

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

26 federal criminal history record checks and make
27 specified determinations; authorizing the Financial
28 Services Commission to waive by rule certain
29 requirements and to consider certain rules and
30 regulations in waiving the requirements; revising the
31 written assurances requirements that merger and
32 acquisition brokers must receive from certain control
33 persons under specified circumstances; revising the
34 circumstances under which merger and acquisition
35 brokers are not exempt from specified securities
36 registration; amending s. 517.131, F.S.; defining the
37 term "restitution order"; revising the circumstances
38 under which a person is eligible for payment from the
39 Securities Guaranty Fund; revising the requirements
40 for applications for payment from the fund; amending
41 s. 517.301, F.S.; specifying a prohibition against
42 certain misrepresentations in issuing and selling
43 securities; amending s. 517.34, F.S.; increasing the
44 maximum number of days that dealers and investment
45 advisers may extend the delay on certain disbursements
46 and transactions of funds and securities for the
47 protection of specified adults; amending ss. 517.211
48 and 517.315, F.S.; conforming cross-references;
49 providing an effective date.
50

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

Section 1. Present subsections (6) through (9), (10), (11), (12), (13) through (17), (18), (19), (20) through (25), (26), and (27) of section 517.021, Florida Statutes, are redesignated as subsections (7) through (10), (12), (14), (15), (17) through (21), (25), (26), (28) through (33), (35), and (36), respectively, new subsections (6), (11), (13), (16), (22), (23), (24), and (27) and subsection (34) are added to that section, and present subsections (11) and (15) of that section are amended, to read:

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

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

(11) "Corporation" has the same meaning as the terms "corporation," "domestic corporation," or "foreign corporation" in s. 607.01401.

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

(14)~~(11)~~ "Federal covered adviser" means a person that is

76 registered or required to be registered under s. 203 of the
77 Investment Advisers Act of 1940, as amended. The term does not
78 include any person that is excluded from the definition of
79 investment adviser under subparagraphs (20) (b) 1.-7. ~~(16) (b) 1.-7.~~
80 and 9.

81 (16) "General partner" has the same meaning as in s.
82 620.1102. The term includes a co-owner or manager of a
83 partnership who has unlimited liability for the partnership's
84 debts.

85 (19) ~~(15)~~ "Intermediary" means a natural person that
86 ~~residing in this state or a corporation, trust, partnership,~~
87 ~~limited liability company, association, or other legal entity~~
88 ~~registered with the Secretary of State to do business in this~~
89 ~~state, which~~ facilitates through its website the offer or sale
90 of securities of an issuer with a principal place of business in
91 this state.

92 (22) "Limited liability company" has the same meaning as
93 in s. 605.0102. The term includes a foreign limited liability
94 company as defined in s. 605.0102.

95 (23) "Limited liability company manager" or "limited
96 liability managing member" means a person who is responsible
97 alone, or in concert with others, for performing the management
98 functions of a limited liability company.

99 (24) "Limited partner" has the same meaning as in s.
100 620.1102. The term includes a co-owner of a partnership who has

101 limited liability for the partnership's debts.

102 (27) "Partnership" means two or more persons who are the
103 co-owners of a business, including those operating as a foreign
104 limited liability limited partnership, a foreign limited
105 partnership, a limited liability limited partnership, or a
106 limited partnership as those terms are defined in s. 620.1102.

107 (34) "Trust" has the same meaning as in s. 731.201.

108 **Section 2. Subsections (7) and (9), paragraph (f) of**
109 **subsection (11), and subsections (18), (19), and (20) of section**
110 **517.061, Florida Statutes, are amended to read:**

111 517.061 Exempt transactions.—Except as otherwise provided
112 in subsection (11), the exemptions provided herein from the
113 registration requirements of s. 517.07 are self-executing and do
114 not require any filing with the office before being claimed. Any
115 person who claims entitlement to an exemption under this section
116 bears the burden of proving such entitlement in any proceeding
117 brought under this chapter. The registration provisions of s.
118 517.07 do not apply to any of the following transactions;
119 however, such transactions are subject to s. 517.301:

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

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

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

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

131 (b) A savings and loan association, building and loan
132 association, cooperative bank, or credit union, which is
133 supervised and examined by a state or federal authority having
134 supervision over any such institution.

135 (c) A federal covered adviser, investment adviser
136 registered pursuant to the laws of a state, exempt reporting
137 adviser or private fund adviser as those terms are defined in s.
138 517.12(23)(a)2. and 3., respectively, investment adviser relying
139 on the exemption from registering with the Securities and
140 Exchange Commission under s. 203(l) or (m) of the Investment
141 Advisers Act of 1940, as amended, business development company
142 as defined in s. 2(a)(48) of the Investment Company Act of 1940,
143 as amended, or business development company as defined in s.
144 202(a)(22) of the Investment Advisers Act of 1940, as amended.

145 (d) A small business investment company licensed by the
146 Small Business Administration under s. 301(c) of the Small
147 Business Investment Act of 1958, as amended, or rural business
148 investment company as defined in s. 384A of the Consolidated
149 Farm and Rural Development Act.

