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17 ministerial.

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

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

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

28 b. Does any of the following:

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

31 (II) Manages accounts or portfolios of clients.

32 (III) Determines which recommendation or advice regarding
33 securities should be given.

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

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

38 2. The term does not include the following:

39 a. An investment adviser.

40 b. An employee whose function is only clerical or

41 ministerial

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42 ~~or investment adviser, any of the following:~~

43 ~~1. Any partner, officer, director, or branch manager of a~~
44 ~~dealer or investment adviser or any person occupying a similar~~
45 ~~status or performing similar functions;~~

46 ~~2. Any natural person directly or indirectly controlling~~
47 ~~or controlled by such dealer or investment adviser, other than~~
48 ~~an employee whose function is only clerical or ministerial; or~~

49 ~~3. Any natural person, other than a dealer, employed,~~
50 ~~appointed, or authorized by a dealer, investment adviser, or~~
51 ~~issuer to sell securities in any manner or act as an investment-~~
52 ~~adviser as defined in this section.~~

53

54 ~~The partners of a partnership and the executive officers of a~~
55 ~~corporation or other association registered as a dealer, and any~~
56 ~~person whose transactions in this state are limited to those~~
57 ~~transactions described in s. 15(h)(2) of the Securities Exchange~~
58 ~~Act of 1934, are not "associated persons" within the meaning of~~
59 ~~this definition.~~

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

65 ~~(4)(3)~~ "Boiler room" means an enterprise in which two or
66 more persons engage in telephone communications with members of

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67 the public using two or more telephones at one location, or at
68 more than one location in a common scheme or enterprise.

69 ~~(5)-(4)~~ "Branch office" means any location in this state of
70 a dealer or investment adviser at which one or more associated
71 persons regularly conduct the business of rendering investment
72 advice or effecting any transactions in, or inducing or
73 attempting to induce the purchase or sale of, any security or
74 any location that is held out as such. The commission may adopt
75 by rule exceptions to this definition for dealers in order to
76 maintain consistency with the definition of a branch office used
77 by self-regulatory organizations authorized by the Securities
78 and Exchange Commission, including, but not limited to, the
79 Financial Industry Regulatory Authority. The commission may
80 adopt by rule exceptions to this definition for investment
81 advisers.

82 ~~(6)-(5)~~ "Control," including the terms "controlling,"
83 "controlled by," and "under common control with," means the
84 possession, directly or indirectly, of the power to direct or
85 cause the direction of the management or policies of a person,
86 whether through the ownership of voting securities, by contract,
87 or otherwise.

88 ~~(7)-(6)(a)~~ "Dealer" includes, unless otherwise specified,
89 ~~any of the following:~~

90 ~~1. Any person, other than an associated person registered~~
91 ~~under this chapter, who engages, either for all or part of her~~

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92 ~~or his time, directly or indirectly, as broker or principal in~~
93 ~~the business of offering, buying, selling, or otherwise dealing~~
94 ~~or trading in securities issued by another person.~~

95 ~~2. Any issuer who through persons directly compensated or~~
96 ~~controlled by the issuer engages, either for all or part of her~~
97 ~~or his time, directly or indirectly, in the business of offering~~
98 ~~or selling securities which are issued or are proposed to be~~
99 ~~issued by the issuer. a person, other than an associated person~~
100 ~~of a dealer, that engages, for all or part of the person's time,~~
101 ~~directly or indirectly, as agent or principal in the business of~~
102 ~~offering, buying, selling, or otherwise dealing or trading in~~
103 ~~securities issued by another person.~~

104 ~~(b)~~ The term "~~dealer~~" does not include the following:

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

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

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

114 (d) A wholesaler selling exclusively to dealers.

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

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117 exchange.

118 (f) An issuer.

