311 exemption from registration under this chapter, offers and sales
1312 may not be integrated if, based on the particular facts and
1313 circumstances, the issuer can establish either that each
1314 offering complies with the registration requirements of this
1315 chapter, or that an exemption from registration is available for
1316 the particular offering, provided that any transaction or series
1317 of transactions that, although in technical compliance with this
1318 chapter, is part of a plan or scheme to evade the registration

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1319 requirements of this chapter will not have the effect of
1320 avoiding integration. In making this determination:

1321 (a) For an exempt offering prohibiting general
1322 solicitation, the issuer must have a reasonable belief, based on
1323 the facts and circumstances, with respect to each purchaser in
1324 the exempt offering prohibiting general solicitation, that the
1325 issuer or any person acting on the issuer's behalf:

1326 1. Did not solicit such purchaser through the use of
1327 general solicitation; or

1328 2. Established a substantive relationship with such
1329 purchaser before the commencement of the exempt offering
1330 prohibiting general solicitation, provided that a purchaser
1331 previously solicited through the use of general solicitation is
1332 not deemed to have been solicited through the use of general
1333 solicitation in the current offering if, during the 45 calendar
1334 days following such previous general solicitation:

1335 a. No offer or sale of the same or similar class of
1336 securities has been made by or on behalf of the issuer,
1337 including to such purchaser; and

1338 b. The issuer or any person acting on the issuer's behalf
1339 has not solicited such purchaser through the use of general
1340 solicitation for any other security.

1341 (b) For two or more concurrent exempt offerings permitting
1342 general solicitation, in addition to satisfying the requirements
1343 of the particular exemption relied on, general solicitation

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1344 offering materials for one offering that includes information
1345 about the material terms of a concurrent offering under another
1346 exemption may constitute an offer of securities in such other
1347 offering, and therefore the offer must comply with all the
1348 requirements for, and restrictions on, offers under the
1349 exemption being relied on for such other offering, including any
1350 legend requirements and communications restrictions.

1351 (2) The integration analysis required by subsection (1) is
1352 not required if any of the following nonexclusive safe harbors
1353 apply:

1354 (a) An offering commenced more than 30 calendar days
1355 before the commencement of any other offering, or more than 30
1356 calendar days after the termination or completion of any other
1357 offering, may not be integrated with such other offering,
1358 provided that for an exempt offering for which general
1359 solicitation is not permitted which follows by 30 calendar days
1360 or more an offering that allows general solicitation, paragraph
1361 (1)(a) applies.

1362 (b) Offers and sales made in compliance with any of the
1363 following provisions are not subject to integration with other
1364 offerings:

1365 1. Section 517.051 or s. 517.061, except s. 517.061(9),
1366 (10), or (11).

1367 2. Section 517.0611 or s. 517.0612.

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1368 Section 8. Section 517.0615, Florida Statutes, is created
1369 to read:

1370 517.0615 Solicitations of interest.-

1371 (1) A communication may not be deemed to constitute
1372 general solicitation or general advertising if the communication
1373 is made in connection with a seminar or meeting in which more
1374 than one issuer participates and which is sponsored by a
1375 college, a university, or another institution of higher
1376 education; a state or local government or an instrumentality
1377 thereof; a nonprofit chamber of commerce or other nonprofit
1378 organization; or an angel investor group, incubator, or
1379 accelerator, if all of the following apply:

1380 (a) Advertising for the seminar or meeting does not
1381 reference a specific offering of securities by the issuer.

1382 (b) The sponsor of the seminar or meeting does not do any
1383 of the following:

1384 1. Make investment recommendations or provide investment
1385 advice to attendees of the seminar or meeting.

1386 2. Engage in any investment negotiations between the
1387 issuer and investors attending the seminar or meeting.

1388 3. Charge attendees of the seminar or meeting any fees,
1389 other than reasonable administrative fees.

1390 4. Receive any compensation for making introductions
1391 between seminar or meeting attendees and issuers or for
1392 investment negotiations between such parties.

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1393 5. Receive any compensation with respect to the seminar or
1394 meeting, which compensation would require registration or
1395 notice-filing under this chapter, the Securities Exchange Act of
1396 1934, 15 U.S.C. ss. 78a et seq., as amended, or the Investment
1397 Advisers Act of 1940, 15 U.S.C. s. 80b-1 et seq., as amended.
1398 The sponsorship or participation in the seminar or meeting does
1399 not by itself require registration or notice-filing under this
1400 chapter.

1401 (c) The type of information regarding an offering of
1402 securities by the issuer which is communicated or distributed by
1403 or on behalf of the issuer in connection with the seminar or
1404 meeting is limited to a notification that the issuer is in the
1405 process of offering or planning to offer securities, the type
1406 and amount of securities being offered, the intended use of
1407 proceeds of the offering, and the unsubscribed amount in an
1408 offering.

1409 (d) If the event allows attendees to participate
1410 virtually, rather than in person, online participation in the
1411 event is limited to:

1412 1. Individuals that are members of, or otherwise
1413 associated with, the sponsor organization;

1414 2. Individuals that the sponsor reasonably believes are
1415 accredited investors; or

1416 3. Individuals that have been invited to the event by the
1417 sponsor based on industry or investment-related experience

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1418 reasonably selected by the sponsor in good faith and disclosed
1419 in the public communications about the event.

1420 (2) Before any offers or sales are made in connection with
1421 an offering, communications by an issuer or any person
1422 authorized to act on behalf of the issuer are not deemed to
1423 constitute general solicitation or general advertising if the
1424 communication is solely for the purpose of determining whether
1425 there is any interest in a contemplated securities offering.
1426 Requirements imposed under this chapter on written or oral
1427 statements made in the course of such communication may be
1428 enforced as provided in this chapter. The solicitation or
1429 acceptance of money or other consideration or of any commitment,
1430 binding or otherwise, from any person is prohibited.

1431 (a) The communication must state all of the following:

1432 1. Money or other consideration is not being solicited
1433 and, if sent in response, will not be accepted.

1434 2. Any offer to buy the securities will not be accepted,
1435 and no part of the purchase price will be accepted.

1436 3. A person's indication of interest does not involve
1437 obligation or commitment of any kind.

1438 (b) Any written communication under this subsection may
1439 include a means by which a person may indicate to the issuer
1440 that the person is interested in a potential offering. The
1441 issuer may require the name, address, telephone number, or e-

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1442 mail address in any response form included in the written
1443 communication under this paragraph.

1444 (c) A communication in accordance with this subsection is
1445 not subject to s. 501.059, regarding telephone solicitations.

1446 Section 9. Section 517.0616, Florida Statutes, is created
1447 to read:

1448 517.0616 Disqualification.—A registration exemption under
1449 s. 517.061(9), (10), and (11), s. 517.0611, or s. 517.0612 is
1450 not available to an issuer that would be disqualified under
1451 Securities and Exchange Commission Rule 506(d), 17 C.F.R. s.
1452 230.506(d), as amended, at the time the issuer makes an offer
1453 for the sale of a security.

1454 Section 10. Present subsections (4) through (8) of section
1455 517.081, Florida Statutes, are redesignated as subsections (6)
1456 through (10), respectively, new subsections (4) and (5) are
1457 added to that section, and subsection (2), paragraph (g) of
1458 subsection (3), and present subsection (7) of that section are
1459 amended, to read:

1460 517.081 Registration procedure.—

1461 (2) The office shall receive and act upon applications for
1462 the registration of to have securities registered, and the
1463 commission may prescribe forms on which it may require such
1464 applications to be submitted. Applications must ~~shall~~ be duly
1465 signed by the applicant, sworn to by any person having knowledge
1466 of the facts, and filed with the office. ~~The commission may~~

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1467 ~~establish, by rule, procedures for depositing fees and filing~~
1468 ~~documents by electronic means provided such procedures provide~~
1469 ~~the office with the information and data required by this~~
1470 ~~section.~~ An application may be made either by the issuer of the
1471 securities for which registration is applied or by any
1472 registered dealer desiring to sell such securities ~~the same~~
1473 within the state.

1474 (3) The office may require the applicant to submit to the
1475 office the following information concerning the issuer and such
1476 other relevant information as the office may in its judgment
1477 deem necessary to enable it to ascertain whether such securities
1478 shall be registered pursuant to the provisions of this section:

1479 (g)~~1.~~ A specimen copy of the securities certificate, if
1480 applicable, and a copy of any circular, prospectus,
1481 advertisement, or other description of such securities.

1482 ~~2. The commission shall adopt a form for a simplified~~
1483 ~~offering circular to register, under this section, securities~~
1484 ~~that are sold in offerings in which the aggregate offering price~~
1485 ~~in any consecutive 12-month period does not exceed the amount~~
1486 ~~provided in s. 3(b) of the Securities Act of 1933, as amended.~~
1487 ~~The following issuers shall not be eligible to submit a~~
1488 ~~simplified offering circular adopted pursuant to this~~
1489 ~~subparagraph:~~

1490 ~~a. An issuer seeking to register securities for resale by~~
1491 ~~persons other than the issuer.~~

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1492 ~~b. An issuer that is subject to any of the~~
1493 ~~disqualifications described in 17 C.F.R. s. 230.262, adopted~~
1494 ~~pursuant to the Securities Act of 1933, as amended, or that has~~
1495 ~~been or is engaged or is about to engage in an activity that~~
1496 ~~would be grounds for denial, revocation, or suspension under s.~~
1497 ~~517.111. For purposes of this subparagraph, an issuer includes~~
1498 ~~an issuer's director, officer, general partner, manager or~~
1499 ~~managing member, trustee, or equity owner who owns at least 10~~
1500 ~~percent of the ownership interests of the issuer, promoter, or~~
1501 ~~selling agent of the securities to be offered or any officer,~~
1502 ~~director, partner, or manager or managing member of such selling~~
1503 ~~agent.~~