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

151 political subdivision thereof, or any agency or instrumentality
152 of a state or a political subdivision, for the benefit of its
153 employees, if such plan has total assets in excess of \$5
154 million, an employee benefit plan within the meaning of the
155 Employee Retirement Income Security Act of 1974 if the
156 investment decision is made by a plan fiduciary, as described in
157 s. 3(21) of such act, which is a bank, savings and loan
158 association, insurance company, or federal covered adviser, or
159 if the employee benefit plan has total assets in excess of \$5
160 million or, if a self-directed plan, with investment decisions
161 made solely by persons that are accredited investors.

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

167 (g) A trust, with total assets in excess of \$5 million,
168 not formed for the specific purpose of acquiring the securities
169 offered, whose purchase is directed by a sophisticated person as
170 described in Securities and Exchange Commission Rule
171 506(b)(2)(ii), 17 C.F.R. s. 230.506(b)(2)(ii), as amended.

172 (h) An entity of a type not listed in paragraphs (a)-(g)
173 or paragraph (j) which owns investments as defined in Securities
174 and Exchange Commission Rule 2a51-1(b), 17 C.F.R. s. 270.2a51-
175 1(b), as amended, in excess of \$5 million and is not formed for

176 the specific purpose of acquiring the securities offered.

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

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

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

185 3. The prospective investment of the family office is
186 directed by a person who has knowledge and experience in
187 financial and business matters that the family office is capable
188 of evaluating the merits and risks of the prospective
189 investment.

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

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

194 (f) The issuer files with the office a notice of
195 transaction on a form prescribed by commission rule, an
196 irrevocable written,~~a~~ consent to service of civil process in
197 accordance with s. 517.101, and a copy of the general
198 announcement within 15 days after the first sale is made in this
199 state. The commission may adopt by rule procedures for filing
200 documents by electronic means.

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

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

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

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

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

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

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

230 3. An audited balance sheet of the issuer as of a date
231 within 18 months before such transaction or, in the case of a
232 reorganization or merger in which parties to the reorganization
233 or merger had such audited balance sheet, a pro forma balance
234 sheet.~~†~~~~and~~

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

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

244 2. The class of security is quoted, offered, purchased, or
245 sold through an alternative trading system registered under
246 Securities and Exchange Commission Regulation ATS, 17 C.F.R. s.
247 242.301, as amended, and the issuer of the security has made
248 current information publicly available in accordance with
249 Securities and Exchange Commission Rule 15c2-11, 17 C.F.R. s.
250 240.15c2-11, as amended;

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

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

256 5. The issuer of the security has total assets of at least
257 \$2 million based on an audited balance sheet as of a date within
258 18 months before such transaction or, in the case of a
259 reorganization or merger in which parties to the reorganization
260 or merger had such audited balance sheet, a pro forma balance
261 sheet.

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

264 (20) (a) A nonissuer transaction in an outstanding security
265 by or through a dealer registered or exempt from registration
266 under this chapter, if, at the time of the transaction, all of
267 the following conditions are met ~~true~~:

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

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

276 security of the same issuer which is of senior or substantially
277 equal rank to the listed security, or is a warrant or right to
278 purchase or subscribe to any such security.

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

282 1. Organization under foreign law.

283 2. Association with a community of dealers, financial
284 institutions, or other professional intermediaries with an
285 established operating history.

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

287 4. Oversight standards set by general law.

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

290 6. A system for exchange of price quotations through
291 common communications media.

292 7. An organized clearance and settlement system.

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

295
296 ~~For purposes of this subsection, Canada, together with its~~
297 ~~provinces and territories, is designated as a foreign~~
298 ~~jurisdiction, and Toronto Stock Exchange, Inc., is designated as~~
299 ~~a securities exchange.~~ If, after an administrative hearing in
300 compliance with ss. 120.569 and 120.57, the office finds that

301 revocation is necessary or appropriate in furtherance of the
302 public interest and for the protection of investors, it may
303 revoke the designation of a foreign securities exchange or
304 foreign securities market ~~under this subsection.~~

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

307 517.0612 Florida Invest Local Exemption.—

308 (10) The issuer must file with the office a notice of
309 transaction on a form prescribed by commission rule, an
310 irrevocable written consent to service of civil process in
311 accordance with s. 517.101, and a copy of the disclosure
312 statement described in subsection (8) at least ~~the offering with~~
313 ~~the office, in writing or in electronic form, in a format~~
314 ~~prescribed by commission rule, no less than 5 business days~~
315 ~~before the offering commences, along with the disclosure~~
316 ~~statement described in subsection (8).~~ If there are any material
317 changes to the information previously submitted, the issuer
318 must, within 3 business days after such material change, file an
319 amended notice.