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

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

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

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

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

137 ~~1. Any licensed practicing attorney who renders or~~
138 ~~performs any of such services in connection with the regular~~
139 ~~practice of her or his profession;~~

140 ~~2. Any bank authorized to do business in this state,~~
141 ~~except nonbank subsidiaries of a bank;~~

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142 ~~3. Any trust company having trust powers which it is~~
143 ~~authorized to exercise in this state, which renders or performs~~
144 ~~services in a fiduciary capacity incidental to the exercise of~~
145 ~~its trust powers;~~

146 ~~4. Any wholesaler selling exclusively to dealers;~~

147 ~~5. Any person buying and selling for her or his own~~
148 ~~account exclusively through a registered dealer or stock~~
149 ~~exchange; or~~

150 ~~6. Pursuant to s. 517.061(11), any person associated with~~
151 ~~an issuer of securities if such person is a bona fide employee~~
152 ~~of the issuer who has not participated in the distribution or~~
153 ~~sale of any securities within the preceding 12 months and who~~
154 ~~primarily performs, or is intended to perform at the end of the~~
155 ~~distribution, substantial duties for, or on behalf of, the~~
156 ~~issuer other than in connection with transactions in securities.~~

157 ~~(8)-(7)~~ "Commission" means the Financial Services
158 Commission.

159 ~~(9)-(8)~~ "Office" means the Office of Financial Regulation
160 of the commission.

161 ~~(10)-(9)~~ "Federal covered adviser" means a person that ~~who~~
162 is registered or required to be registered under s. 203 of the
163 Investment Advisers Act of 1940, as amended. The term "~~federal~~
164 ~~covered adviser~~" does not include any person that ~~who~~ is
165 excluded from the definition of investment adviser under
166 subparagraphs (18) (b) 1.-8. ~~(14) (b) 1.-8.~~

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167 ~~(11)-(10)~~ "Federal covered security" means a ~~any~~ security
168 that is a covered security under s. 18(b) of the Securities Act
169 of 1933, as amended, or rules and regulations adopted
170 thereunder.

171 ~~(12)-(11)~~ "Guarantor" means a person that ~~who~~ agrees in
172 writing, or that ~~who~~ holds itself out to the public as agreeing,
173 to pay the indebtedness of another when due, including, without
174 limitation, payments of principal and interest on a bond,
175 debenture, note, or other evidence of indebtedness, without
176 resort by the holder to any other obligor, whether or not such
177 writing expressly states that the person signing is signing as a
178 guarantor. The obligation of a guarantor hereunder shall be a
179 continuing, absolute, and unconditional guaranty of payment,
180 without regard to the validity, regularity, or enforceability of
181 the underlying indebtedness.

182 ~~(13)-(12)~~ "Guaranty" means an agreement in ~~a~~ writing in
183 which one party either agrees, or holds itself out to the public
184 as agreeing, to pay the indebtedness of another when due,
185 including, without limitation, payments of principal and
186 interest on a bond, debenture, note, or other evidence of
187 indebtedness, without resort by the holder to any other obligor,
188 whether or not such writing expressly states that the person
189 signing is signing as a guarantor. An agreement that is not
190 specifically denominated as a guaranty shall nevertheless
191 constitute a guaranty if the holder of the underlying

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192 indebtedness or the holder's ~~her or his~~ representative or
193 trustee has the right to sue to enforce the guarantor's
194 obligations under the guaranty. Words of guaranty or equivalent
195 words ~~that~~ ~~which~~ otherwise do not specify guaranty of payment
196 create a presumption that payment, rather than collection, is
197 guaranteed by the guarantor. Any guaranty in writing is
198 enforceable notwithstanding any statute of frauds.

