

By the Committee on Banking and Insurance; and Senator Truenow

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A bill to be entitled

An act relating to securities; amending s. 517.021, F.S.; providing and revising definitions; amending s. 517.061, F.S.; revising the circumstances under which securities transactions are exempt from registration requirements; conforming cross-references; amending s. 517.0612, F.S.; revising the filing requirements for securities issuers under the Florida Invest Local Exemption law; amending s. 517.0614, F.S.; revising circumstances under which securities offers and sales are not subject to integration with other offerings; amending s. 517.0616, F.S.; revising the registration exemptions that are available to specified issuers under certain circumstances; providing applicability of certain disqualification provisions under a specified Securities and Exchange Commission rule; amending s. 517.075, F.S.; making a technical change; amending s. 517.081, F.S.; revising the requirements for securities registration applications; amending s. 517.12, F.S.; revising the list of persons who must submit fingerprints for live-scan processing for registration applications; providing fees for fingerprint processing; defining the term "owner"; authorizing the Financial Services Commission to consider certain rules and regulations in waiving the fingerprint requirement; providing and revising definitions; revising the written assurances requirements that merger and acquisition brokers must receive from certain control persons under specified

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circumstances; revising the circumstances under which merger and acquisition brokers are not exempt from specified securities registration; conforming cross-references; amending s. 517.131, F.S.; defining the term "restitution order"; revising the circumstances under which a person is eligible for payment from the Securities Guaranty Fund; revising the requirements for applications for payment from the fund; conforming cross-references; amending s. 517.301, F.S.; specifying a prohibition against certain misrepresentations in a person issuing and selling securities; amending s. 517.34, F.S.; revising the maximum number of days by which a dealer or investment adviser may extend a delay on a disbursement or transaction; amending ss. 517.211 and 517.315, F.S.; conforming cross-references; providing an effective date.

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), (36), and (37), respectively, new subsections (6), (11), (13), (16), (22), (23), (24), (27), (34), and (35) are added to that section, and present subsections (11) and (15) of that section are amended, to read:

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59 517.021 Definitions.—When used in this chapter, unless the  
60 context otherwise indicates, the following terms have the  
61 following respective meanings:

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

64 (11) "Corporation" has the same meaning as "corporation,"  
65 "domestic corporation," or "foreign corporation" in s.  
66 607.01401.

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

71 (14)~~(11)~~ "Federal covered adviser" means a person that is  
72 registered or required to be registered under s. 203 of the  
73 Investment Advisers Act of 1940, as amended. The term does not  
74 include any person that is excluded from the definition of  
75 investment adviser under subparagraphs (20) (b) 1.-7. ~~(16) (b) 1.-7.~~  
76 and 9.

77 (16) "General partner" has the same meaning as in s.  
78 620.1102 and includes a co-owner or manager of a partnership who  
79 has unlimited liability for the partnership's debts.

80 (19)~~(15)~~ "Intermediary" means a ~~natural person that~~  
81 ~~residing in this state or a corporation, trust, partnership,~~  
82 ~~limited liability company, association, or other legal entity~~  
83 ~~registered with the Secretary of State to do business in this~~  
84 ~~state, which~~ facilitates through its website the offer or sale  
85 of securities of an issuer with a principal place of business in  
86 this state.

87 (22) "Limited liability company" has the same meaning as in

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s. 605.0102, including a "foreign limited liability company," as that term is defined in that section.

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

(24) "Limited partner" has the same meaning as in s. 620.1102 and includes a co-owner of a partnership who has limited liability for the partnership's debts.

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

(34) "Shareholder" means a person who owns at least one share of a corporation and whose ownership is reflected in the records of the corporation.

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

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

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

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117 however, such transactions are subject to s. 517.301:

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

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

123 (a) A bank, trust company, savings institution, insurance  
124 company, dealer, investment company as defined in the Investment  
125 Company Act of 1940, 15 U.S.C. s. 80a-3, as amended, pension or  
126 profit-sharing trust, or qualified institutional buyer, whether  
127 any of such entities is acting in its individual or fiduciary  
128 capacity.