320 **Section 4. Paragraph (b) of subsection (2) of section**
321 **517.0614, Florida Statutes, is amended to read:**

322 517.0614 Integration of offerings.—

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

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

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

2. Section 517.0611 or s. 517.0612.

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

517.0616 Disqualification.—

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

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

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

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

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

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

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

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

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

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

517.081 Registration procedure.—

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

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

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

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

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

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

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

1. The application is complete.

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

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

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

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

408 **Section 8. Present subsections (7) through (22) of section**
409 **517.12, Florida Statutes, are redesignated as subsections (8)**
410 **through (23), respectively, a new subsection (7) is added to**
411 **that section, and subsection (6), present subsection (10),**
412 **paragraph (b) of present subsection (14), and present**
413 **subsections (19), (20), and (21) of that section are amended, to**
414 **read:**

415 517.12 Registration of dealers, associated persons,
416 intermediaries, and investment advisers.—

417 (6) The application must also contain such information as
418 the commission or office may require about the applicant; any
419 member, principal, or director of the applicant or any person
420 having a similar status or performing similar functions; any
421 person directly or indirectly controlling the applicant; or any
422 employee of a dealer or of an investment adviser rendering
423 investment advisory services. ~~Each applicant and any direct~~
424 ~~owners, principals, or indirect owners that are required to be~~
425 ~~reported on Form BD or Form ADV pursuant to subsection (14).~~

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

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

451 (b) Any injunction or administrative order by a state or
452 federal agency, national securities exchange, or national
453 securities association involving a security or any aspect of a
454 dealer's or investment adviser's regulated business and any
455 injunction or administrative order by a state or federal agency
456 regulating banking, insurance, finance, or small loan companies,
457 real estate, mortgage brokers, or other related or similar
458 industries, which injunctions or administrative orders relate to
459 such person.

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

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

467 (7)(a)1. The following natural persons shall submit a full
468 set of fingerprints to the Department of Law Enforcement or to a
469 vendor, entity, or agency authorized under s. 943.053(13) for
470 live-scan processing in accordance with rules adopted by the
471 commission:

472 a. A natural person who files an application with the
473 office for registration as an associated person.

474 b. A natural person who holds the title of president,
475 treasurer, chief executive officer, chief financial officer,

476 chief operations officer, chief legal officer, chief compliance
477 officer, or director for a dealer or investment adviser
478 applicant.

479 c. A natural person who owns at least 5 percent of a
480 dealer or investment adviser applicant.

481 d. With respect to each owner who owns at least 5 percent
482 of a dealer or investment adviser applicant that is a
483 corporation, partnership, trust, or limited liability company,
484 each natural person who is a 25 percent or more owner or trustee
485 of such entity, and each natural person who is a 25 percent or
486 more owner or trustee at each level of the chain of ownership up
487 to, but not including, an entity subject to s. 12 or s. 15(d) of
488 the Securities Exchange Act of 1934, as amended.

489 2. For purposes of this subsection, the term "owner"
490 means:

491 a. A shareholder who owns a percentage of a class of
492 voting securities of a dealer or investment adviser applicant,
493 and includes any person who owns, beneficially owns, has the
494 right to vote on, or has the power to sell or direct the sale
495 of, the percentage of a class of a voting security of the dealer
496 or investment adviser applicant specified in sub-subparagraph
497 1.c. or sub-subparagraph 1.d. For purposes of this sub-
498 subparagraph, a person beneficially owns any securities:

499 (I) That are owned by the shareholder's child, stepchild,
500 grandchild, parent, stepparent, grandparent, spouse, sibling,

501 mother-in-law, father-in-law, son-in-law, daughter-in-law,
502 brother-in-law, or sister-in-law sharing the same residence; or
503 (II) That the shareholder has the right to acquire, within
504 60 days, through the exercise of any option, warrant, or right
505 to purchase the securities.

506 b. A general partner of a partnership, and a limited
507 partner of a partnership who has the right to receive upon
508 dissolution, or has contributed, a percentage of the capital of
509 a dealer or investment adviser applicant.

510 c. A trustee of a trust that owns a percentage of a class
511 of a voting security of a dealer or investment adviser
512 applicant, or that has the right to receive upon dissolution, or
513 has contributed, a percentage of the capital of a dealer or
514 investment adviser applicant.

515 d. A member of a limited liability company who has the
516 right to receive upon dissolution, or has contributed, a
517 percentage of the capital of a dealer or investment adviser
518 applicant, and all limited liability company managers of a
519 dealer or investment adviser applicant.

520 3. For purposes of this subsection, the term "shareholder"
521 means a person who owns at least one share of a corporation and
522 whose ownership is reflected in the records of the corporation.

523 (b) A vendor, entity, or agency authorized under s.
524 943.053(13) to submit fingerprints electronically to the
525 Department of Law Enforcement shall submit the fingerprints to

526 the department for state processing, and the department shall
527 forward the fingerprints to the Federal Bureau of Investigation
528 for national processing.

529 (c) Fees for state and federal fingerprint processing must
530 be borne by the person subject to the criminal history record
531 check. The state cost for fingerprint processing is as provided
532 in s. 943.053(3)(e).

533 (d) The office shall review the results of the state and
534 federal criminal history record checks and determine whether the
535 applicant is disqualified from registration.