199 ~~(14)-(13)~~ "Intermediary" means a natural person residing in
200 this ~~the~~ state or a corporation, trust, partnership, limited
201 liability company, association, or other legal entity registered
202 with the Secretary of State to do business in this ~~the~~ state,
203 which facilitates through its website the offer or sale of
204 securities of an issuer with a principal place of business in
205 this state ~~under s. 517.0611.~~

206 ~~(15) (a)-(14) (a)~~ "Investment adviser" means a ~~includes any~~
207 person, other than an associated person of an investment adviser
208 or a federal covered adviser, that ~~who~~ receives compensation,
209 directly or indirectly, and engages for all or part of the
210 person's ~~her or his~~ time, directly or indirectly, or through
211 publications or writings, in the business of advising others as
212 to the value of securities or as to the advisability of
213 investments in, purchasing of, or selling of securities, ~~except~~
214 ~~a dealer whose performance of these services is solely~~
215 ~~incidental to the conduct of her or his business as a dealer and~~
216 ~~who receives no special compensation for such services.~~

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217 (b) The term "~~investment adviser~~" does not include the
218 following:

219 1. A dealer or associated person of a dealer whose
220 performance of services in paragraph (a) is solely incidental to
221 the conduct of the dealer's or associated person's business as a
222 dealer and who does not receive special compensation for those
223 services.

224 2. A ~~Any~~ licensed practicing attorney or certified public
225 accountant whose performance of such services is solely
226 incidental to the practice of the attorney's or accountant's ~~her~~
227 ~~or his~~ profession.

228 ~~2. Any licensed certified public accountant whose~~
229 ~~performance of such services is solely incidental to the~~
230 ~~practice of her or his profession;~~

231 3. A ~~Any~~ bank authorized to do business in this state.

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

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

240 6. A ~~Any~~ person that ~~who~~ renders investment advice
241 exclusively to insurance or investment companies.

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242 7. A ~~Any~~ person that ~~who~~ does not hold itself ~~herself~~ or
243 ~~himself~~ out to the general public as an investment adviser and
244 has no more than 15 clients within 12 consecutive months in this
245 state.~~;~~

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

253 9. A federal covered adviser.

254 ~~(16)-(15)~~ "Issuer" means a ~~any~~ person that ~~who~~ proposes to
255 issue, has issued, or shall hereafter issue any security. A ~~Any~~
256 person that ~~who~~ acts as a promoter for and on behalf of a
257 corporation, trust, ~~or unincorporated association or~~
258 partnership, limited liability company, association, or other
259 legal entity of any kind to be formed shall be deemed an issuer.

260 ~~(17)-(16)~~ "Offer to sell," "offer for sale," or "offer"
261 means an ~~any~~ attempt or offer to dispose of, or solicitation of
262 an offer to buy, a security or interest in a security, or an
263 investment or interest in an investment, for value.

264 ~~(18)-(17)~~ "Predecessor" means a person whose ~~the~~ major
265 portion of ~~whose~~ assets has ~~have~~ been acquired directly or
266 indirectly by an issuer.

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267 ~~(19)-(18)~~ "Principal" means an executive officer of a
268 corporation, partner of a partnership, sole proprietor of a sole
269 proprietorship, trustee of a trust, or any other person with
270 similar supervisory functions with respect to any organization,
271 whether incorporated or unincorporated.

272 ~~(20)-(19)~~ "Promoter" includes the following:

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

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

287 ~~(21)-(20)~~ "Qualified institutional buyer" means a ~~any~~
288 qualified institutional buyer, as defined in ~~United States~~
289 Securities and Exchange Commission Rule 144A, 17 C.F.R. s.
290 230.144A(a), under the Securities Act of 1933, as amended, or
291 any foreign buyer that satisfies the minimum financial

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292 requirements set forth in such rule.

293 ~~(22)~~(21) "Sale" or "sell" means a ~~any~~ contract of sale or
294 disposition of an ~~any~~ investment, security, or interest in a
295 security, for value. With respect to a security or interest in a
296 security, the term ~~defined in this subsection~~ does not include
297 preliminary negotiations or agreements between an issuer or any
298 person on whose behalf an offering is to be made and any
299 underwriter or among underwriters who are or are to be in
300 privity of contract with an issuer. Any security given or
301 delivered with, or as a bonus on account of, any purchase of
302 securities or any other thing shall be conclusively presumed to
303 constitute a part of the subject of such purchase and to have
304 been offered and sold for value. Every sale or offer of a
305 warrant or right to purchase or subscribe to another security of
306 the same or another issuer, as well as every sale or offer of a
307 security which gives the holder a present or future right or
308 privilege to convert into another security or another issuer, is
309 considered to include an offer of the other security.