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

133 (c) A federal covered adviser, investment adviser  
134 registered pursuant to the laws of a state, exempt reporting  
135 adviser or private fund adviser as those terms are defined in s.  
136 517.12(23)(a)2. and 3., respectively, investment adviser relying  
137 on the exemption from registering with the Securities and  
138 Exchange Commission under s. 203(1) or (m) of the Investment  
139 Advisers Act of 1940, as amended, business development company  
140 as defined in s. 2(a)(48) of the Investment Company Act of 1940,  
141 as amended, or business development company as defined in s.  
142 202(a)(22) of the Investment Advisers Act of 1940, as amended.

143 (d) A small business investment company licensed by the  
144 Small Business Administration under s. 301(c) of the Small  
145 Business Investment Act of 1958, as amended, or rural business

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146 investment company as defined in s. 384A of the Consolidated  
147 Farm and Rural Development Act.

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

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

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

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

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

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

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

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

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

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

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

199 (18) Any nonissuer transaction by a registered dealer, and  
200 any resale transaction by a sponsor of a unit investment trust  
201 registered under the Investment Company Act of 1940, as amended,  
202 in a security of a class that has been outstanding in the hands  
203 of the public for at least 90 days; provided that, at the time

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of the transaction, the following conditions in paragraphs (a), (b), and (c) and either paragraph (d) or paragraph (e) are met:

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

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

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

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

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

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

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



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

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

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

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

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

254 5. The issuer of the security has total assets of at least  
255 \$2 million based on an audited balance sheet as of a date within  
256 18 months before such transaction or, in the case of a  
257 reorganization or merger in which parties to the reorganization  
258 or merger had such audited balance sheet, a pro forma balance  
259 sheet.

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

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

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

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

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

1. Organization under foreign law.

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

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

4. Oversight standards set by general law.

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

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

7. An organized clearance and settlement system.

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

293  
294       ~~For purposes of this subsection, Canada, together with its~~  
295       ~~provinces and territories, is designated as a foreign~~  
296       ~~jurisdiction, and Toronto Stock Exchange, Inc., is designated as~~  
297       ~~a securities exchange.~~ If, after an administrative hearing in  
298       compliance with ss. 120.569 and 120.57, the office finds that  
299       revocation is necessary or appropriate in furtherance of the  
300       public interest and for the protection of investors, it may  
301       revoke the designation of a foreign securities exchange or  
302       foreign securities market ~~under this subsection.~~

303       Section 3. Subsection (10) of section 517.0612, Florida  
304       Statutes, is amended to read:

305       517.0612 Florida Invest Local Exemption.—

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

318       Section 4. Paragraph (b) of subsection (2) of section  
319       517.0614, Florida Statutes, is amended to read:

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517.0614 Integration of offerings.—

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

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

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

353 517.075 Cuba, prospectus disclosure of doing business with,  
354 required.—

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

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

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

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

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

369 517.081 Registration procedure.—

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

372 (a) An issuer that is subject to any of the  
373 disqualifications described in Securities and Exchange  
374 Commission Rule 262, 17 C.F.R. s. 230.262, as amended, or that  
375 has been or is engaged or is about to engage in an activity that  
376 would be grounds for denial, revocation, or suspension under s.  
377 517.111. For purposes of this paragraph, an issuer includes an

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378 issuer's director, officer, general partner, manager or managing  
379 member, trustee, or a person owning at least 10 percent of the  
380 ownership interests of the issuer; a promoter or selling agent  
381 of the securities to be offered; or any officer, director,  
382 partner, or manager or managing member of such selling agent.

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

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

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

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

- 397 1. The application is complete.
- 398 2. The fee imposed in subsection (8) has been paid.
- 399 3. The sale of the security would not be fraudulent and  
400 would not work or tend to work a fraud upon the purchaser.
- 401 4. The terms of the sale of such securities would be fair,  
402 just, and equitable.

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

405 Section 8. Present subsections (7) through (22) of section  
406 517.12, Florida Statutes, are redesignated as subsections (8)

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through (23), respectively, a new subsection (7) is added to that section, and subsection (6), present subsection (10), paragraph (b) of present subsection (14), and present subsections (19), (20), and (21) of that section are amended, to read:

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

(6) The application must also contain such information as the commission or office may require about the applicant; any member, principal, or director of the applicant or any person having a similar status or performing similar functions; any person directly or indirectly controlling the applicant; or any employee of a dealer or of an investment adviser rendering investment advisory services. ~~Each applicant and any direct owners, principals, or indirect owners that are required to be 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,~~

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~~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.