1504 ~~e. An issuer that is a development-stage company that~~
1505 ~~either has no specific business plan or purpose or has indicated~~
1506 ~~that its business plan is to merge with an unidentified company~~
1507 ~~or companies.~~

1508 ~~d. An issuer of offerings in which the specific business~~
1509 ~~or properties cannot be described.~~

1510 ~~e. Any issuer the office determines is ineligible because~~
1511 ~~the form does not provide full and fair disclosure of material~~
1512 ~~information for the type of offering to be registered by the~~
1513 ~~issuer.~~

1514 ~~f. Any issuer that has failed to provide the office the~~
1515 ~~reports required for a previous offering registered pursuant to~~
1516 ~~this subparagraph.~~

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1517
1518 ~~As a condition precedent to qualifying for use of the simplified~~
1519 ~~offering circular, an issuer shall agree to provide the office~~
1520 ~~with an annual financial report containing a balance sheet as of~~
1521 ~~the end of the issuer's fiscal year and a statement of income~~
1522 ~~for such year, prepared in accordance with United States~~
1523 ~~generally accepted accounting principles and accompanied by an~~
1524 ~~independent accountant's report. If the issuer has more than 100~~
1525 ~~security holders at the end of a fiscal year, the financial~~
1526 ~~statements must be audited. Annual financial reports must be~~
1527 ~~filed with the office within 90 days after the close of the~~
1528 ~~issuer's fiscal year for each of the first 5 years following the~~
1529 ~~effective date of the registration.~~

1530 (4) The commission may, by rule:

1531 (a) Establish criteria relating to the issuance of equity
1532 securities, debt securities, insurance company securities, real
1533 estate investment trusts, oil and gas investments, and other
1534 investments. In establishing these criteria, the commission may
1535 consider the rules and regulations of the Securities and
1536 Exchange Commission and statements of policy by the North
1537 American Securities Administrators Association, Inc., relating
1538 to the registration of securities offerings. The criteria must
1539 include all of the following:

1540 1. The promoter's equity investment ratio.

1541 2. The financial condition of the issuer.

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1542 3. The voting rights of shareholders.

1543 4. The grant of options or warrants to underwriters and
1544 others.

1545 5. Loans and other transactions with affiliates of the
1546 issuer.

1547 6. The use, escrow, or refund of proceeds of the offering.

1548 (b) Prescribe forms requiring applications for the
1549 registration of securities to be submitted to the office,
1550 including a simplified offering circular to register, under this
1551 section, securities that are sold in offerings in which the
1552 aggregate offering price in any consecutive 12-month period does
1553 not exceed the amount provided in s. 3(b) of the Securities Act
1554 of 1933, as amended.

1555 (c) Establish procedures for depositing fees and filing
1556 documents by electronic means, provided that such procedures
1557 provide the office with the information and data required by
1558 this section.

1559 (d) Establish requirements and standards for the filing,
1560 content, and circulation of a preliminary, final, or amended
1561 prospectus, advertisements, and other sales literature. In
1562 establishing such requirements and standards, the commission
1563 shall consider the rules and regulations of the Securities and
1564 Exchange Commission relating to requirements for preliminary,
1565 final, or amended or supplemented prospectuses and the rules of

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1566 the Financial Industry Regulatory Authority relating to
1567 advertisements and sales literature.

1568 (5) All of the following issuers are not eligible to
1569 submit a simplified offering circular:

1570 (a) An issuer that is subject to any of the
1571 disqualifications described in Securities and Exchange
1572 Commission Rule 262, 17 C.F.R. s. 230.262, as amended, or that
1573 has been or is engaged or is about to engage in an activity that
1574 would be grounds for denial, revocation, or suspension under s.
1575 517.111. For purposes of this paragraph, an issuer includes an
1576 issuer's director, officer, general partner, manager or managing
1577 member, trustee, or a person owning at least 10 percent of the
1578 ownership interests of the issuer; a promoter or selling agent
1579 of the securities to be offered; or any officer, director,
1580 partner, or manager or managing member of such selling agent.

1581 (b) An issuer that is a development-stage company that
1582 either has no specific business plan or purpose or has indicated
1583 that its business plan is to merge with an unidentified business
1584 entity or entities.

1585 (c) An issuer of offerings in which the specific business
1586 or properties cannot be described.

1587 (d) An issuer that the office determines is ineligible
1588 because the simplified circular does not provide full and fair
1589 disclosure of material information for the type of offering to
1590 be registered by the issuer.

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1591 (9) (a) (7) The office shall record the registration of a
1592 security in the register of securities if, upon examination of
1593 an any application, it finds that all of the following
1594 requirements are met: the office

1595 1. The application is complete.

1596 2. The fee imposed in subsection (8) has been paid.

1597 3. The sale of the security would not be fraudulent and
1598 would not work or tend to work a fraud upon the purchaser.

1599 4. The terms of the sale of such securities would be fair,
1600 just, and equitable.

1601 5. The enterprise or business of the issuer is not based
1602 upon unsound business principles.

1603 (b) Upon registration, the security may be sold by the
1604 issuer or any registered dealer, subject, however, to the
1605 further order of the office shall find that the sale of the
1606 security referred to therein would not be fraudulent and would
1607 not work or tend to work a fraud upon the purchaser, that the
1608 terms of the sale of such securities would be fair, just, and
1609 equitable, and that the enterprise or business of the issuer is
1610 not based upon unsound business principles, it shall record the
1611 registration of such security in the register of securities; and
1612 thereupon such security so registered may be sold by any
1613 registered dealer, subject, however, to the further order of the
1614 office. In order to determine if an offering is fair, just, and
1615 equitable, the commission may by rule establish requirements and

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1616 ~~standards for the filing, content, and circulation of any~~
1617 ~~preliminary, final, or amended prospectus and other sales~~
1618 ~~literature and may by rule establish merit qualification~~
1619 ~~criteria relating to the issuance of equity securities, debt~~
1620 ~~securities, insurance company securities, real estate investment~~
1621 ~~trusts, and other traditional and nontraditional investments,~~
1622 ~~including, but not limited to, oil and gas investments. The~~
1623 ~~criteria may include such elements as the promoter's equity~~
1624 ~~investment ratio, the financial condition of the issuer, the~~
1625 ~~voting rights of shareholders, the grant of options or warrants~~
1626 ~~to underwriters and others, loans and other affiliated~~
1627 ~~transaction, the use or refund of proceeds of the offering, and~~
1628 ~~such other relevant criteria as the office in its judgment may~~
1629 ~~deem necessary to such determination.~~

1630 Section 11. Subsection (2) of section 517.101, Florida
1631 Statutes, is amended to read:

1632 517.101 Consent to service.—

1633 (2) Any such action must ~~shall~~ be brought either in the
1634 county of the plaintiff's residence or in the county in which
1635 the office has its official headquarters. The written consent
1636 must ~~shall~~ be authenticated by the seal of the said issuer, if
1637 it has a seal, and by the acknowledged signature of a director,
1638 manager, managing member, general partner, trustee, or officer
1639 of the issuer ~~member of the copartnership or company, or by the~~
1640 ~~acknowledged signature of any officer of the incorporated or~~

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1641 ~~unincorporated association, if it be an incorporated or~~
1642 ~~unincorporated association, duly authorized by resolution of the~~
1643 ~~board of directors, trustees, or managers of the corporation or~~
1644 ~~association, and must shall in such case be accompanied by a~~
1645 ~~duly certified copy of the resolution of the issuer's board of~~
1646 ~~directors, trustees, managers, managing members, or general~~
1647 ~~partners or managers of the corporation or association,~~
1648 ~~authorizing the signer to execute the consent ~~officers to~~~~
1649 ~~execute the same. In case any process or pleadings mentioned in~~
1650 ~~this chapter are served upon the office, service must ~~it shall~~~~
1651 ~~be by duplicate copies, one of which must ~~shall~~ be filed in the~~
1652 ~~office and the other ~~another~~ immediately forwarded by the office~~
1653 ~~by registered mail to the principal office of the issuer against~~
1654 ~~which the ~~said~~ process or pleadings are directed.~~

1655 Section 12. Section 517.131, Florida Statutes, is amended
1656 to read:

1657 517.131 Securities Guaranty Fund.—

1658 (1) As used in this section, the term "final judgment"
1659 includes an arbitration award confirmed by a court of competent
1660 jurisdiction.

1661 (2)(a) The Chief Financial Officer shall establish a
1662 Securities Guaranty Fund to provide monetary relief to victims
1663 of securities violations under this chapter who are entitled to
1664 monetary damages or restitution and cannot recover the full
1665 amount of such monetary damages or restitution from the

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1666 wrongdoer. An amount not exceeding 20 percent of all revenues
1667 received as assessment fees pursuant to s. 517.12(9) and (10)
1668 for dealers and investment advisers or s. 517.1201 for federal
1669 covered advisers and an amount not exceeding 10 percent of all
1670 revenues received as assessment fees pursuant to s. 517.12(9)
1671 and (10) for associated persons must ~~shall~~ be part of the
1672 regular registration license fee and must ~~shall~~ be transferred
1673 to or deposited in the Securities Guaranty Fund.

1674 (b) If the balance in the Securities Guaranty Fund at any
1675 time exceeds \$1.5 million, transfer of assessment fees to the
1676 ~~this~~ fund must ~~shall~~ be discontinued at the end of that
1677 registration license year, and transfer of such assessment fees
1678 may ~~shall~~ not resume ~~be resumed~~ unless the fund balance is
1679 reduced below \$1 million by disbursement made in accordance with
1680 s. 517.141.