310 ~~(23)~~(22) "Security" includes any of the following:

- 311 (a) A note.
- 312 (b) A stock.
- 313 (c) A treasury stock.
- 314 (d) A bond.
- 315 (e) A debenture.
- 316 (f) An evidence of indebtedness.

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- 317 (g) A certificate of deposit.
- 318 (h) A certificate of deposit for a security.
- 319 (i) A certificate of interest or participation.
- 320 (j) A whiskey warehouse receipt or other commodity
321 warehouse receipt.
- 322 (k) A certificate of interest in a profit-sharing
323 agreement or the right to participate therein.
- 324 (l) A certificate of interest in an oil, gas, petroleum,
325 mineral, or mining title or lease or the right to participate
326 therein.
- 327 (m) A collateral trust certificate.
- 328 (n) A reorganization certificate.
- 329 (o) A preorganization subscription.
- 330 (p) A ~~Any~~ transferable share.
- 331 (q) An investment contract.
- 332 (r) A beneficial interest in title to property, profits,
333 or earnings.
- 334 (s) An interest in or under a profit-sharing or
335 participation agreement or scheme.
- 336 (t) An ~~Any~~ option contract that ~~which~~ entitles the holder
337 to purchase or sell a given amount of the underlying security at
338 a fixed price within a specified period of time.
- 339 (u) Any other instrument commonly known as a security,
340 including an interim or temporary bond, debenture, note, or
341 certificate.

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342 (v) ~~A~~ ~~Any~~ receipt for a security, or for subscription to a
343 security, or a ~~any~~ right to subscribe to or purchase any
344 security.

345 (w) A viatical settlement investment.

346 ~~(24)-(23)~~ "Underwriter" means a person that ~~who~~ has
347 purchased from an issuer or an affiliate of an issuer with a
348 view to, or offers or sells for an issuer or an affiliate of an
349 issuer in connection with, the distribution of any security, or
350 participates or has a direct or indirect participation in any
351 such undertaking, or participates or has a participation in the
352 direct or indirect underwriting of any such undertaking; except
353 that a person is ~~shall be~~ presumed not to be an underwriter with
354 respect to any security which it ~~she or he~~ has owned
355 beneficially for at least 1 year; and, further, a dealer is
356 ~~shall~~ not be considered an underwriter with respect to any
357 securities which do not represent part of an unsold allotment to
358 or subscription by the dealer as a participant in the
359 distribution of such securities by the issuer or an affiliate of
360 the issuer; and, further, in the case of securities acquired on
361 the conversion of another security without payment of additional
362 consideration, the length of time such securities have been
363 beneficially owned by a person includes the period during which
364 the convertible security was beneficially owned and the period
365 during which the security acquired on conversion has been
366 beneficially owned.

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367 ~~(25)~~(24) "Viatical settlement investment" means an
368 agreement for the purchase, sale, assignment, transfer, devise,
369 or bequest of all or any portion of a legal or equitable
370 interest in a viaticated policy as defined in chapter 626.