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

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

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

(7)(a)1. The following natural persons shall submit a full



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465 set of fingerprints to the Department of Law Enforcement or to a  
466 vendor, entity, or agency authorized under s. 943.053(13) for  
467 live-scan processing in accordance with rules adopted by the  
468 commission:

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

471 b. A natural person who holds the title of president,  
472 treasurer, chief executive officer, chief financial officer,  
473 chief operations officer, chief legal officer, chief compliance  
474 officer, or director for a dealer or investment adviser  
475 applicant.

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

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

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

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

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494 beneficially owns any securities:

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

499 (II) That the shareholder has the right to acquire, within  
500 60 days, through the exercise of any option, warrant, or right  
501 to purchase the securities.

502 b. A general partner of a partnership, and a limited  
503 partner of a partnership who has the right to receive upon  
504 dissolution, or has contributed, a percentage of the capital of  
505 a dealer or investment adviser applicant.

506 c. A trustee of a trust that owns a percentage of a class  
507 of a voting security of a dealer or investment adviser  
508 applicant, or that has the right to receive upon dissolution, or  
509 has contributed, a percentage of the capital of a dealer or  
510 investment adviser applicant.

511 d. A member of a limited liability company who has the  
512 right to receive upon dissolution, or has contributed, a  
513 percentage of the capital of a dealer or investment adviser  
514 applicant, and all limited liability company managers of a  
515 dealer or investment adviser applicant.

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

522 (c) Fees for state and federal fingerprint processing shall

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

(d) The office shall review the results of the state and federal criminal history record checks and determine whether the applicant is disqualified from registration. The commission may waive by rule the requirement that the persons listed in this subsection submit fingerprints or the requirement that such fingerprints be processed by the Department of Law Enforcement or the Federal Bureau of Investigation. In waiving the requirement, the commission may consider the rules and regulations of the Securities and Exchange Commission, the model rules and acts of the North American Securities Administrators Association, Inc., and the rules and regulations of the Financial Industry Regulatory Authority.

(11)(a) ~~(10)(a)~~ If the office finds that the applicant has complied with the applicable registration provisions of this chapter and the rules made pursuant hereto, it shall register the applicant unless the applicant is otherwise disqualified for registration pursuant to law. The registration of each dealer, investment adviser, and associated person expires on December 31 of the year the registration became effective unless the registrant has renewed its registration on or before that date. Registration may be renewed by furnishing such information as the commission may require, together with payment of the fee required in paragraph (10)(a) ~~(9)(a)~~ for dealers, investment advisers, or associated persons and the payment of any amount lawfully due and owing to the office pursuant to any order of the office or pursuant to any agreement with the office. Any

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552 dealer, investment adviser, or associated person who has not  
553 renewed a registration by the time the current registration  
554 expires may request reinstatement of such registration by filing  
555 with the office, on or before January 31 of the year following  
556 the year of expiration, such information as may be required by  
557 the commission, together with payment of the fee required in  
558 paragraph (10) (a) ~~(9) (a)~~ for dealers, investment advisers, or  
559 associated persons and a late fee equal to the amount of such  
560 fee. Any reinstatement of registration granted by the office  
561 during the month of January shall be deemed effective  
562 retroactive to January 1 of that year.

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

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

568 2. Is or was a member of the United States Armed Forces and  
569 served on active duty within the 2 years preceding the  
570 expiration date of the registration pursuant to paragraph (a).  
571 To qualify for the fee waiver, a registrant who is a former  
572 member of the United States Armed Forces who served on active  
573 duty within the 2 years preceding the expiration date of the  
574 registration must have received an honorable discharge upon  
575 separation or discharge from the United States Armed Forces; or

576 3. Is the surviving spouse of a member of the United States  
577 Armed Forces if the member was serving on active duty at the  
578 time of death and died within the 2 years preceding the  
579 surviving spouse's registration expiration date pursuant to  
580 paragraph (a).