1681 ~~(2) The Securities Guaranty Fund shall be disbursed as~~
1682 ~~provided in s. 517.141 to a person who is adjudged by a court of~~
1683 ~~competent jurisdiction to have suffered monetary damages as a~~
1684 ~~result of any of the following acts committed by a dealer,~~
1685 ~~investment adviser, or associated person who was licensed under~~
1686 ~~this chapter at the time the act was committed:~~

1687 ~~(a) A violation of s. 517.07.~~

1688 ~~(b) A violation of s. 517.301.~~

1689 (3) A Any person is eligible for payment ~~to seek recovery~~
1690 from the Securities Guaranty Fund if the person:

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1691 (a)1. Holds an unsatisfied final judgment in which a
1692 wrongdoer was found to have violated s. 517.07 or s. 517.301;

1693 2. Has applied any amount recovered from the judgment
1694 debtor or any other source to the damages awarded by the court
1695 or arbitrator;

1696 3. Is a natural person who was a resident of this state,
1697 or is a business entity that was domiciled in this state, at the
1698 time of the violation of s. 517.07 or s. 517.301; and

1699 4. The act for which recovery is sought occurred on or
1700 after October 1, 2024; or

1701 (b) Is a receiver appointed pursuant to s. 517.191(2) by a
1702 court of competent jurisdiction for a wrongdoer ordered to pay
1703 restitution under s. 517.191(3) as a result of a violation of s.
1704 517.07 or s. 517.301 which has requested payment from the
1705 Securities Guaranty Fund on behalf of a person eligible for
1706 payment under paragraph (a)

1707 ~~(a) Such person has received final judgment in a court of~~
1708 ~~competent jurisdiction in any action wherein the cause of action~~
1709 ~~was based on a violation of these sections referred to in~~
1710 ~~subsection (2).~~

1711 ~~(b) Such person has made all reasonable searches and~~
1712 ~~inquiries to ascertain whether the judgment debtor possesses~~
1713 ~~real or personal property or other assets subject to being sold~~
1714 ~~or applied in satisfaction of the judgment, and by her or his~~
1715 ~~search the person has discovered no property or assets; or she~~

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1716 ~~or he has discovered property and assets and has taken all~~
1717 ~~necessary action and proceedings for the application thereof to~~
1718 ~~the judgment, but the amount thereby realized was insufficient~~
1719 ~~to satisfy the judgment. To verify compliance with such~~
1720 ~~condition, the office may require such person to have a writ of~~
1721 ~~execution be issued upon such judgment, may require a showing~~
1722 ~~that no personal or real property of the judgment debtor liable~~
1723 ~~to be levied upon in complete satisfaction of the judgment can~~
1724 ~~be found, or may require an affidavit from the claimant setting~~
1725 ~~forth the reasonable searches and inquiries undertaken and the~~
1726 ~~result of those searches and inquiries.~~

1727 ~~(c) Such person has applied any amounts recovered from the~~
1728 ~~judgment debtor, or from any other source, to the damages~~
1729 ~~awarded by the court.~~

1730 ~~(d) The act for which recovery is sought occurred on or~~
1731 ~~after January 1, 1979.~~

1732 ~~(e) The office waives compliance with the requirements of~~
1733 ~~paragraph (a) or paragraph (b). The office may waive such~~
1734 ~~compliance if the dealer, investment adviser, or associated~~
1735 ~~person which is the subject of the claim filed with the office~~
1736 ~~is the subject of any proceeding in which a receiver has been~~
1737 ~~appointed by a court of competent jurisdiction. If the office~~
1738 ~~waives such compliance, the office may, upon petition by the~~
1739 ~~debtor or the court-appointed trustee, examiner, or receiver,~~
1740 ~~distribute funds from the Securities Guaranty Fund up to the~~

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1741 ~~amount allowed under s. 517.141. Any waiver granted pursuant to~~
1742 ~~this section shall be considered a judgment for purposes of~~
1743 ~~complying with the requirements of this section and of s.~~
1744 ~~517.141.~~

1745 (4) A person who has done any of the following is not
1746 eligible for payment from the Securities Guaranty Fund:

1747 (a) Participated or assisted in a violation of this
1748 chapter.

1749 (b) Attempted to commit or committed a violation of this
1750 chapter.

1751 (c) Profited from a violation of this chapter.

1752 (5) An eligible person, or a receiver on behalf of the
1753 eligible person, seeking payment from the Securities Guaranty
1754 Fund must file with the office a written application on a form
1755 that the commission may prescribe by rule. The commission may
1756 adopt by rule procedures for filing documents by electronic
1757 means, provided that such procedures provide the office with the
1758 information and data required by this section. The application
1759 must be filed with the office within 1 year after the date of
1760 the final judgment, the date on which a restitution order has
1761 been ripe for execution, or the date of any appellate decision
1762 thereon, and, at minimum, must contain all of the following
1763 information:

1764 (a) The eligible person's and, if applicable, the
1765 receiver's full name, address, and contact information.

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- 1766 (b) The person ordered to pay restitution.
- 1767 (c) If the eligible person is a business entity, the
1768 eligible person's type and place of organization and, as
1769 applicable, a copy, as amended, of its articles of
1770 incorporation, articles of organization, trust agreement, or
1771 partnership agreement.
- 1772 (d) Any final judgment and a copy thereof.
- 1773 (e) Any restitution order pursuant to s. 517.191(3), and a
1774 copy thereof.
- 1775 (f) An affidavit from the eligible person stating either
1776 one of the following:
- 1777 1. That the eligible person has made all reasonable
1778 searches and inquiries to ascertain whether the judgment debtor
1779 possesses real or personal property or other assets subject to
1780 being sold or applied in satisfaction of the final judgment and,
1781 by the eligible person's search, that the eligible person has
1782 not discovered any property or assets.
- 1783 2. That the eligible person has taken necessary action on
1784 the property and assets of the wrongdoers but the final judgment
1785 remains unsatisfied.
- 1786 (g) If the application is filed by the receiver, an
1787 affidavit from the receiver stating the amount of restitution
1788 owed to the eligible person on whose behalf the claim is filed;
1789 the amount of any money, property, or assets paid to the
1790 eligible person on whose behalf the claim is filed by the person

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1791 over whom the receiver is appointed; and the amount of any
1792 unsatisfied portion of any eligible person's order of
1793 restitution.

1794 (h) The eligible person's residence or domicile at the
1795 time of the violation of s. 517.07 or s. 517.301 which resulted
1796 in the eligible person's monetary damages.

1797 (i) The amount of any unsatisfied portion of the eligible
1798 person's final judgment.

1799 (j) Whether an appeal or motion to vacate an arbitration
1800 award has been filed.

1801 (6) If the office finds that a person is eligible for
1802 payment from the Securities Guaranty Fund and if the person has
1803 complied with this section and the rules adopted under this
1804 section, the office must approve payment to such person from the
1805 fund. Within 90 days after the office's receipt of a complete
1806 application, each eligible person or receiver must be given
1807 written notice, personally or by mail, that the office intends
1808 to approve or deny, or has approved or denied, the application
1809 for payment from the Securities Guaranty Fund.

1810 (7) Upon receipt by the eligible person or receiver of
1811 notice of the office's decision that the eligible person's or
1812 receiver's application for payment from the Securities Guaranty
1813 Fund is approved, and before any disbursement, the eligible
1814 person shall assign to the office on a form prescribed by
1815 commission rule all right, title, and interest in the final

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1816 judgment or order of restitution equal to the amount of such
1817 payment.

1818 (8) The office shall deem an application for payment from
1819 the Securities Guaranty Fund abandoned if the eligible person or
1820 receiver, or any person acting on behalf of the eligible person
1821 or receiver, fails to timely complete the application as
1822 prescribed by commission rule. The time period to complete an
1823 application must be tolled during the pendency of an appeal or
1824 motion to vacate an arbitration award.

1825 ~~(4) Any person who files an action that may result in the~~
1826 ~~disbursement of funds from the Securities Guaranty Fund pursuant~~
1827 ~~to the provisions of s. 517.141 shall give written notice by~~
1828 ~~certified mail to the office as soon as practicable after such~~
1829 ~~action has been filed. The failure to give such notice shall not~~
1830 ~~bar a payment from the Securities Guaranty Fund if all of the~~
1831 ~~conditions specified in subsection (3) are satisfied.~~

1832 ~~(5) The commission may adopt rules pursuant to ss.~~
1833 ~~120.536(1) and 120.54 specifying the procedures for complying~~
1834 ~~with subsections (2), (3), and (4), including rules for the form~~
1835 ~~of submission and guidelines for the sufficiency and content of~~
1836 ~~submissions of notices and claims.~~

1837 Section 13. Section 517.141, Florida Statutes, is amended
1838 to read:

1839 517.141 Payment from the fund.—

1840 (1) As used in this section, the term:

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1841 (a) "Claimant" means a person determined eligible for
1842 payment under s. 517.131 that is approved by the office for
1843 payment from the Securities Guaranty Fund.

1844 (b) "Final judgment" includes an arbitration award
1845 confirmed by a court of competent jurisdiction.

1846 (c) "Specified adult" has the same meaning as in s.
1847 517.34(1).

1848 (2) A claimant is entitled to disbursement from the
1849 Securities Guaranty Fund in the amount equal to the lesser of:

1850 (a) The unsatisfied portion of the claimant's final
1851 judgment or final order of restitution, but only to the extent
1852 that the final judgment or final order of restitution reflects
1853 actual or compensatory damages, excluding postjudgment interest,
1854 costs, and attorney fees; or

1855 (b)1. The sum of \$15,000; or

1856 2. If the claimant is a specified adult or if a specified
1857 adult is a beneficial owner or beneficiary of the claimant, the
1858 sum of \$25,000 ~~Any person who meets all of the conditions~~
1859 ~~prescribed in s. 517.131 may apply to the office for payment to~~
1860 ~~be made to such person from the Securities Guaranty Fund in the~~
1861 ~~amount equal to the unsatisfied portion of such person's~~
1862 ~~judgment or \$10,000, whichever is less, but only to the extent~~
1863 ~~and amount reflected in the judgment as being actual or~~
1864 ~~compensatory damages, excluding postjudgment interest, costs,~~
1865 ~~and attorney's fees.~~

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1866 (3)-(2) Regardless of the number of claims or claimants
1867 involved, payments for claims are ~~shall be~~ limited in the
1868 aggregate to \$250,000 ~~\$100,000~~ against any one ~~dealer,~~
1869 ~~investment adviser, or associated~~ person. If the total claim
1870 filed by a receiver on behalf of multiple claimants exceeds
1871 ~~claims exceed~~ the aggregate limit of \$250,000 ~~\$100,000~~, the
1872 office must ~~shall~~ prorate the payment to each claimant based
1873 upon the ratio that each claimant's individual ~~the person's~~
1874 claim bears to the total claim ~~claims~~ filed.