371 Section 2. Paragraph (d) of subsection (3) of section
372 517.072, Florida Statutes, is amended, and subsection (4) is
373 added to that section, to read:

374 517.072 Viatical settlement investments.—

375 (3) The registration provisions of ss. 517.07 and 517.12
376 do not apply to any of the following transactions in viatical
377 settlement investments; however, such transactions in viatical
378 settlement investments are subject to the provisions of ss.
379 517.301, 517.311, and 517.312:

380 (d) The transfer or assignment of a viaticated policy to a
381 bank, trust company, savings institution, insurance company,
382 dealer, investment company as defined in the Investment Company
383 Act of 1940, as amended, pension or profit-sharing trust, ~~or~~
384 ~~qualified institutional buyer as defined in United States~~
385 ~~Securities and Exchange Commission Rule 144A, 17 C.F.R. s.~~
386 ~~230.144A(a)~~, or to an accredited investor ~~as defined by Rule 501~~
387 ~~of Regulation D of the Securities Act Rules~~, provided such
388 transfer or assignment is not for the direct or indirect
389 promotion of any scheme or enterprise with the intent of
390 violating or evading any provision of this chapter.

391 (4) The commission may establish by rule requirements and

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392 standards for disclosures to purchasers of viatical settlement
393 investments and recordkeeping requirements for sellers of
394 viatical settlement investments.

395 Section 3. Paragraphs (a), (g), and (n) of subsection (3)
396 and subsections (6) and (8) of section 517.081, Florida
397 Statutes, are amended to read:

398 517.081 Registration procedure.—

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

404 (a) The names and addresses of:

405 1. All the directors, trustees, and officers, if the
406 issuer ~~is~~ be a corporation, association, or trust.

407 2. All the managers or managing members, if the issuer is
408 a limited liability company.

409 3. ~~;-of~~ All the partners, if the issuer ~~is~~ be a
410 partnership.

411 4. ~~;-or-of~~ The issuer, if the issuer is a sole
412 proprietorship or natural person ~~be an individual.~~

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

416 2. The commission shall adopt a form for a simplified

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417 offering circular ~~to be used solely by corporations~~ to register,
418 under this section, securities ~~of the corporation~~ that are sold
419 in offerings in which the aggregate offering price in any
420 consecutive 12-month period does not exceed the amount provided
421 in s. 3(b) of the Securities Act of 1933, as amended. The
422 following issuers shall not be eligible to submit a simplified
423 offering circular adopted pursuant to this subparagraph:

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

426 b. An issuer that ~~who~~ is subject to any of the
427 disqualifications described in 17 C.F.R. s. 230.262, adopted
428 pursuant to the Securities Act of 1933, as amended, or that ~~who~~
429 has been or is engaged or is about to engage in an activity that
430 would be grounds for denial, revocation, or suspension under s.
431 517.111. For purposes of this subparagraph, an issuer includes
432 an issuer's director, officer, manager or managing member, or
433 equity owner ~~shareholder~~ who owns at least 10 percent of the
434 ownership interests ~~shares~~ of the issuer, promoter, or selling
435 agent of the securities to be offered or any officer, director,
436 or partner of such selling agent.

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

441 d. An issuer of offerings in which the specific business

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442 or properties cannot be described.

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

447 f. Any issuer that ~~corporation which~~ has failed to provide
448 the office the reports required for a previous offering
449 registered pursuant to this subparagraph.

450

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

463 (n) If the issuer is a corporation, there shall be filed
464 with the application a copy of its articles of incorporation
465 with all amendments and of its existing bylaws, if not already
466 on file in the office. If the issuer is a limited liability

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467 company, there shall be filed with the application a copy of the
468 articles of organization with all the amendments and a copy of
469 the company's operating agreement, if not already on file with
470 the office. If the issuer is a trustee, there shall be filed
471 with the application a copy of all instruments by which the
472 trust is created or declared and in which it is accepted and
473 acknowledged. If the issuer is a partnership, unincorporated
474 association, joint-stock company, or any other form of
475 organization whatsoever, there shall be filed with the
476 application a copy of its articles of partnership or association
477 and all other papers pertaining to its organization, if not
478 already on file in the office.

479 (6) An issuer filing an application under this section
480 shall, at the time of filing, pay the office a nonreturnable fee
481 of \$1,000 per application for each offering that exceeds the
482 amount provided in s. 3(b) of the Securities Act of 1933, as
483 amended, or \$200 per application for each offering that does not
484 exceed the amount provided in s. 3(b) of the Securities Act of
485 1933, as amended.