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581  
582 A registrant seeking such fee waiver must submit proof, in a  
583 form prescribed by commission rule, that the registrant meets  
584 one of the qualifications in this paragraph.

585 (15) ~~(14)~~

586 (b) In lieu of filing with the office the applications  
587 specified in subsection (5), the fees required by subsection  
588 (10) ~~(9)~~, the renewals required by subsection (11) ~~(10)~~, and the  
589 termination notices required by subsection (12) ~~(11)~~, the  
590 commission may by rule establish procedures for the deposit of  
591 such fees and documents with the Central Registration Depository  
592 or the Investment Adviser Registration Depository of the  
593 Financial Industry Regulatory Authority, as developed under  
594 contract with the North American Securities Administrators  
595 Association, Inc.

596 (20) ~~(19)~~ An intermediary may not engage in business in this  
597 state unless the intermediary is registered as a dealer or as an  
598 intermediary with the office pursuant to this section to  
599 facilitate the offer or sale of securities in accordance with s.  
600 517.0611. An intermediary, in order to obtain registration, must  
601 file with the office a written application on a form prescribed  
602 by commission rule and pay a registration fee of \$200. The fees  
603 under this subsection shall be deposited into the Regulatory  
604 Trust Fund of the office. The commission may establish by rule  
605 procedures for depositing fees and filing documents by  
606 electronic means if such procedures provide the office with the  
607 information and data required by this section. Each intermediary  
608 must also file an irrevocable written consent to service of  
609 civil process, as provided in s. 517.101.

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

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

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

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~~

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~~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 registration requirements. The commission may waive, by rule, the requirement that applicants, including any direct owners, principals, or indirect owners, which are required to be reported on a form adopted by commission rule, submit fingerprints or the requirement that such fingerprints be processed by the Department of Law Enforcement or the Federal Bureau of Investigation. The~~ commission, by rule, or the office may require information about any applicant or person, including:

1. 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.

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

3. The applicant's or person's conviction of, or plea of nolo contendere to, a criminal offense or the applicant's or person's commission of any acts that would be grounds for

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refusal of an application under s. 517.161.

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

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

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

c. A natural person who is a 5 percent or more owner of an intermediary applicant.

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

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

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



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697 sub-subparagraph, a person beneficially owns any securities:

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

702 (II) That the shareholder has the right to acquire, within  
703 60 days, through the exercise of any option, warrant, or right  
704 to purchase the securities.

705 b. A general partner of a partnership, and a limited  
706 partner of a partnership who has the right to receive upon  
707 dissolution, or has contributed, a percentage of the capital of  
708 an intermediary applicant.

709 c. A trustee of a trust that owns a percentage of a class  
710 of a voting security of an intermediary applicant, or that has  
711 the right to receive upon dissolution, or has contributed, a  
712 percentage of the capital of an intermediary applicant.

713 d. A member of a limited liability company who has the  
714 right to receive upon dissolution, or has contributed, a  
715 percentage of the capital of an intermediary applicant, and, all  
716 limited liability company managers of an intermediary applicant.

717 (d) The vendor, entity, or agency authorized under s.  
718 943.053(13) to submit fingerprints electronically to the  
719 Department of Law Enforcement shall submit the fingerprints to  
720 the department for state processing, and the department shall  
721 forward the fingerprints to the Federal Bureau of Investigation  
722 for national processing.

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

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726 in s. 943.053(3)(e).

727 (f) The office shall review the results of the state and  
728 federal criminal history record checks and determine whether the  
729 applicant is disqualified from registration. The commission may  
730 waive by rule the requirement that applicants, including any  
731 persons listed in sub-subparagraphs (c)1.a.-d., submit  
732 fingerprints or the requirement that such fingerprints be  
733 processed by the Department of Law Enforcement or the Federal  
734 Bureau of Investigation. In waiving the requirement, the  
735 commission may consider the rules and regulations of the  
736 Securities and Exchange Commission, the model rules and acts of  
737 the North American Securities Administrators Association, Inc.,  
738 and the rules and regulations of the Financial Industry  
739 Regulatory Authority.