536 1. The commission may waive by rule the requirement that
537 the persons listed in sub-subparagraphs (a)1.a.-d. submit
538 fingerprints or the requirement that such fingerprints be
539 processed by the Department of Law Enforcement or the Federal
540 Bureau of Investigation.

541 2. In waiving a requirement under subparagraph 1., the
542 commission may consider the rules and regulations of the
543 Securities and Exchange Commission, the model rules and acts of
544 the North American Securities Administrators Association, Inc.,
545 and the rules and regulations of the Financial Industry
546 Regulatory Authority.

547 (11) (a) ~~(10) (a)~~ If the office finds that the applicant has
548 complied with the applicable registration provisions of this
549 chapter and the rules made pursuant hereto, it shall register
550 the applicant unless the applicant is otherwise disqualified for

551 registration pursuant to law. The registration of each dealer,
552 investment adviser, and associated person expires on December 31
553 of the year the registration became effective unless the
554 registrant has renewed its registration on or before that date.
555 Registration may be renewed by furnishing such information as
556 the commission may require, together with payment of the fee
557 required in paragraph (10)(a) ~~(9)(a)~~ for dealers, investment
558 advisers, or associated persons and the payment of any amount
559 lawfully due and owing to the office pursuant to any order of
560 the office or pursuant to any agreement with the office. Any
561 dealer, investment adviser, or associated person who has not
562 renewed a registration by the time the current registration
563 expires may request reinstatement of such registration by filing
564 with the office, on or before January 31 of the year following
565 the year of expiration, such information as may be required by
566 the commission, together with payment of the fee required in
567 paragraph (10)(a) ~~(9)(a)~~ for dealers, investment advisers, or
568 associated persons and a late fee equal to the amount of such
569 fee. Any reinstatement of registration granted by the office
570 during the month of January shall be deemed effective
571 retroactive to January 1 of that year.

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

- 575 1. Is an active duty member of the United States Armed

576 Forces or the spouse of such member;

577 2. Is or was a member of the United States Armed Forces
578 and served on active duty within the 2 years preceding the
579 expiration date of the registration pursuant to paragraph (a).
580 To qualify for the fee waiver, a registrant who is a former
581 member of the United States Armed Forces who served on active
582 duty within the 2 years preceding the expiration date of the
583 registration must have received an honorable discharge upon
584 separation or discharge from the United States Armed Forces; or

585 3. Is the surviving spouse of a member of the United
586 States Armed Forces if the member was serving on active duty at
587 the time of death and died within the 2 years preceding the
588 surviving spouse's registration expiration date pursuant to
589 paragraph (a).

590
591 A registrant seeking such fee waiver must submit proof, in a
592 form prescribed by commission rule, that the registrant meets
593 one of the qualifications in this paragraph.

594 (15) ~~(14)~~

595 (b) In lieu of filing with the office the applications
596 specified in subsection (5), the fees required by subsection
597 (10) ~~(9)~~, the renewals required by subsection (11) ~~(10)~~, and the
598 termination notices required by subsection (12) ~~(11)~~, the
599 commission may by rule establish procedures for the deposit of
600 such fees and documents with the Central Registration Depository

601 or the Investment Adviser Registration Depository of the
602 Financial Industry Regulatory Authority, as developed under
603 contract with the North American Securities Administrators
604 Association, Inc.

605 (20)~~(19)~~ An intermediary may not engage in business in
606 this state unless the intermediary is registered as a dealer or
607 as an intermediary with the office pursuant to this section to
608 facilitate the offer or sale of securities in accordance with s.
609 517.0611. An intermediary, in order to obtain registration, must
610 file with the office a written application on a form prescribed
611 by commission rule and pay a registration fee of \$200. The fees
612 under this subsection shall be deposited into the Regulatory
613 Trust Fund of the office. The commission may establish by rule
614 procedures for depositing fees and filing documents by
615 electronic means if such procedures provide the office with the
616 information and data required by this section. Each intermediary
617 must also file an irrevocable written consent to service of
618 civil process, as provided in s. 517.101.

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

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

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

625 a. A corporation, a copy of its articles of incorporation

and amendments to the articles of incorporation;

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

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

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

4. Contact information.

(b) The application must also contain such information as the commission may require by rule about the applicant; any member, principal, or director of the applicant or any person having a similar status or performing similar functions; or any persons directly or indirectly controlling the applicant. ~~Each applicant and any direct owners, principals, or indirect owners that are required to be reported on a form adopted by commission rule shall submit fingerprints for live-scan processing in accordance with rules adopted by the commission. The fingerprints may be submitted through a third-party vendor authorized by the Department of Law Enforcement to provide live-scan fingerprinting. The costs of fingerprint processing shall be borne by the person subject to the background check. The Department of Law Enforcement shall conduct a state criminal history background check, and a federal criminal history background check must be conducted through the Federal Bureau of Investigation. The office shall review the results of the state~~

651 ~~and federal criminal history background checks and determine~~
652 ~~whether the applicant meets registration requirements. The~~
653 ~~commission may waive, by rule, the requirement that applicants,~~
654 ~~including any direct owners, principals, or indirect owners,~~
655 ~~which are required to be reported on a form adopted by~~
656 ~~commission rule, submit fingerprints or the requirement that~~
657 ~~such fingerprints be processed by the Department of Law~~
658 ~~Enforcement or the Federal Bureau of Investigation. The~~
659 commission, by rule, or the office may require information about
660 any applicant or person, including:

661 1. The applicant's or person's full name and any other
662 names by which the applicant or person may have been known and
663 the applicant's or person's age, social security number,
664 photograph, qualifications, and educational and business
665 history.