486 (8) The office shall deem an application to register
487 securities filed with the office abandoned if the issuer or any
488 person acting on behalf of the issuer has failed to timely
489 complete an application specified by commission rule. ~~The~~
490 ~~commission may by rule establish requirements and standards for:~~

491 ~~(a) Disclosures to purchasers of viatical settlement~~

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492 ~~investments.~~

493 ~~(b) Recordkeeping requirements for sellers of viatical~~
494 ~~settlement investments.~~

495 Section 4. Section 517.082, Florida Statutes, is amended
496 to read:

497 517.082 ~~Notification~~ Registration by notification; federal
498 registration statements.—

499 (1) ~~Except as provided in subsection (3),~~ Securities
500 offered or sold pursuant to a registration statement filed under
501 the Securities Act of 1933, as amended, are shall be entitled to
502 registration by notification in the manner provided in
503 subsection (2), provided that before ~~prior to~~ the offer or sale
504 the registration statement has become effective.

505 (2) An application for registration by notification shall
506 be filed with the office, shall contain the following
507 information, and shall be accompanied by all of the following:

508 (a) An application to sell executed by the issuer, any
509 person on whose behalf the offering is made, a dealer registered
510 under this chapter, or any duly authorized agent of any such
511 person, setting forth the name and address of the applicant, the
512 name and address of the issuer, and the title of the securities
513 to be offered and sold.†

514 (b) Copies of such documents filed with the Securities and
515 Exchange Commission as the Financial Services Commission may by
516 rule require.†

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517 (c) An irrevocable written consent to service as required
518 by s. 517.101., ~~and~~

519 (d) A nonreturnable fee of \$1,000 per application.
520

521 A registration under this section becomes effective when the
522 federal registration statement becomes effective or as of the
523 date the application is filed with the office, whichever is
524 later, provided that, in addition to the items listed in
525 paragraphs (a)-(d), the office has received written notification
526 of effective registration under the Securities Act of 1933, as
527 amended, or the Investment Company Act of 1940, as amended,
528 within 10 business days after ~~from~~ the date federal registration
529 is granted. Failure to provide all the information required by
530 this subsection to the office within 60 days after ~~of~~ the date
531 the registration statement becomes effective with the Securities
532 and Exchange Commission shall be a violation of this chapter.

533 (3) Except for units of limited partnership interests or
534 such other securities as the commission describes by rule as
535 exempt from this subsection due to high investment quality, the
536 provisions of this section may not be used to register
537 securities if the offering price at the time of effectiveness
538 with the Securities and Exchange Commission is \$5 or less per
539 share, unless such securities are listed or designated, or
540 approved for listing or designation upon notice of issuance, on
541 a stock exchange registered pursuant to the Securities Exchange

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542 Act of 1934, as amended, or on the National Association of
543 Securities Dealers Automated Quotation (NASDAQ) System, or
544 unless such securities are of the same issuer and of senior or
545 substantially equal rank to securities so listed or designated.

546 (4) In lieu of filing with the office the application,
547 fees, and documents for registration required by subsection (2),
548 the commission may establish, by rule, procedures for depositing
549 fees and filing documents by electronic means, provided such
550 procedures provide the office with the information and data
551 required by this section.

552 (5) If the Securities and Exchange Commission has not
553 declared effective the applicant's federal registration
554 statement within 180 days after the applicant's filing with the
555 office of an application for registration by notification, the
556 office must deem the application abandoned.