1875 (4) If at any time the balance in the Securities Guaranty
1876 Fund is insufficient to satisfy a valid claim or portion of a
1877 valid claim approved by the office, the office must satisfy the
1878 unpaid claim or portion of the valid claim as soon as a
1879 sufficient amount of money has been deposited into or
1880 transferred to the Securities Guaranty Fund. If more than one
1881 unsatisfied claim is outstanding, the claims must be paid in the
1882 sequence in which the claims were approved by final order of the
1883 office, which final order is not subject to an appeal or other
1884 pending proceeding.

1885 (5) All payments and disbursements made from the
1886 Securities Guaranty Fund must be made by the Chief Financial
1887 Officer, or his or her designee, upon authorization by the
1888 office. The office shall submit such authorization within 30
1889 days after the approval of an eligible person for payment from
1890 the Securities Guaranty Fund

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1891 ~~(3) No payment shall be made on any claim against any one~~
1892 ~~dealer, investment adviser, or associated person before the~~
1893 ~~expiration of 2 years from the date any claimant is found by the~~
1894 ~~office to be eligible for recovery pursuant to this section. If~~
1895 ~~during this 2-year period more than one claim is filed against~~
1896 ~~the same dealer, investment adviser, or associated person, or if~~
1897 ~~the office receives notice pursuant to s. 517.131(4) that an~~
1898 ~~action against the same dealer, investment adviser, or~~
1899 ~~associated person is pending, all such claims and notices of~~
1900 ~~pending claims received during this period against the same~~
1901 ~~dealer, investment adviser, or associated person may be handled~~
1902 ~~by the office as provided in this section. Two years after the~~
1903 ~~first claimant against that same dealer, investment adviser, or~~
1904 ~~associated person applies for payment pursuant to this section:~~

1905 ~~(a) The office shall determine those persons eligible for~~
1906 ~~payment or for potential payment in the event of a pending~~
1907 ~~action. All such persons may be entitled to receive their pro~~
1908 ~~rata shares of the fund as provided in this section.~~

1909 ~~(b) Those persons who meet all the conditions prescribed~~
1910 ~~in s. 517.131 and who have applied for payment pursuant to this~~
1911 ~~section will be entitled to receive their pro rata shares of the~~
1912 ~~total disbursement.~~

1913 ~~(c) Those persons who have filed notice with the office of~~
1914 ~~a pending claim pursuant to s. 517.131(4) but who are not yet~~
1915 ~~eligible for payment from the fund will be entitled to receive~~

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1916 ~~their pro rata shares of the total disbursement once they have~~
1917 ~~complied with subsection (1). However, in the event that the~~
1918 ~~amounts they are eligible to receive pursuant to subsection (1)~~
1919 ~~are less than their pro rata shares as determined under this~~
1920 ~~section, any excess shall be distributed pro rata to those~~
1921 ~~persons entitled to disbursement under this subsection whose pro~~
1922 ~~rata shares of the total disbursement were less than the amounts~~
1923 ~~of their claims.~~

1924 ~~(6)(4)~~ Individual claims filed by persons owning the same
1925 joint account, or claims arising ~~stemming~~ from any other type of
1926 account ~~maintained by a particular licensee~~ on which more than
1927 one name appears, must ~~shall~~ be treated as the claims of one
1928 eligible claimant with respect to payment from the Securities
1929 Guaranty Fund. If a claimant who has obtained a final judgment
1930 or final order of restitution that ~~which~~ qualifies for
1931 disbursement under s. 517.131 has maintained more than one
1932 account with the ~~dealer, investment adviser, or associated~~
1933 person who is the subject of the claims, for purposes of
1934 disbursement of the Securities Guaranty Fund, all such accounts,
1935 whether joint or individual, must ~~shall~~ be considered as one
1936 account and ~~shall~~ entitle such claimant to only one distribution
1937 from the fund ~~not to exceed the lesser of \$10,000 or the~~
1938 ~~unsatisfied portion of such claimant's judgment as provided in~~
1939 ~~subsection (1).~~ To the extent that a claimant obtains more than
1940 one final judgment or final order of restitution against a

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1941 ~~person dealer, investment adviser, or one or more associated~~
1942 ~~persons~~ arising out of the same transactions, occurrences, or
1943 conduct or out of such ~~the dealer's, investment adviser's, or~~
1944 ~~associated~~ person's handling of the claimant's account, the
1945 final ~~such~~ judgments or final orders of restitution must ~~shall~~
1946 be consolidated for purposes of this section and ~~shall~~ entitle
1947 the claimant to only one disbursement from the fund ~~not to~~
1948 ~~exceed the lesser of \$10,000 or the unsatisfied portion of such~~
1949 ~~claimant's judgment as provided in subsection (1).~~

1950 (7)-(5) If the final judgment or final order of restitution
1951 that gave rise to the claim is overturned in any appeal or in
1952 any collateral proceeding, the claimant must ~~shall~~ reimburse the
1953 Securities Guaranty Fund all amounts paid from the fund to the
1954 claimant on the claim. If the claimant satisfies the final
1955 judgment or final order of restitution ~~specified in s.~~
1956 ~~517.131(3)(a)~~, the claimant must ~~shall~~ reimburse the Securities
1957 Guaranty Fund all amounts paid from the fund to the claimant on
1958 the claim. Such reimbursement must ~~shall~~ be paid to the
1959 Department of Financial Services ~~office~~ within 60 days after the
1960 final resolution of the appellate or collateral proceedings or
1961 the satisfaction of the final judgment or order of restitution,
1962 with the 60-day period commencing on the date the final order or
1963 decision is entered in such proceedings.

1964 (8)-(6) If a claimant receives payments in excess of that
1965 which is permitted under this chapter, the claimant must ~~shall~~

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1966 reimburse the Securities Guaranty Fund such excess within 60
1967 days after the claimant receives such excess payment or after
1968 the payment is determined to be in excess of that permitted by
1969 law, whichever is later.

1970 (9) A claimant who knowingly and willfully files or causes
1971 to be filed an application under s. 517.131 or documents
1972 supporting the application, any of which contain false,
1973 incomplete, or misleading information in any material aspect,
1974 forfeits all payments from the Securities Guaranty Fund and
1975 commits a violation of s. 517.301(1)(c).

1976 (10)-(7) The Department of Financial Services office may
1977 institute legal proceedings to enforce compliance with this
1978 section and with s. 517.131 to recover moneys owed to the
1979 Securities Guaranty Fund, and is shall be entitled to recover
1980 interest, costs, and attorney attorney's fees in any action
1981 brought pursuant to this section in which the department office
1982 prevails.

1983 ~~(8) If at any time the money in the Securities Guaranty~~
1984 ~~Fund is insufficient to satisfy any valid claim or portion of a~~
1985 ~~valid claim approved by the office, the office shall satisfy~~
1986 ~~such unpaid claim or portion of such valid claim as soon as a~~
1987 ~~sufficient amount of money has been deposited in or transferred~~
1988 ~~to the fund. When there is more than one unsatisfied claim~~
1989 ~~outstanding, such claims shall be paid in the order in which the~~

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1990 ~~claims were approved by final order of the office, which order~~
1991 ~~is not subject to an appeal or other pending proceeding.~~

1992 ~~(9) Upon receipt by the claimant of the payment from the~~
1993 ~~Securities Guaranty Fund, the claimant shall assign any~~
1994 ~~additional right, title, and interest in the judgment, to the~~
1995 ~~extent of such payment, to the office. If the provisions of s.~~
1996 ~~517.131(3)(c) apply, the claimant must assign to the office any~~
1997 ~~right, title, and interest in the debt to the extent of any~~
1998 ~~payment by the office from the Securities Guaranty Fund.~~

1999 ~~(10) All payments and disbursements made from the~~
2000 ~~Securities Guaranty Fund shall be made by the Chief Financial~~
2001 ~~Officer upon authorization signed by the director of the office,~~
2002 ~~or such agent as she or he may designate.~~

2003 Section 14. Section 517.191, Florida Statutes, is amended
2004 to read:

2005 517.191 Enforcement by the Office of Financial Regulation
2006 ~~Injunction to restrain violations; civil penalties; enforcement~~
2007 ~~by Attorney General.-~~

2008 (1) When it appears to the office, either upon complaint
2009 or otherwise, that a person has engaged or is about to engage in
2010 any act or practice constituting a violation of this chapter or
2011 a rule or order hereunder, the office may investigate; and
2012 whenever it shall believe from evidence satisfactory to it that
2013 any such person has engaged, is engaged, or is about to engage
2014 in any act or practice constituting a violation of this chapter

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2015 or a rule or order hereunder, the office may, in addition to any
2016 other remedies, bring action in the name and on behalf of the
2017 state against such person and any other person concerned in or
2018 in any way participating in or about to participate in such
2019 practices or engaging therein or doing any act or acts in
2020 furtherance thereof or in violation of this chapter to enjoin
2021 such person or persons from continuing such fraudulent practices
2022 or engaging therein or doing any act or acts in furtherance
2023 thereof or in violation of this chapter. In any such court
2024 proceedings, the office may apply for, and on due showing be
2025 entitled to have issued, the court's subpoena requiring
2026 forthwith the appearance of any defendant and her or his
2027 employees, associated persons, or agents and the production of
2028 documents, books, and records that may appear necessary for the
2029 hearing of such petition, to testify or give evidence concerning
2030 the acts or conduct or things complained of in such application
2031 for injunction. In such action, the ~~equity~~ courts shall have
2032 jurisdiction of the subject matter, and a judgment may be
2033 entered awarding such injunction as may be proper.