666 2. Any injunction or administrative order by a state or
667 federal agency, national securities exchange, or national
668 securities association involving a security or any aspect of an
669 intermediary's regulated business and any injunction or
670 administrative order by a state or federal agency regulating
671 banking, insurance, finance, real estate, mortgage brokers, or
672 other related or similar industries, which relate to such
673 person.

674 3. The applicant's or person's conviction of, or plea of
675 nolo contendere to, a criminal offense or the applicant's or

676 person's commission of any acts that would be grounds for
677 refusal of an application under s. 517.161.

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

683 a. A natural person who files an application with the
684 office for registration as an intermediary.

685 b. A natural person who holds the title of president,
686 treasurer, chief executive officer, chief financial officer,
687 chief operations officer, chief legal officer, chief compliance
688 officer, or director for an intermediary applicant.

689 c. A natural person who owns at least 5 percent of an
690 intermediary applicant.

691 d. With respect to each owner who owns at least 5 percent
692 of an intermediary applicant that is a corporation, partnership,
693 trust, or limited liability company, each natural person who is
694 a 25 percent or more owner or trustee of such entity, and each
695 natural person who is a 25 percent or more owner or trustee at
696 each level of the chain of ownership up to, but not including,
697 an entity subject to s. 12 or s. 15(d) of the Securities
698 Exchange Act of 1934, as amended.

699 2. For purposes of this subsection, the term "owner"
700 means:

701 a. A shareholder who owns a percentage of a class of
702 voting securities of an intermediary applicant, and includes any
703 person who owns, beneficially owns, has the right to vote on, or
704 has the power to sell or direct the sale of, the percentage of a
705 class of a voting security of the intermediary applicant
706 specified in sub-subparagraph 1.c. or sub-subparagraph 1.d. For
707 purposes of this sub-subparagraph, a person beneficially owns
708 any securities:

709 (I) That are owned by the shareholder's child, stepchild,
710 grandchild, parent, stepparent, grandparent, spouse, sibling,
711 mother-in-law, father-in-law, son-in-law, daughter-in-law,
712 brother-in-law, or sister-in-law sharing the same residence; or

713 (II) That the shareholder has the right to acquire, within
714 60 days, through the exercise of any option, warrant, or right
715 to purchase the securities.

716 b. A general partner of a partnership, and a limited
717 partner of a partnership who has the right to receive upon
718 dissolution, or has contributed, a percentage of the capital of
719 an intermediary applicant.

720 c. A trustee of a trust that owns a percentage of a class
721 of a voting security of an intermediary applicant, or that has
722 the right to receive upon dissolution, or has contributed, a
723 percentage of the capital of an intermediary applicant.

724 d. A member of a limited liability company who has the
725 right to receive upon dissolution, or has contributed, a

percentage of the capital of an intermediary applicant, and, all
limited liability company managers of an intermediary applicant.

3. For purposes of this subsection, the term "shareholder"
means a person who owns at least one share of a corporation and
whose ownership is reflected in the records of the corporation.

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

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

(f) The office shall review the results of the state and
federal criminal history record checks and determine whether the
applicant is disqualified from registration.

1. The commission may waive by rule the requirement that
applicants, including any persons listed in sub-subparagraphs
(c)1.a.-d., submit fingerprints or the requirement that such
fingerprints be processed by the Department of Law Enforcement
or the Federal Bureau of Investigation.

2. In waiving a requirement under subparagraph 1., the
commission may consider the rules and regulations of the

751 Securities and Exchange Commission, the model rules and acts of
752 the North American Securities Administrators Association, Inc.,
753 and the rules and regulations of the Financial Industry
754 Regulatory Authority.

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

758 (h)~~(d)~~ An intermediary or persons affiliated with the
759 intermediary are not subject to any disqualification described
760 in s. 517.1611 or Securities and Exchange Commission Rule
761 506(d), 17 C.F.R. 230.506(d), adopted pursuant to the Securities
762 Act of 1933, as amended. Each director, officer, manager or
763 managing member, control person of the issuer, any person
764 occupying a similar status or performing a similar function, and
765 each person holding more than 20 percent of the ownership
766 interests of the intermediary is subject to this requirement.