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

743 (h)~~(d)~~ An intermediary or persons affiliated with the  
744 intermediary are not subject to any disqualification described  
745 in s. 517.1611 or Securities and Exchange Commission Rule  
746 506(d), 17 C.F.R. 230.506(d), adopted pursuant to the Securities  
747 Act of 1933, as amended. Each director, officer, manager or  
748 managing member, control person of the issuer, any person  
749 occupying a similar status or performing a similar function, and  
750 each person holding more than 20 percent of the ownership  
751 interests of the intermediary is subject to this requirement.

752 (i)~~(e)~~ If the office finds that the applicant has complied  
753 with the applicable registration provisions of this chapter and  
754 the rules adopted thereunder, it shall register the applicant.

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The registration of each intermediary expires on December 31 of the year the registration became effective unless the registrant renews his or her registration on or before that date.

Registration may be renewed by furnishing such information as the commission may require by rule, together with payment of a \$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(30)(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.

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784       2. "Business combination related shell company" means a  
785 shell company that is formed by an entity that is not a shell  
786 company solely for the purpose of:

787       a. Changing the corporate domicile of the entity solely  
788 within the United States; or

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

792       3.2- "Control person" means a person ~~an individual or~~  
793 ~~entity~~ that possesses the power, directly or indirectly, to  
794 direct the management or policies of a company through ownership  
795 of securities, by contract, or otherwise. A person is presumed  
796 to be a control person of a company if, upon completion of a  
797 transaction, the buyer or group of buyers ~~with respect to a~~  
798 ~~particular company, the person:~~

799       ~~a. Is a director, a general partner, a member, or a manager~~  
800 ~~of a limited liability company, or is an officer who exercises~~  
801 ~~executive responsibility or has a similar status or function;~~

802       a.b- Has the power to vote 25 ~~20~~ percent or more of a class  
803 of voting securities or has the power to sell or direct the sale  
804 of 25 ~~20~~ percent or more of a class of voting securities; or

805       b.e- In the case of a partnership or limited liability  
806 company, may receive upon dissolution, or has contributed, 25 ~~20~~  
807 percent or more of the capital.

808       4.3- "Eligible privately held company" means a privately  
809 held company that meets all of the following conditions:

810       a. The company does not have any class of securities which  
811 is registered, or which is required to be registered, with the  
812 ~~United States~~ Securities and Exchange Commission under the

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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 company files, or is required to file, summary and 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.

b. In the fiscal year immediately preceding the fiscal year during which the merger and acquisition broker begins to provide services for the securities transaction, the company, in accordance with its historical financial accounting records, has earnings before interest, taxes, depreciation, and amortization of less than \$25 million or has gross revenues of less than \$250 million. On July 1, 2021, and every 5 years thereafter, each dollar amount in this sub-subparagraph shall be adjusted by dividing the annual value of the Employment Cost Index for wages and salaries for private industry workers, or any successor index, as published by the Bureau of Labor Statistics, for the calendar year preceding the calendar year in which the adjustment is being made, by the annual value of such index or successor index for the calendar year ending December 31, 2020 ~~2012~~, and multiplying such dollar amount by the quotient obtained. Each dollar amount determined under this sub-subparagraph must ~~shall~~ be rounded to the nearest multiple of \$100,000 and adopted by commission rule.

5.4- "Merger and acquisition broker" means a ~~any~~ broker and any person associated with a broker engaged in the business of effecting securities transactions solely in connection with the transfer of ownership of an eligible privately held company, regardless of whether the ~~that~~ broker acts on behalf of a seller

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or buyer, through the purchase, sale, exchange, issuance, repurchase, or redemption of, or a business combination involving, securities or assets of the eligible privately held company.