2034 (2) In addition to all other means provided by law for the
2035 enforcement of any temporary restraining order, temporary
2036 injunction, or permanent injunction issued in any such court
2037 proceedings, the court shall have the power and jurisdiction,
2038 upon application of the office, to impound and to appoint a
2039 receiver or administrator for the property, assets, and business

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2040 of the defendant, including, but not limited to, the books,
2041 records, documents, and papers appertaining thereto. Such
2042 receiver or administrator, when appointed and qualified, shall
2043 have all powers and duties as to custody, collection,
2044 administration, winding up, and liquidation of such ~~said~~
2045 property and business as may ~~shall from time to time~~ be
2046 conferred upon her or him by the court. In any such action, the
2047 court may issue orders and decrees staying all pending suits and
2048 enjoining any further suits affecting the receiver's or
2049 administrator's custody or possession of such ~~the said~~ property,
2050 assets, and business or, in its discretion, may with the consent
2051 of the presiding judge of the circuit require that all such
2052 suits be assigned to the circuit court judge appointing such ~~the~~
2053 ~~said~~ receiver or administrator.

2054 (3) In addition to, or in lieu of, any other remedies
2055 provided by this chapter, the office may apply to the court
2056 hearing the ~~this~~ matter for an order directing the defendant to
2057 make restitution of those sums shown by the office to have been
2058 obtained in violation of ~~any of the provisions of~~ this chapter.
2059 The office has standing to request such restitution on behalf of
2060 victims in cases brought by the office under this chapter,
2061 regardless of the appointment of an administrator or receiver
2062 under subsection (2) or an injunction under subsection (1).
2063 Further, such restitution must ~~shall~~, at the option of the
2064 court, be payable to the administrator or receiver appointed

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2065 pursuant to this section or directly to the persons whose assets
2066 were obtained in violation of this chapter.

2067 (4) In addition to any other remedies provided by this
2068 chapter, the office may apply to the court hearing the matter
2069 for, and the court has ~~shall have~~ jurisdiction to impose, a
2070 civil penalty against any person found to have violated ~~any~~
2071 ~~provision of~~ this chapter, any rule or order adopted by the
2072 commission or the office, or any written agreement entered into
2073 with the office in an amount not to exceed any of the following:

2074 (a) The greater of \$20,000 ~~\$10,000~~ for a natural person or
2075 \$25,000 for a business entity ~~any other person~~, or the gross
2076 amount of any pecuniary loss to investors or pecuniary gain to a
2077 natural person or business entity ~~such defendant~~ for each such
2078 violation, other than a violation of s. 517.301, plus the
2079 greater of \$50,000 for a natural person or \$250,000 for a
2080 business entity ~~any other person~~, or the gross amount of any
2081 pecuniary loss to investors or pecuniary gain to a natural
2082 person or business entity ~~such defendant~~ for each violation of
2083 s. 517.301.

2084 (b) Twice the amount of the civil penalty that would
2085 otherwise be imposed under this subsection if a specified adult,
2086 as defined in s. 517.34(1), is the victim of a violation of this
2087 chapter.
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2089 All civil penalties collected pursuant to this subsection must
2090 ~~shall~~ be deposited into the Anti-Fraud Trust Fund. The office
2091 may recover any costs and attorney fees related to its
2092 investigation or enforcement of this section. Notwithstanding
2093 any other law, such moneys recovered by the office must be
2094 deposited into the Anti-Fraud Trust Fund.

2095 (5) For purposes of any action brought by the office under
2096 this section, a control person who controls any person found to
2097 have violated this chapter or any rule adopted thereunder is
2098 jointly and severally liable with, and to the same extent as,
2099 the controlled person in any action brought by the office under
2100 this section unless the control person can establish by a
2101 preponderance of the evidence that he or she acted in good faith
2102 and did not directly or indirectly induce the act that
2103 constitutes the violation or cause of action.

2104 (6) For purposes of any action brought by the office under
2105 this section, a person who knowingly or recklessly provides
2106 substantial assistance to another person in violation of this
2107 chapter or any rule adopted thereunder is deemed to violate this
2108 chapter or the rule to the same extent as the person to whom
2109 such assistance is provided.

2110 (7) The office may issue and serve upon a person a cease
2111 and desist order if the office has reason to believe that the
2112 person violates, has violated, or is about to violate this

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2113 chapter, any commission or office rule or order, or any written
2114 agreement entered into with the office.

2115 (8) If the office finds that any conduct described in
2116 subsection (7) presents an immediate danger to the public,
2117 requiring an immediate final order, the office may issue an
2118 emergency cease and desist order reciting with particularity the
2119 facts underlying such findings. The emergency cease and desist
2120 order is effective immediately upon service of a copy of the
2121 order on the respondent named in the order and remains effective
2122 for 90 days after issuance. If the office begins nonemergency
2123 cease and desist proceedings under subsection (7), the emergency
2124 cease and desist order remains effective until the conclusion of
2125 the proceedings under ss. 120.569 and 120.57.

2126 (9) The office may impose and collect an administrative
2127 fine against any person found to have violated any provision of
2128 this chapter, any rule or order adopted by the commission or
2129 office, or any written agreement entered into with the office in
2130 an amount not to exceed the penalties provided in subsection
2131 (4). All fines collected under this subsection must be deposited
2132 into the Anti-Fraud Trust Fund.

2133 (10) The office may bar, permanently or for a specific
2134 period of time, any person found to have violated this chapter,
2135 any rule or order adopted by the commission or office, or any
2136 written agreement entered into with the office from submitting

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2137 an application or notification for a license or registration
2138 with the office.

2139 (11) In addition to all other means provided by law for
2140 enforcing ~~any of the provisions of~~ this chapter, when the
2141 Attorney General, upon complaint or otherwise, has reason to
2142 believe that a person has engaged or is engaged in any act or
2143 practice constituting a violation of s. 517.275 or, s. 517.301,
2144 ~~s. 517.311, or s. 517.312,~~ or any rule or order issued under
2145 such sections, the Attorney General may investigate and bring an
2146 action to enforce these provisions as provided in ss. 517.171,
2147 517.201, and 517.2015 after receiving written approval from the
2148 office. Such an action may be brought against such person and
2149 any other person in any way participating in such act or
2150 practice or engaging in such act or practice or doing any act in
2151 furtherance of such act or practice, to obtain injunctive
2152 relief, restitution, civil penalties, and any remedies provided
2153 for in this section. The Attorney General may recover any costs
2154 and attorney fees related to the Attorney General's
2155 investigation or enforcement of this section. Notwithstanding
2156 any other provision of law, moneys recovered by the Attorney
2157 General for costs, attorney fees, and civil penalties for a
2158 violation of s. 517.275 or, s. 517.301, ~~s. 517.311, or s.~~
2159 ~~517.312,~~ or any rule or order issued pursuant to such sections,
2160 must ~~shall~~ be deposited in the Legal Affairs Revolving Trust

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2161 Fund. The Legal Affairs Revolving Trust Fund may be used to
2162 investigate and enforce this section.

2163 ~~(12)-(6)~~ This section does not limit the authority of the
2164 office to bring an administrative action against any person that
2165 is the subject of a civil action brought pursuant to this
2166 section or limit the authority of the office to engage in
2167 investigations or enforcement actions with the Attorney General.
2168 However, a person may not be subject to both a civil penalty
2169 under subsection (4) and an administrative fine under subsection
2170 (9) ~~s. 517.221(3)~~ as the result of the same facts.

2171 ~~(13)-(7)~~ Notwithstanding s. 95.11(4)(f), an enforcement
2172 action brought under this section based on a violation of ~~any~~
2173 ~~provision of~~ this chapter or any rule or order issued under this
2174 chapter shall be brought within 6 years after the facts giving
2175 rise to the cause of action were discovered or should have been
2176 discovered with the exercise of due diligence, but not more than
2177 8 years after the date such violation occurred.

2178 (14) This chapter does not limit any statutory right of
2179 the state to punish a person for a violation of a law.

2180 (15) When not in conflict with the Constitution or laws of
2181 the United States, the courts of this state have the same
2182 jurisdiction over civil suits instituted in connection with the
2183 sale or offer of sale of securities under any laws of the United
2184 States as the courts of this state may have with regard to
2185 similar cases instituted under the laws of this state.

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2186 Section 15. Section 517.211, Florida Statutes, is amended
2187 to read:

2188 517.211 Private remedies available in cases of unlawful
2189 sale.—

2190 (1) Every sale made in violation of either s. 517.07 or s.
2191 517.12(1), (3), (4), (8), (10), (12), (15), or (17) may be
2192 rescinded at the election of the purchaser; however, ~~except~~ a
2193 sale made in violation of the provisions of s. 517.1202(3)
2194 relating to a renewal of a branch office notification or shall
2195 ~~not be subject to this section, and a sale made~~ in violation of
2196 the provisions of s. 517.12(12) relating to filing a change of
2197 address amendment is shall not be subject to this section. Each
2198 person making the sale and every director, officer, partner, or
2199 agent of or for the seller, if the director, officer, partner,
2200 or agent has personally participated or aided in making the
2201 sale, is jointly and severally liable to the purchaser in an
2202 action for rescission, if the purchaser still owns the security,
2203 or for damages, if the purchaser has sold the security. No
2204 purchaser otherwise entitled will have the benefit of this
2205 subsection who has refused or failed, within 30 days after ~~of~~
2206 receipt, to accept an offer made in writing by the seller, if
2207 the purchaser has not sold the security, to take back the
2208 security in question and to refund the full amount paid by the
2209 purchaser or, if the purchaser has sold the security, to pay the
2210 purchaser an amount equal to the difference between the amount

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2211 | paid for the security and the amount received by the purchaser
2212 | on the sale of the security, together, in either case, with
2213 | interest on the full amount paid for the security by the
2214 | purchaser at the legal rate, pursuant to s. 55.03, for the
2215 | period from the date of payment by the purchaser to the date of
2216 | repayment, less the amount of any income received by the
2217 | purchaser on the security.