767 (i)~~(e)~~ If the office finds that the applicant has complied
768 with the applicable registration provisions of this chapter and
769 the rules adopted thereunder, it shall register the applicant.
770 The registration of each intermediary expires on December 31 of
771 the year the registration became effective unless the registrant
772 renews his or her registration on or before that date.
773 Registration may be renewed by furnishing such information as
774 the commission may require by rule, together with payment of a
775 \$200 fee and the payment of any amount due to the office

pursuant to any order of the office or pursuant to any agreement with the office. An intermediary who has not renewed a registration by the time that the current registration expires may request reinstatement of such registration by filing with the office, on or before January 31 of the year following the year of expiration, such information as required by the commission, together with payment of the \$200 fee and a late fee of \$200. Any reinstatement of registration granted by the office during the month of January is deemed effective retroactive to January 1 of that year.

(21)~~(20)~~ The registration requirements of this section do not apply to any general lines insurance agent or life insurance agent licensed under chapter 626, with regard to the sale of a security as defined in s. 517.021(33)(g) ~~s. 517.021(25)(g)~~, if the individual is directly authorized by the issuer to offer or sell the security on behalf of the issuer and the issuer is a federally chartered savings bank subject to regulation by the Federal Deposit Insurance Corporation. Actions under this subsection constitute activity under the insurance agent's license for purposes of ss. 626.611 and 626.621.

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

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

2. "Business combination related shell company" means a shell company that is formed by an entity that is not a shell

801 company solely for the purpose of:

802 a. Changing the corporate domicile of the entity solely
803 within the United States; or

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

807 3.2- "Control person" means a person ~~an individual or~~
808 ~~entity~~ that possesses the power, directly or indirectly, to
809 direct the management or policies of a company through ownership
810 of securities, by contract, or otherwise. A person is presumed
811 to be a control person of a company if, upon completion of a
812 transaction, the buyer or group of buyers ~~with respect to a~~
813 ~~particular company, the person:~~

814 ~~a. Is a director, a general partner, a member, or a~~
815 ~~manager of a limited liability company, or is an officer who~~
816 ~~exercises executive responsibility or has a similar status or~~
817 ~~function;~~

818 ~~a.b-~~ Has the power to vote 25 ~~20~~ percent or more of a
819 class of voting securities or has the power to sell or direct
820 the sale of 25 ~~20~~ percent or more of a class of voting
821 securities; or

822 ~~b.c-~~ In the case of a partnership or limited liability
823 company, may receive upon dissolution, or has contributed, 25 ~~20~~
824 percent or more of the capital.

825 4.3- "Eligible privately held company" means a privately

826 held company that meets all of the following conditions:

827 a. The company does not have any class of securities which
828 is registered, or which is required to be registered, with the
829 ~~United States~~ Securities and Exchange Commission under the
830 Securities Exchange Act of 1934, 15 U.S.C. ss. 78a et seq., as
831 amended, or with the office under s. 517.07, or for which the
832 company files, or is required to file, summary and periodic
833 information, documents, and reports under s. 15(d) of the
834 Securities Exchange Act of 1934, 15 U.S.C. s. 78o(d), as
835 amended.

836 b. In the fiscal year immediately preceding the fiscal
837 year during which the merger and acquisition broker begins to
838 provide services for the securities transaction, the company, in
839 accordance with its historical financial accounting records, has
840 earnings before interest, taxes, depreciation, and amortization
841 of less than \$25 million or has gross revenues of less than \$250
842 million. On July 1, 2021, and every 5 years thereafter, each
843 dollar amount in this sub-subparagraph shall be adjusted by
844 dividing the annual value of the Employment Cost Index for wages
845 and salaries for private industry workers, or any successor
846 index, as published by the Bureau of Labor Statistics, for the
847 calendar year preceding the calendar year in which the
848 adjustment is being made, by the annual value of such index or
849 successor index for the calendar year ending December 31, 2020
850 ~~2012~~, and multiplying such dollar amount by the quotient

851 obtained. Each dollar amount determined under this sub-
852 subparagraph must ~~shall~~ be rounded to the nearest multiple of
853 \$100,000 and adopted by commission rule.

854 5.4. "Merger and acquisition broker" means a ~~any~~ broker
855 and any person associated with a broker engaged in the business
856 of effecting securities transactions solely in connection with
857 the transfer of ownership of an eligible privately held company,
858 regardless of whether the ~~that~~ broker acts on behalf of a seller
859 or buyer, through the purchase, sale, exchange, issuance,
860 repurchase, or redemption of, or a business combination
861 involving, securities or assets of the eligible privately held
862 company.

863 6.5. "Public Shell company" means a company that at the
864 time of a transaction with an eligible privately held company:

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

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

874 ~~b.c.~~ Has nominal assets or no assets, assets consisting
875 solely of cash and cash equivalents, or assets consisting of any

876 amount of cash and cash equivalents and nominal other assets.