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

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

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

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

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

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

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

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

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

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

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

2. Engages on behalf of an issuer in a public offering of any class of securities which is registered, or which is required to be registered, with the ~~United States~~ Securities and Exchange Commission under the Securities Exchange Act of 1934, 15 U.S.C. ss. 78a et seq., 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;



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

933       7. Facilitates a transaction with a group of buyers formed  
934 with the assistance of the merger and acquisition broker to  
935 acquire the eligible privately held company;

936       8. Engages in a transaction involving the transfer of  
937 ownership of an eligible privately held company to a passive  
938 buyer or group of passive buyers;

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

941       10. Is subject to, or an officer, director, member,  
942 manager, partner, or employee of the broker is subject to, the  
943 following disciplinary actions:

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

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

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

951       ~~5. Is subject to a statutory disqualification described in~~  
952 ~~s. 3(a)(39) of the Securities Exchange Act of 1934, 15 U.S.C. s.~~  
953 ~~78c(a)(39);~~

954       ~~6. Is subject to a disqualification under the United States~~  
955 ~~Securities and Exchange Commission Rule 506(d), 17 C.F.R. s.~~  
956 ~~230.506(d); or~~

957       ~~7. Is subject to a final order described in s. 15(b)(4)(H)~~

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~~of the Securities Exchange Act of 1934, 15 U.S.C. s.~~  
~~78o(b)(4)(H).~~

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

517.131 Securities Guaranty Fund.—

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

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

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

(2)(a) The Chief Financial Officer shall establish a  
Securities Guaranty Fund to provide monetary relief to victims  
of securities violations under this chapter who are entitled to  
monetary damages or restitution and cannot recover the full  
amount of such monetary damages or restitution from the  
wrongdoer. An amount not exceeding 20 percent of all revenues  
received as assessment fees pursuant to s. 517.12(10) and (11)  
~~s. 517.12(9) and (10)~~ for dealers and investment advisers or s.  
517.1201 for federal covered advisers and an amount not  
exceeding 10 percent of all revenues received as assessment fees  
pursuant to s. 517.12(10) and (11) ~~s. 517.12(9) and (10)~~ for  
associated persons must be part of the regular registration  
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:

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

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

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

998 (b) Is a receiver appointed pursuant to s. 517.191(2) by a  
999 court of competent jurisdiction for a wrongdoer ordered to pay  
1000 restitution under s. 517.191(3) as a result of a violation of s.  
1001 517.07 or s. 517.301 which has requested payment from the  
1002 Securities Guaranty Fund on behalf of a person eligible for  
1003 payment under paragraph (a).

1004  
1005 If a person holds an unsatisfied final judgment or restitution  
1006 order entered before October 1, 2024, in which a wrongdoer was  
1007 found to have violated s. 517.07 or s. 517.301, such person's  
1008 claim for payment from the Securities Guaranty Fund shall be  
1009 governed by the terms of this section and s. 517.141 which were  
1010 effective on the date of such final judgment or restitution  
1011 order.

1012 (5) An eligible person, or a receiver on behalf of the  
1013 eligible person, seeking payment from the Securities Guaranty  
1014 Fund must file with the office a written application on a form  
1015 that the commission may prescribe by rule. The commission may

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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.~~

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

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

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

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1045        2. That the eligible person has taken necessary action on  
1046 the property and assets of the wrongdoers but the final judgment  
1047 or restitution order remains unsatisfied.

1048        ~~(f)-(g)~~ If the application is filed by the receiver, an  
1049 affidavit from the receiver stating the amount of restitution  
1050 owed to the eligible person on whose behalf the claim is filed;  
1051 the amount of any money, property, or assets paid to the  
1052 eligible person on whose behalf the claim is filed by the person  
1053 over whom the receiver is appointed; and the amount of any  
1054 unsatisfied portion of any eligible person's restitution order  
1055 ~~of restitution~~.

1056        ~~(g)-(h)~~ The eligible person's residence or domicile at the  
1057 time of the violation of s. 517.07 or s. 517.301 which resulted  
1058 in the eligible person's monetary damages.

1059        ~~(h)-(i)~~ The amount of any unsatisfied portion of the  
1060 eligible person's final judgment or restitution order.

1061        ~~(i)-(j)~~ Whether an appeal ~~or motion to vacate an arbitration~~  
1062 ~~award~~ has been filed.

1063        Section 10. Subsection (3) of section 517.301, Florida  
1064 Statutes, is amended to read:

1065        517.301 Fraudulent transactions; falsification or  
1066 concealment of facts.—

1067        (3) It is unlawful for a person in issuing or selling a  
1068 security within this state, including a security exempted under  
1069 s. 517.051 and including a transaction exempted under s.  
1070 517.061, s. 517.0611, or s. 517.0612, to misrepresent that such  
1071 security or person ~~business entity~~ has been guaranteed,  
1072 sponsored, recommended, or approved by the state or an agency or  
1073 officer of the state or by the United States or an agency or

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1074 officer of the United States.