557 Section 5. Subsections (1) through (4) of section 517.111,
558 Florida Statutes, are amended to read:

559 517.111 Revocation or denial of registration of
560 securities.—

561 (1) The office may revoke or suspend the registration of
562 any security, or may deny any application to register
563 securities, if, upon examination or investigation into the
564 affairs of the issuer of such security, the office determines ~~it~~
565 shall appear that:

566 (a) The issuer cannot pay its debts as they become due in

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567 the usual course of business is insolvent;

568 (b) The issuer or any officer, director, manager or
569 managing member, or control person of the issuer has violated
570 any provision of this chapter or any rule made hereunder or any
571 order of the office of which such issuer has notice;

572 (c) The issuer or any officer, director, manager or
573 managing member, or control person of the issuer has been or is
574 engaged or is about to engage in fraudulent transactions;

575 (d) The issuer or any officer, director, manager or
576 managing member, or control person of the issuer has been found
577 guilty of a fraudulent act in connection with any sale of
578 securities, has engaged, is engaged, or is about to engage, in
579 making a fictitious sale or purchase of any security, or in any
580 practice or sale of any security which is fraudulent or a
581 violation of any law;

582 (e) The issuer or any officer, director, manager or
583 managing member, or control person of the issuer has had a final
584 judgment entered against such issuer or person in a civil action
585 on the grounds of fraud, embezzlement, misrepresentation, or
586 deceit;

587 (f) The issuer or any officer, director, manager or
588 managing member, or control person of the issuer has engaged in
589 any action that would be grounds for revocation, denial, or
590 suspension under s. 517.161(1) demonstrated any evidence of
591 unworthiness;

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592 (g) The issuer or any officer, director, manager or
593 managing member, or control person of the issuer ~~is in any other~~
594 ~~way dishonest or~~ has made any fraudulent representations or
595 failed to disclose any material information in any prospectus or
596 in any circular or other literature that has been distributed
597 concerning the issuer or its securities;

598 (h) The security registered or sought to be registered is
599 the subject of an injunction entered by a court of competent
600 jurisdiction or is the subject of an administrative stop-order
601 or similar order prohibiting the offer or sale of the security;
602 or

603 (i) For any security for which registration has been
604 applied pursuant to s. 517.081, the terms of the offer or sale
605 of such securities would not be fair, just, or equitable; ~~or~~

606 ~~(j) The issuer or any person acting on behalf of the~~
607 ~~issuer has failed to timely complete any application for~~
608 ~~registration filed with the office pursuant to the provisions of~~
609 ~~s. 517.081 or s. 517.082 or any rule adopted under such~~
610 ~~sections.~~

611 (2) In making such examination or investigation, the office
612 shall have access to and may compel the production of all the
613 books and papers of such issuer and may administer oaths to and
614 examine the officers of such issuer or any other person
615 connected therewith as to its business and affairs and may also
616 require a balance sheet exhibiting the assets and liabilities of

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617 any such issuer or its income statement, or both, to be
618 certified to by a public accountant either of this state or of
619 any other state where the issuer's business is located. Whenever
620 the office deems it necessary, it may also require such balance
621 sheet or income statement, or both, to be made more specific in
622 such particulars as the office may require.

623 ~~(3)-(2)~~ If any issuer refuses ~~shall refuse~~ to permit an
624 examination or investigation to be made by the office, it shall
625 be proper ground for revocation of registration.

626 ~~(4)-(3)~~ If the office deems it necessary, it may enter an
627 order suspending the right to sell securities pending any
628 examination or investigation, provided that the order shall
629 state the office's grounds for taking such action.

630 ~~(5)-(4)~~ Notice of the entry of such order shall be given
631 personally or by mail, ~~personally, by telephone confirmed in~~
632 ~~writing, or by telegraph~~ to the issuer. Before such order is
633 made final, the issuer ~~applying for registration~~ shall, on
634 application, be entitled to a hearing.