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

882 1. After the transaction is completed, any person who
883 acquires securities or assets of the eligible privately held
884 company, acting alone or in concert, will be a control person of
885 the eligible privately held company or will be a control person
886 for the business conducted with the assets of the eligible
887 privately held company.~~7~~ and

888 2. After the transaction is completed, any person who
889 acquires securities or assets of the eligible privately held
890 company, acting alone or in concert, will be deemed to be active
891 in the management of the eligible privately held company or the
892 business conducted with the assets of the eligible privately
893 held company, and active in the management of the assets of the
894 eligible privately held company, if he or she engages in any of
895 the following acts or activities:

- 896 a. Electing executive officers.
897 b. Approving the annual budget.
898 c. Serving as an executive or other executive manager.
899 d. Carrying out such other activities as the commission
900 may by rule determine to be in the public interest.

901 ~~3.2.~~ If any person is offered securities in exchange for
902 securities or assets of the eligible privately held company,
903 such person will, before becoming legally bound to complete the
904 transaction, receive or be given reasonable access to the most
905 recent year-end financial statements of the issuer of the
906 securities offered in exchange. The most recent year-end
907 financial statements shall be customarily prepared by the
908 issuer's management in the normal course of operations. If the
909 financial statements of the issuer are audited, reviewed, or
910 compiled, the most recent year-end financial statements must
911 include any related statement by the independent certified
912 public accountant; a balance sheet dated not more than 120 days
913 before the date of the exchange offer; and information
914 pertaining to the management, business, results of operations
915 for the period covered by the foregoing financial statements,
916 and material loss contingencies of the issuer.

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

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

925 2. Engages on behalf of an issuer in a public offering of

any class of securities which is registered, or which is required to be registered, with the ~~United States~~ Securities and Exchange Commission under the Securities Exchange Act of 1934, 15 U.S.C. ss. 78a et seq., as amended, or with the office under s. 517.07; or for which the issuer files, or is required to file, periodic information, documents, and reports under s. 15(d) of the Securities Exchange Act of 1934, 15 U.S.C. s. 78o(d), as amended;

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

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

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

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

b. Disclosing any compensation in writing to the party;

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

7. Facilitates a transaction with a group of buyers formed

951 with the assistance of the merger and acquisition broker to
952 acquire the eligible privately held company;

953 8. Engages in a transaction involving the transfer of
954 ownership of an eligible privately held company to a passive
955 buyer or group of passive buyers;

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

958 10. Is subject to, or an officer, director, member,
959 manager, partner, or employee of the broker is subject to, the
960 following disciplinary actions:

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

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

965 ~~4. Is subject to a suspension or revocation of~~
966 ~~registration under s. 15(b)(4) of the Securities Exchange Act of~~
967 ~~1934, 15 U.S.C. s. 78e(b)(4);~~

968 ~~5. Is subject to a statutory disqualification described in~~
969 ~~s. 3(a)(39) of the Securities Exchange Act of 1934, 15 U.S.C. s.~~
970 ~~78e(a)(39);~~

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

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

976 ~~780(b)(4)(H).~~

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

980 517.131 Securities Guaranty Fund.—

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

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

984 (b) "Restitution order" means a court order awarding a
985 specified monetary amount to a named aggrieved person for a
986 violation of s. 517.07 or s. 517.301 to be paid by a named
987 violator.

988 (2)(a) The Chief Financial Officer shall establish a
989 Securities Guaranty Fund to provide monetary relief to victims
990 of securities violations under this chapter who are entitled to
991 monetary damages or restitution and cannot recover the full
992 amount of such monetary damages or restitution from the
993 wrongdoer. An amount not exceeding 20 percent of all revenues
994 received as assessment fees pursuant to s. 517.12(10) and (11)
995 ~~s. 517.12(9) and (10)~~ for dealers and investment advisers or s.
996 517.1201 for federal covered advisers and an amount not
997 exceeding 10 percent of all revenues received as assessment fees
998 pursuant to s. 517.12(10) and (11) ~~s. 517.12(9) and (10)~~ for
999 associated persons must be part of the regular registration
1000 license fee and must be transferred to or deposited in the

Securities Guaranty Fund.

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

(a)1. Is a judgment creditor in ~~Holds~~ an unsatisfied final judgment or a named beneficiary or victim in an unsatisfied restitution order entered on or after October 1, 2024, in which a wrongdoer was found to have violated s. 517.07 or s. 517.301;

2. Has applied any amount recovered from the judgment debtor, a person ordered to pay restitution, or any other source to the damages awarded in a final judgment or restitution order ~~by the court or arbitrator;~~ and

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

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

If a person holds an unsatisfied final judgment or restitution order entered before October 1, 2024, in which a wrongdoer was found to have violated s. 517.07 or s. 517.301, such person's claim for payment from the Securities Guaranty Fund shall be

governed by the terms of this section and s. 517.141 which were effective on the date of such final judgment or restitution order.

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

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

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

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

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

1051 ~~(e)~~ Any restitution order pursuant to ~~s. 517.191(3)~~, and a
1052 copy thereof.

1053 (e)~~(f)~~ An affidavit from the eligible person stating
1054 either one of the following:

1055 1. That the eligible person has made all reasonable
1056 searches and inquiries to ascertain whether the judgment debtor
1057 or person ordered to pay restitution possesses real or personal
1058 property or other assets subject to being sold or applied in
1059 satisfaction of the final judgment or restitution order and, by
1060 the eligible person's search, that the eligible person has not
1061 discovered any property or assets.