1075 Section 11. Subsection (4) of section 517.34, Florida  
1076 Statutes, is amended to read:

1077 517.34 Protection of specified adults.—

1078 (4) A delay on a disbursement or transaction under  
1079 subsection (3) expires 15 business days after the date on which  
1080 the delay was first placed. However, the dealer or investment  
1081 adviser may extend the delay for up to 30 ~~10~~ additional business  
1082 days if the dealer's or investment adviser's review of the  
1083 available facts and circumstances continues to support such  
1084 dealer's or investment adviser's reasonable belief that  
1085 financial exploitation of the specified adult has occurred, is  
1086 occurring, has been attempted, or will be attempted. A dealer or  
1087 investment adviser that extends a delay must notify the office  
1088 on a form prescribed by commission rule not later than 3  
1089 business days after the date on which the extension was applied.  
1090 The notice must identify the dealer or investment adviser that  
1091 extended the delay and the date on which the delay was  
1092 originally made. The length of the delay may be shortened or  
1093 extended at any time by a court of competent jurisdiction. This  
1094 subsection does not prevent a dealer or investment adviser from  
1095 terminating a delay after communication with the parties  
1096 authorized to transact business on the account and any trusted  
1097 contact on the account.

1098 Section 12. Subsection (1) of section 517.211, Florida  
1099 Statutes, is amended to read:

1100 517.211 Private remedies available in cases of unlawful  
1101 sale.—

1102 (1) Every sale made in violation of either s. 517.07 or s.

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1103 517.12(1), (3), (4), (9), (11), (13), (16), or (18) ~~s.~~  
1104 ~~517.12(1), (3), (4), (8), (10), (12), (15), or (17)~~ may be  
1105 rescinded at the election of the purchaser; however, a sale made  
1106 in violation of the provisions of s. 517.1202(3) relating to a  
1107 renewal of a branch office notification or in violation of the  
1108 provisions of s. 517.12(13) ~~s. 517.12(12)~~ relating to filing a  
1109 change of address amendment is not subject to this section. Each  
1110 person making the sale and every director, officer, partner, or  
1111 agent of or for the seller, if the director, officer, partner,  
1112 or agent has personally participated or aided in making the  
1113 sale, is jointly and severally liable to the purchaser in an  
1114 action for rescission, if the purchaser still owns the security,  
1115 or for damages, if the purchaser has sold the security. No  
1116 purchaser otherwise entitled will have the benefit of this  
1117 subsection who has refused or failed, within 30 days after  
1118 receipt, to accept an offer made in writing by the seller, if  
1119 the purchaser has not sold the security, to take back the  
1120 security in question and to refund the full amount paid by the  
1121 purchaser or, if the purchaser has sold the security, to pay the  
1122 purchaser an amount equal to the difference between the amount  
1123 paid for the security and the amount received by the purchaser  
1124 on the sale of the security, together, in either case, with  
1125 interest on the full amount paid for the security by the  
1126 purchaser at the legal rate, pursuant to s. 55.03, for the  
1127 period from the date of payment by the purchaser to the date of  
1128 repayment, less the amount of any income received by the  
1129 purchaser on the security.

1130 Section 13. Subsection (2) of section 517.315, Florida  
1131 Statutes, is amended to read:

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1132        517.315 Fees.—All fees of any nature collected by the  
1133 office pursuant to this chapter shall be disbursed as follows:

1134        (2) After the transfer required in subsection (1), the  
1135 office shall transfer the \$50 assessment fee collected from each  
1136 associated person under s. 517.12(10) and (11) ~~s. 517.12(9) and~~  
1137 ~~(10)~~ and 30.44 percent of the \$100 assessment fee paid by  
1138 dealers and investment advisers for each office in the state  
1139 under s. 517.12(10) and (11) ~~s. 517.12(9) and (10)~~ to the  
1140 Regulatory Trust Fund.

1141        Section 14. This act shall take effect upon becoming a law.