2218 | (2) Any person purchasing or selling a security in
2219 | violation of s. 517.301, and every director, officer, partner,
2220 | or agent of or for the purchaser or seller, if the director,
2221 | officer, partner, or agent has personally participated or aided
2222 | in making the sale or purchase, is jointly and severally liable
2223 | to the person selling the security to or purchasing the security
2224 | from such person in an action for rescission, if the plaintiff
2225 | still owns the security, or for damages, if the plaintiff has
2226 | sold the security.

2227 | (3) For purposes of any action brought under this section,
2228 | a control person who controls any person found to have violated
2229 | any provision specified in subsection (1) is jointly and
2230 | severally liable with, and to the same extent as, such
2231 | controlled person in any action brought under this section
2232 | unless the control person can establish by a preponderance of
2233 | the evidence that he or she acted in good faith and did not
2234 | directly or indirectly induce the act that constitutes the
2235 | violation or cause of action.

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2236 (4) In an action for rescission:

2237 (a) A purchaser may recover the consideration paid for the
2238 security or investment, plus interest thereon at the legal rate
2239 from the date of purchase, less the amount of any income
2240 received by the purchaser on the security or investment upon
2241 tender of the security or investment.

2242 (b) A seller may recover the security upon tender of the
2243 consideration paid for the security, plus interest at the legal
2244 rate from the date of purchase, less the amount of any income
2245 received by the defendant on the security.

2246 (5)-(4) In an action for damages brought by a purchaser of
2247 a security or investment, the plaintiff must ~~shall~~ recover an
2248 amount equal to the difference between:

2249 (a) The consideration paid for the security or investment,
2250 plus interest thereon at the legal rate from the date of
2251 purchase; and

2252 (b) The value of the security or investment at the time it
2253 was disposed of by the plaintiff, plus the amount of any income
2254 received on the security or investment by the plaintiff.

2255 (6)-(5) In an action for damages brought by a seller of a
2256 security, the plaintiff shall recover an amount equal to the
2257 difference between:

2258 (a) The value of the security at the time of the
2259 complaint, plus the amount of any income received by the
2260 defendant on the security; and

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2261 (b) The consideration received for the security, plus
2262 interest at the legal rate from the date of sale.

2263 ~~(7)-(6)~~ In any action brought under this section, including
2264 an appeal, the court shall award reasonable attorney ~~attorneys'~~
2265 fees to the prevailing party unless the court finds that the
2266 award of such fees would be unjust.

2267 (8) This chapter does not limit any statutory or common-
2268 law right of a person to bring an action in a court for an act
2269 involved in the sale of securities or investments.

2270 (9) The same civil remedies provided by the laws of the
2271 United States for the purchasers or sellers of securities in
2272 interstate commerce also extend to purchasers or sellers of
2273 securities under this chapter.

2274 Section 16. Section 517.221, Florida Statutes, is
2275 repealed.

2276 Section 17. Section 517.241, Florida Statutes, is
2277 repealed.

2278 Section 18. Section 517.301, Florida Statutes, is amended
2279 to read:

2280 517.301 Fraudulent transactions; falsification or
2281 concealment of facts.—

2282 (1) It is unlawful and a violation of ~~the provisions of~~
2283 this chapter for a person:

2284 (a) In connection with the rendering of any investment
2285 advice or in connection with the offer, sale, or purchase of any

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2286 investment or security, including any security exempted under
2287 ~~the provisions of~~ s. 517.051 and including any security sold in
2288 a transaction exempted under ~~the provisions of~~ s. 517.061, s.
2289 517.0611, or s. 517.0612, directly or indirectly:

- 2290 1. To employ any device, scheme, or artifice to defraud;
- 2291 2. To obtain money or property by means of any untrue
2292 statement of a material fact or any omission to state a material
2293 fact necessary in order to make the statements made, in the
2294 light of the circumstances under which they were made, not
2295 misleading; or
- 2296 3. To engage in any transaction, practice, or course of
2297 business which operates or would operate as a fraud or deceit
2298 upon a person.

2299 (b) By use of any means, to publish, give publicity to, or
2300 circulate any notice, circular, advertisement, newspaper,
2301 article, letter, investment service, communication, or broadcast
2302 that, although ~~which, though~~ not purporting to offer a security
2303 for sale, describes such security for a consideration received
2304 or to be received directly or indirectly from an issuer,
2305 underwriter, or dealer, or from an agent or employee of an
2306 issuer, underwriter, or dealer, without fully disclosing the
2307 receipt, whether past or prospective, of such consideration and
2308 the amount of the consideration.

2309 (c) In any matter within the jurisdiction of the office,
2310 to knowingly and willfully falsify, conceal, or cover up, by any

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2311 | trick, scheme, or device, a material fact, make any false,
2312 | fictitious, or fraudulent statement or representation, or make
2313 | or use any false writing or document, knowing the same to
2314 | contain any false, fictitious, or fraudulent statement or entry.

2315 | (2) For purposes of ~~ss. 517.311 and 517.312~~ and this
2316 | section, the term "investment" means any commitment of money or
2317 | property principally induced by a representation that an
2318 | economic benefit may be derived from such commitment, except
2319 | that the term does not include a commitment of money or property
2320 | for:

2321 | (a) The purchase of a business opportunity, business
2322 | enterprise, or real property through a person licensed under
2323 | chapter 475 or registered under former chapter 498; or

2324 | (b) The purchase of tangible personal property through a
2325 | person not engaged in telephone solicitation, electronic mail,
2326 | text messages, social media, or other electronic means where
2327 | ~~said property is offered and sold in accordance with the~~
2328 | ~~following conditions:~~

2329 | ~~1. there are no specific representations or guarantees~~
2330 | ~~made by the offeror or seller as to the economic benefit to be~~
2331 | ~~derived from the purchase.~~

2332 | ~~2. The tangible property is delivered to the purchaser~~
2333 | ~~within 30 days after sale, except that such 30-day period may be~~
2334 | ~~extended by the office if market conditions so warrant; and~~

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2335 ~~3. The seller has offered the purchaser a full refund~~
2336 ~~policy in writing, exercisable by the purchaser within 10 days~~
2337 ~~of the date of delivery of such tangible personal property,~~
2338 ~~except that the amount of such refund may not exceed the bid~~
2339 ~~price in effect at the time the property is returned to the~~
2340 ~~seller. If the applicable sellers' market is closed at the time~~
2341 ~~the property is returned to the seller for a refund, the amount~~
2342 ~~of such refund shall be based on the bid price for such property~~
2343 ~~at the next opening of such market.~~

2344 (3) It is unlawful for a person in issuing or selling a
2345 security within this state, including a security exempted under
2346 s. 517.051 and including a transaction exempted under s.
2347 517.061, s. 517.0611, or s. 517.0612, to misrepresent that such
2348 security or business entity has been guaranteed, sponsored,
2349 recommended, or approved by the state or an agency or officer of
2350 the state or by the United States or an agency or officer of the
2351 United States.

2352 (4) It is unlawful for a person registered or required to
2353 be registered, or subject to the notice requirements, under this
2354 chapter, including such persons and issuers who are subject to
2355 s. 517.051, s. 517.061, s. 517.0611, s. 517.0612, or s. 517.081,
2356 to misrepresent that such person has been sponsored,
2357 recommended, or approved, or that such person's abilities or
2358 qualifications have in any respect been approved, by the state

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2359 or an agency or officer of the state or by the United States or
2360 an agency or officer of the United States.

2361 (5) It is unlawful and a violation of this chapter for a
2362 person in connection with the offer or sale of an investment to
2363 obtain money or property by means of:

2364 (a) A misrepresentation that the investment offered or
2365 sold is guaranteed, sponsored, recommended, or approved by the
2366 state or an agency or officer of the state or by the United
2367 States or an agency or officer of the United States; or

2368 (b) A misrepresentation that such person is sponsored,
2369 recommended, or approved, or that such person's abilities or
2370 qualifications have in any respect been examined, by the state
2371 or an agency or officer of the state or by the United States or
2372 an agency or officer of the United States.

2373 (6) (a) Subsection (3) or subsection (4) may not be
2374 construed to prohibit a statement that a person or security is
2375 registered or has made a notice filing under this chapter if
2376 such statement is required by this chapter or rules promulgated
2377 thereunder and is true in fact and if the effect of such
2378 statement is not a misrepresentation.

2379 (b) A statement that a person is registered made in
2380 connection with the offer or sale of a security under this
2381 chapter must include the following disclaimer: "Registration
2382 does not imply that such person has been sponsored, recommended,
2383 or approved by the state or an agency or officer of the state or

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2384 by the United States or an agency or officer of the United
2385 States."

2386 1. If the statement of registration is made in writing,
2387 the disclaimer must immediately follow such statement and must
2388 be in the same size and style of print as the statement of
2389 registration.

2390 2. If the statement of registration is made orally, the
2391 disclaimer must be made or broadcast with the same force and
2392 effect as the statement of registration.

2393 (7) It is unlawful and a violation of this chapter for a
2394 person to directly or indirectly manage, supervise, control, or
2395 own, either alone or in association with others, a boiler room
2396 in this state which sells or offers for sale a security or
2397 investment in violation of subsection (1), subsection (3),
2398 subsection (4), subsection (5), or subsection (6).

2399 Section 19. Section 517.311, Florida Statutes, is
2400 repealed.

2401 Section 20. Section 517.312, Florida Statutes, is
2402 repealed.

2403 Section 21. Subsections (1), (2), and (3) of section
2404 517.072, Florida Statutes, are amended to read:

2405 517.072 Viatical settlement investments.—

2406 (1) The exemptions provided for by s. 517.051(6) and (11)
2407 ss. 517.051(6), (8), and (10) do not apply to a viatical
2408 settlement investment.