1062 2. That the eligible person has taken necessary action on
1063 the property and assets of the wrongdoers but the final judgment
1064 or restitution order remains unsatisfied.

1065 (f)~~(g)~~ If the application is filed by the receiver, an
1066 affidavit from the receiver stating the amount of restitution
1067 owed to the eligible person on whose behalf the claim is filed;
1068 the amount of any money, property, or assets paid to the
1069 eligible person on whose behalf the claim is filed by the person
1070 over whom the receiver is appointed; and the amount of any
1071 unsatisfied portion of any eligible person's restitution order
1072 ~~of restitution~~.

1073 (g)~~(h)~~ The eligible person's residence or domicile at the
1074 time of the violation of s. 517.07 or s. 517.301 which resulted
1075 in the eligible person's monetary damages.

1076 (h)~~(i)~~ The amount of any unsatisfied portion of the
1077 eligible person's final judgment or restitution order.

1078 (i)~~(j)~~ Whether an appeal ~~or motion to vacate an~~
1079 ~~arbitration award~~ has been filed.

1080 **Section 10. Subsection (3) of section 517.301, Florida**
1081 **Statutes, is amended to read:**

1082 517.301 Fraudulent transactions; falsification or
1083 concealment of facts.—

1084 (3) It is unlawful for a person in issuing or selling a
1085 security within this state, including a security exempted under
1086 s. 517.051 and including a transaction exempted under s.
1087 517.061, s. 517.0611, or s. 517.0612, to misrepresent that such
1088 security or person ~~business entity~~ has been guaranteed,
1089 sponsored, recommended, or approved by the state or an agency or
1090 officer of the state or by the United States or an agency or
1091 officer of the United States.

1092 **Section 11. Subsection (4) of section 517.34, Florida**
1093 **Statutes, is amended to read:**

1094 517.34 Protection of specified adults.—

1095 (4) A delay on a disbursement or transaction under
1096 subsection (3) expires 15 business days after the date on which
1097 the delay was first placed. However, the dealer or investment
1098 adviser may extend the delay for up to 30 ~~10~~ additional business
1099 days if the dealer's or investment adviser's review of the
1100 available facts and circumstances continues to support such

dealer's or investment adviser's reasonable belief that financial exploitation of the specified adult has occurred, is occurring, has been attempted, or will be attempted. A dealer or investment adviser that extends a delay must notify the office on a form prescribed by commission rule not later than 3 business days after the date on which the extension was applied. The notice must identify the dealer or investment adviser that extended the delay and the date on which the delay was originally made. The length of the delay may be shortened or extended at any time by a court of competent jurisdiction. This subsection does not prevent a dealer or investment adviser from terminating a delay after communication with the parties authorized to transact business on the account and any trusted contact on the account.

Section 12. Subsection (1) of section 517.211, Florida Statutes, is amended to read:

517.211 Private remedies available in cases of unlawful sale.—

(1) Every sale made in violation of either s. 517.07 or s. 517.12(1), (3), (4), (9), (11), (13), (16), or (18) ~~s. 517.12(1), (3), (4), (8), (10), (12), (15), or (17)~~ may be rescinded at the election of the purchaser; however, a sale made in violation of the provisions of s. 517.1202(3) relating to a renewal of a branch office notification or in violation of the provisions of s. 517.12(13) ~~s. 517.12(12)~~ relating to filing a

change of address amendment is not subject to this section. Each person making the sale and every director, officer, partner, or agent of or for the seller, if the director, officer, partner, or agent has personally participated or aided in making the sale, is jointly and severally liable to the purchaser in an action for rescission, if the purchaser still owns the security, or for damages, if the purchaser has sold the security. No purchaser otherwise entitled will have the benefit of this subsection who has refused or failed, within 30 days after receipt, to accept an offer made in writing by the seller, if the purchaser has not sold the security, to take back the security in question and to refund the full amount paid by the purchaser or, if the purchaser has sold the security, to pay the purchaser an amount equal to the difference between the amount paid for the security and the amount received by the purchaser on the sale of the security, together, in either case, with interest on the full amount paid for the security by the purchaser at the legal rate, pursuant to s. 55.03, for the period from the date of payment by the purchaser to the date of repayment, less the amount of any income received by the purchaser on the security.

Section 13. Subsection (2) of section 517.315, Florida Statutes, is amended to read:

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

CS/CS/HB 379

2025

1151 (2) After the transfer required in subsection (1), the
1152 office shall transfer the \$50 assessment fee collected from each
1153 associated person under s. 517.12(10) and (11) ~~s. 517.12(9) and~~
1154 ~~(10)~~ and 30.44 percent of the \$100 assessment fee paid by
1155 dealers and investment advisers for each office in the state
1156 under s. 517.12(10) and (11) ~~s. 517.12(9) and (10)~~ to the
1157 Regulatory Trust Fund.

1158 **Section 14.** This act shall take effect upon becoming a
1159 law.