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2409 (2) The offering of a viatical settlement investment is
2410 not an exempt transaction under s. 517.061(10), (12), (13), and
2411 (18) s. 517.061(2), (3), (8), (11), and (18), regardless of
2412 whether the offering otherwise complies with the conditions of
2413 that section, unless such offering is to a qualified
2414 institutional buyer.

2415 (3) The registration provisions of ss. 517.07 and 517.12
2416 do not apply to any of the following transactions in viatical
2417 settlement investments; however, such transactions in viatical
2418 settlement investments are subject to s. 517.301 ~~the provisions~~
2419 ~~of ss. 517.301, 517.311, and 517.312:~~

2420 (a) The transfer or assignment of an interest in a
2421 previously viaticated policy from a natural person who transfers
2422 or assigns no more than one such interest in a single calendar
2423 year.

2424 (b) The provision of stop-loss coverage to a viatical
2425 settlement provider, financing entity, or related provider
2426 trust, as those terms are defined in s. 626.9911, by an
2427 authorized or eligible insurer.

2428 (c) The transfer or assignment of a viaticated policy from
2429 a licensed viatical settlement provider to another licensed
2430 viatical settlement provider, a related provider trust, a
2431 financing entity, or a special purpose entity, as those terms
2432 are defined in s. 626.9911, or to a contingency insurer,
2433 provided that such transfer or assignment is not the direct or

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2434 indirect promotion of any scheme or enterprise with the intent
2435 of violating or evading ~~any provision of~~ this chapter.

2436 (d) The transfer or assignment of a viaticated policy to a
2437 bank, trust company, savings institution, insurance company,
2438 dealer, investment company as defined in the Investment Company
2439 Act of 1940, as amended, pension or profit-sharing trust,
2440 qualified institutional buyer, or an accredited investor,
2441 provided such transfer or assignment is not for the direct or
2442 indirect promotion of any scheme or enterprise with the intent
2443 of violating or evading any provision of this chapter.

2444 (e) The transfer or assignment of a viaticated policy by a
2445 conservator of a viatical settlement provider appointed by a
2446 court of competent jurisdiction who transfers or assigns
2447 ownership of viaticated policies pursuant to that court's order.

2448 Section 22. Subsection (2), paragraph (a) of subsection
2449 (9), paragraph (j) of subsection (16), subsection (20), and
2450 paragraphs (b) and (c) of subsection (21) of section 517.12,
2451 Florida Statutes, are amended to read:

2452 517.12 Registration of dealers, associated persons,
2453 intermediaries, and investment advisers.—

2454 (2) The registration requirements of this section do not
2455 apply in a transaction exempted by s. 517.061(1)-(6), (8), (9),
2456 (12), and (13) ~~s. 517.061(1)-(10), (12), (14), and (15)~~.

2457 (9)(a) An applicant for registration shall pay an
2458 assessment fee of \$200, in the case of a dealer or investment

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2459 | adviser, or \$50, in the case of an associated person. An
2460 | associated person may be assessed an additional fee to cover the
2461 | cost for the fingerprints to be processed by the office. Such
2462 | fee shall be determined by rule of the commission. Such fees
2463 | become the revenue of the state, except for those assessments
2464 | provided for under s. 517.131(2) ~~s. 517.131(1)~~ until such time
2465 | as the Securities Guaranty Fund satisfies the statutory limits,
2466 | and are not returnable in the event that registration is
2467 | withdrawn or not granted.

2468 | (16)

2469 | (j) All fees collected under this subsection become the
2470 | revenue of the state, except those assessments provided for
2471 | under s. 517.131(2) ~~s. 517.131(1)~~, until the Securities Guaranty
2472 | Fund has satisfied the statutory limits. Such fees are not
2473 | returnable if a notice-filing is withdrawn.

2474 | (20) The registration requirements of this section do not
2475 | apply to any general lines insurance agent or life insurance
2476 | agent licensed under chapter 626, with regard to ~~for~~ the sale of
2477 | a security as defined in s. 517.021(25)(g) ~~s. 517.021(23)(g)~~, if
2478 | the individual is directly authorized by the issuer to offer or
2479 | sell the security on behalf of the issuer and the issuer is a
2480 | federally chartered savings bank subject to regulation by the
2481 | Federal Deposit Insurance Corporation. Actions under this
2482 | subsection ~~shall~~ constitute activity under the insurance agent's
2483 | license for purposes of ss. 626.611 and 626.621.

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2484 (21)

2485 (b) Prior to the completion of any securities transaction
2486 described in s. 517.061(7) ~~s. 517.061(22)~~, a merger and
2487 acquisition broker must receive written assurances from the
2488 control person with the largest percentage of ownership for both
2489 the buyer and seller engaged in the transaction that:

2490 1. After the transaction is completed, any person who
2491 acquires securities or assets of the eligible privately held
2492 company, acting alone or in concert, will be a control person of
2493 the eligible privately held company or will be a control person
2494 for the business conducted with the assets of the eligible
2495 privately held company; and

2496 2. If any person is offered securities in exchange for
2497 securities or assets of the eligible privately held company,
2498 such person will, before becoming legally bound to complete the
2499 transaction, receive or be given reasonable access to the most
2500 recent year-end financial statements of the issuer of the
2501 securities offered in exchange. The most recent year-end
2502 financial statements shall be customarily prepared by the
2503 issuer's management in the normal course of operations. If the
2504 financial statements of the issuer are audited, reviewed, or
2505 compiled, the most recent year-end financial statements must
2506 include any related statement by the independent certified
2507 public accountant; a balance sheet dated not more than 120 days
2508 before the date of the exchange offer; and information

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2509 | pertaining to the management, business, results of operations
2510 | for the period covered by the foregoing financial statements,
2511 | and material loss contingencies of the issuer.

2512 | (c) A merger and acquisition broker engaged in a
2513 | transaction exempt under s. 517.061(7) ~~s. 517.061(22)~~ is exempt
2514 | from registration under this section unless the merger and
2515 | acquisition broker:

2516 | 1. Directly or indirectly, in connection with the transfer
2517 | of ownership of an eligible privately held company, receives,
2518 | holds, transmits, or has custody of the funds or securities to
2519 | be exchanged by the parties to the transaction;

2520 | 2. Engages on behalf of an issuer in a public offering of
2521 | any class of securities which is registered, or which is
2522 | required to be registered, with the United States Securities and
2523 | Exchange Commission under the Securities Exchange Act of 1934,
2524 | 15 U.S.C. ss. 78a et seq., or with the office under s. 517.07;
2525 | or for which the issuer files, or is required to file, periodic
2526 | information, documents, and reports under s. 15(d) of the
2527 | Securities Exchange Act of 1934, 15 U.S.C. s. 78o(d);

2528 | 3. Engages on behalf of any party in a transaction
2529 | involving a public shell company;

2530 | 4. Is subject to a suspension or revocation of
2531 | registration under s. 15(b)(4) of the Securities Exchange Act of
2532 | 1934, 15 U.S.C. s. 78o(b)(4);

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2533 5. Is subject to a statutory disqualification described in
2534 s. 3(a)(39) of the Securities Exchange Act of 1934, 15 U.S.C. s.
2535 78c(a)(39);

2536 6. Is subject to a disqualification under the United
2537 States Securities and Exchange Commission Rule 506(d), 17 C.F.R.
2538 s. 230.506(d); or

2539 7. Is subject to a final order described in s. 15(b)(4)(H)
2540 of the Securities Exchange Act of 1934, 15 U.S.C. s.
2541 78o(b)(4)(H).

2542 Section 23. Subsection (6) of section 517.1201, Florida
2543 Statutes, is amended to read:

2544 517.1201 Notice filing requirements for federal covered
2545 advisers.—

2546 (6) All fees collected under this section become the
2547 revenue of the state, except for those assessments provided for
2548 under s. 517.131(2) ~~s. 517.131(1)~~ until such time as the
2549 Securities Guaranty Fund satisfies the statutory limits, and are
2550 not returnable in the event that a notice filing is withdrawn.

2551 Section 24. Subsections (4) and (8) of section 517.1202,
2552 Florida Statutes, are amended to read:

2553 517.1202 Notice-filing requirements for branch offices.—

2554 (4) A branch office notice-filing under this section shall
2555 be summarily suspended by the office if the notice-filer fails
2556 to provide to the office, within 30 days after a written request
2557 by the office, all of the information required by this section

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2558 and the rules adopted under this section. The summary suspension
2559 shall be in effect for the branch office until such time as the
2560 notice-filer submits the requested information to the office,
2561 pays a fine as prescribed by s. 517.191(9) ~~s. 517.221(3)~~, and a
2562 final order is entered. At such time, the suspension shall be
2563 lifted. For purposes of s. 120.60(6), failure to provide all
2564 information required by this section and the underlying rules
2565 constitutes immediate and serious danger to the public health,
2566 safety, and welfare. If the notice-filer fails to provide all of
2567 the requested information within a period of 90 days, the
2568 notice-filing shall be revoked by the office.

2569 (8) All fees collected under this section become the
2570 revenue of the state, except for those assessments provided for
2571 under s. 517.131(2) ~~s. 517.131(1)~~ until such time as the
2572 Securities Guaranty Fund satisfies the statutory limits, and are
2573 not returnable in the event that a branch office notice-filing
2574 is withdrawn.

2575 Section 25. Subsection (2) of section 517.302, Florida
2576 Statutes, is amended to read:

2577 517.302 Criminal penalties; alternative fine; Anti-Fraud
2578 Trust Fund; time limitation for criminal prosecution.—

2579 (2) Any person who violates s. 517.301 ~~the provisions of~~
2580 ~~s. 517.312(1)~~ by obtaining money or property of an aggregate
2581 value exceeding \$50,000 from five or more persons is guilty of a

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2582 felony of the first degree, punishable as provided in s.
2583 775.082, s. 775.083, or s. 775.084.
2584 Section 26. This act shall take effect October 1, 2024.

2585

2586

2587

2588

T I T L E A M E N D M E N T

2589

Remove everything before the enacting clause and insert:

2590

A bill to be entitled

2591

An act relating to securities; amending s. 517.021,

2592

F.S.; revising definitions; defining the terms "angel

2593

investor group" and "business entity"; amending s.

2594

517.051, F.S.; revising the list of securities that

2595

are exempt from registration requirements under

2596

certain provisions; amending s. 517.061, F.S.;

2597

revising the list of transactions that are exempt from

2598

registration requirements under certain provisions;

2599

amending s. 517.0611, F.S.; revising a short title;

2600

revising provisions relating to a certain registration

2601

exemption for certain securities transactions;

2602

updating the federal laws or regulations with which

2603

the offer or sale of securities must be in compliance;

2604

revising requirements for issuers relating to the

2605

registration exemption; revising requirements for the

2606

notice of offering that must be filed by the issuer

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2607 under certain circumstances; specifying the timeframe
2608 within which issuers may amend such notice after any
2609 material information contained in the notice becomes
2610 inaccurate; authorizing the issuer to engage in
2611 general advertising and general solicitation under
2612 certain circumstances; specifying requirements for
2613 such advertising and solicitation; requiring the
2614 issuer to provide a disclosure statement to certain
2615 entities and persons within a specified timeframe;
2616 revising requirements for such statement; deleting
2617 requirements for the escrow agreement; conforming
2618 provisions to changes made by the act; revising the
2619 amount that may be received for sales of certain
2620 securities; providing a limit on securities that may
2621 be sold by an issuer to an investor; deleting the
2622 requirement that an issuer file and provide a certain
2623 annual report; conforming cross-references; revising
2624 the duties of intermediaries under certain
2625 circumstances; providing obligations of issuers under
2626 certain circumstances; providing that certain sales
2627 are voidable within a specified timeframe; providing
2628 requirements for purchasers' notices to issuers to
2629 void purchases; deleting provisions relating to funds
2630 received from investors; creating s. 517.0612, F.S.;
2631 providing a short title; providing applicability;

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2632 requiring that offers and sales of securities be in
2633 accordance with certain federal laws and rules;
2634 specifying certain requirements for issuers relating
2635 to the registration exemption; specifying a limitation
2636 on the amount of cash and other consideration that may
2637 be received from sales of certain securities made
2638 within a specified timeframe; prohibiting an issuer
2639 from accepting more than a specified amount from a
2640 single purchaser under certain circumstances;
2641 authorizing the issuer to engage in general
2642 advertising and general solicitation of the offering
2643 under certain circumstances; specifying that a certain
2644 prohibition is enforceable under ch. 517, F.S.;

2645 requiring that the purchaser receive a disclosure
2646 statement within a specified timeframe; specifying the
2647 requirements for such statement; requiring certain
2648 funds to be deposited into certain bank and depository
2649 institutions; prohibiting the issuer from withdrawing
2650 any amount of the offering proceeds until the target
2651 offering amount has been received; requiring the
2652 issuer to file a notice of the offering in a certain
2653 format within a specified timeframe; requiring the
2654 issuer to file an amended notice within a specified
2655 timeframe under certain circumstances; prohibiting
2656 agents of issuers from engaging in certain acts under

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2657 certain circumstances; providing that sales made under
2658 the exemption are voidable within a specified
2659 timeframe; providing requirements for purchasers'
2660 notices to issuers to void purchases; creating s.
2661 517.0613, F.S.; providing construction; providing that
2662 registration exemptions under certain provisions are
2663 not available to issuers for certain transactions
2664 under specified circumstances; providing registration
2665 requirements; creating s. 517.0614, F.S.; specifying
2666 criteria for determining integration of offerings for
2667 the purpose of registration or qualifying for a
2668 registration exemption; specifying certain
2669 requirements for the integration of offerings for an
2670 exempt offering for which general solicitation is
2671 prohibited; specifying certain requirements for the
2672 integration of offerings for two or more exempt
2673 offerings that allow general solicitation; specifying
2674 the circumstances under which integration analysis is
2675 not required; creating s. 517.0615, F.S.; specifying
2676 that certain communications are not deemed to
2677 constitute general solicitation or general advertising
2678 under specified circumstances; creating s. 517.0616,
2679 F.S.; providing that registration exemptions under
2680 certain provisions are not available to certain
2681 issuers under a specified circumstance; amending s.

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2682 517.081, F.S.; revising the duties and authority of
2683 the Financial Services Commission; authorizing the
2684 commission to establish certain criteria relating to
2685 the issuance of certain securities, trusts, and
2686 investments; authorizing the commission to prescribe
2687 certain forms and establish procedures for depositing
2688 fees and filing documents and requirements and
2689 standards relating to prospectuses, advertisements,
2690 and other sales literature; revising the list of
2691 issuers that are ineligible to submit simplified
2692 offering circulars; deleting provisions that require
2693 issuers to provide certain documents to the Office of
2694 Financial Regulation under certain circumstances;
2695 revising the requirements that must be met before the
2696 office must record the registration of a security;
2697 amending s. 517.101, F.S.; revising requirements for
2698 written consent to service in certain suits,
2699 proceedings, and actions; amending s. 517.131, F.S.;
2700 defining the term "final judgment"; specifying the
2701 purpose of the Securities Guaranty Fund; making
2702 technical changes; revising eligibility for payment
2703 from the fund; requiring eligible persons or receivers
2704 seeking payment from the fund to file a certain
2705 application with the office on a certain form;
2706 authorizing the commission to adopt rules regarding

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2707 | electronic filing of such application; specifying the
2708 | timeframe within which certain eligible persons or
2709 | receivers must file such application; providing
2710 | requirements for such applications; requiring the
2711 | office to approve applications for payment under
2712 | certain circumstances and to provide applicants with
2713 | certain notices within a specified timeframe;
2714 | requiring eligible persons or receivers to assign to
2715 | the office all rights, titles, and interests in final
2716 | judgments and orders of restitution equal to a
2717 | specified amount under certain circumstances;
2718 | requiring the office to deem an application for
2719 | payment abandoned under certain circumstances;
2720 | requiring that the time period to complete
2721 | applications be tolled under certain circumstances;
2722 | deleting provisions relating to specified notices to
2723 | the office and to rulemaking authority; amending s.
2724 | 517.141, F.S.; defining terms; revising the Securities
2725 | Guaranty Fund disbursement amounts to which eligible
2726 | persons are entitled; revising provisions regarding
2727 | payment of aggregate claims; providing for the
2728 | satisfaction of claims in the event of an insufficient
2729 | balance in the fund; requiring payments and
2730 | disbursements from the Securities Guaranty Fund to be
2731 | made by the Chief Financial Officer or his or her

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2732 authorized designee, upon authorization by the office;
2733 requiring such authorization to be submitted within a
2734 certain timeframe; deleting provisions regarding
2735 requirements for payment of claims; conforming
2736 provisions to changes made by the act; specifying the
2737 circumstances under which a claimant must reimburse
2738 the fund for payments received from the fund;
2739 providing penalties; authorizing the Department of
2740 Financial Services, rather than the office, to
2741 institute legal proceedings for certain compliance
2742 enforcement and to recover certain interests, costs,
2743 and fees; amending s. 517.191, F.S.; deleting an
2744 obsolete term; revising the civil penalty amounts for
2745 certain violations; authorizing the office to recover
2746 certain costs and attorney fees; requiring that moneys
2747 recovered be deposited in a specified trust fund;
2748 specifying the liability of control persons; providing
2749 an exception; specifying circumstances under which
2750 certain persons are deemed to have violated ch. 517,
2751 F.S.; authorizing the office to issue and serve cease
2752 and desist orders and emergency cease and desist
2753 orders under certain circumstances; authorizing the
2754 office to impose and collect administrative fines for
2755 certain violations; specifying the disposition of such
2756 fines; authorizing the office to bar applications or

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2757 notifications for licenses and registrations under
2758 certain circumstances; conforming cross-references;
2759 providing construction; specifying jurisdiction of the
2760 courts relating to the sale or offer of certain
2761 securities; making technical changes; amending s.
2762 517.211, F.S.; providing for joint and several
2763 liability of control persons in certain circumstances
2764 for the purposes of specified actions; specifying the
2765 date on which certain interest begins accruing in an
2766 action for rescission; providing construction;
2767 specifying that certain civil remedies extend to
2768 purchasers or sellers of securities; making technical
2769 changes; repealing s. 517.221, F.S., relating to cease
2770 and desist orders; repealing s. 517.241, F.S.,
2771 relating to remedies; amending s. 517.301, F.S.;
2772 revising the circumstances under which certain
2773 activities are considered unlawful and violations of
2774 law; conforming provisions to changes made by the act;
2775 revising the definition of the term "investment";
2776 specifying that certain misrepresentations by persons
2777 issuing or selling securities are unlawful; specifying
2778 that certain misrepresentations by persons registered
2779 or required to be registered under certain provisions
2780 or subject to certain requirements are unlawful;
2781 specifying that obtaining money or property in

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2782 connection with the offer or sale of an investment is
2783 unlawful under certain conditions; providing
2784 construction; requiring disclaimers for certain
2785 statements; making technical changes; repealing s.
2786 517.311, F.S., relating to false representations,
2787 deceptive words, and enforcement; repealing s.
2788 517.312, F.S., relating to securities, investments,
2789 and boiler rooms, prohibited practices, and remedies;
2790 amending ss. 517.072 and 517.12, F.S.; conforming
2791 cross-references and making technical changes;
2792 amending ss. 517.1201 and 517.1202, F.S.; conforming
2793 cross-references; amending s. 517.302, F.S.;
2794 conforming a provision to changes made by the act and
2795 making a technical change; providing an effective
2796 date.
2797