635 Section 6. Subsections (1), (2), and (3), paragraph (b) of
636 subsection (6), subsections (7) and (11), paragraph (b) of
637 subsection (15), and subsections (20) and (21) of section
638 517.12, Florida Statutes, are amended to read:

639 517.12 Registration of dealers, associated persons,
640 intermediaries, and investment advisers.—

641 (1) No dealer or associated person shall ~~No dealer,~~

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642 ~~associated person, or issuer of securities shall~~ sell or offer
643 for sale any securities in or from offices in this state, or
644 sell securities to persons in this state from offices outside
645 this state, by mail or otherwise, unless the person is ~~has been~~
646 registered with the office as a dealer or as an associated
647 person of a dealer pursuant to ~~the provisions of~~ this section.
648 The office shall not register any person as an associated person
649 of a dealer unless the dealer with which the applicant seeks
650 registration is lawfully registered with the office pursuant to
651 this chapter.

652 (2) ~~The registration requirements of this section do not~~
653 ~~apply to the issuers of securities exempted by s. 517.051(1) - (8)~~
654 ~~and (10).~~

655 ~~(3) Except as otherwise provided in s. 517.061(11)(a)4.,~~
656 ~~(13), (16), (17), or (19),~~ The registration requirements of this
657 section do not apply in a transaction exempted by s. 517.061(1) -
658 (10) and (12), s. 517.061(1) - (12), (14), and (15).

659 (5) ~~(6)~~ A dealer, associated person, or investment adviser,
660 in order to obtain registration, must file with the office a
661 written application, on a form which the commission may by rule
662 prescribe. The commission may establish, by rule, procedures for
663 depositing fees and filing documents by electronic means
664 provided such procedures provide the office with the information
665 and data required by this section. Each dealer or investment
666 adviser must also file an irrevocable written consent to service

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667 of civil process similar to that provided for in s. 517.101. The
668 application shall contain such information as the commission or
669 office may require concerning such matters as:

670 (b) The applicant's form and place of organization; and,
671 if the applicant is:

672 1. A corporation, a copy of its articles of incorporation
673 and amendments to the articles of incorporation;

674 2. A limited liability company, a copy of its articles of
675 organization with amendments to its articles; or

676 3. ~~if~~ A partnership, a copy of the partnership
677 agreement.

678 ~~(6)-(7)~~ The application must also contain such information
679 as the commission or office may require about the applicant; any
680 member, principal, or director of the applicant or any person
681 having a similar status or performing similar functions; any
682 person directly or indirectly controlling the applicant; or any
683 employee of a dealer or of an investment adviser rendering
684 investment advisory services. Each applicant and any direct
685 owners, principals, or indirect owners that are required to be
686 reported on Form BD or Form ADV pursuant to subsection (14) ~~(15)~~
687 shall submit fingerprints for live-scan processing in accordance
688 with rules adopted by the commission. The fingerprints may be
689 submitted through a third-party vendor authorized by the
690 Department of Law Enforcement to provide live-scan
691 fingerprinting. The costs of fingerprint processing shall be

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692 borne by the person subject to the background check. The
693 Department of Law Enforcement shall conduct a state criminal
694 history background check, and a federal criminal history
695 background check must be conducted through the Federal Bureau of
696 Investigation. The office shall review the results of the state
697 and federal criminal history background checks and determine
698 whether the applicant meets licensure requirements. The
699 commission may waive, by rule, the requirement that applicants,
700 including any direct owners, principals, or indirect owners that
701 are required to be reported on Form BD or Form ADV pursuant to
702 subsection (14) ~~(15)~~, submit fingerprints or the requirement
703 that such fingerprints be processed by the Department of Law
704 Enforcement or the Federal Bureau of Investigation. The
705 commission or office may require information about any such
706 applicant or person concerning such matters as:

707 (a) The applicant's or person's ~~His or her~~ full name, and
708 any other names by which the applicant or person ~~he or she~~ may
709 have been known, and the applicant's or person's ~~his or her~~ age,
710 social security number, photograph, qualifications, and
711 educational and business history.

712 (b) Any injunction or administrative order by a state or
713 federal agency, national securities exchange, or national
714 securities association involving a security or any aspect of a
715 dealer's or investment adviser's regulated ~~the securities~~
716 business and any injunction or administrative order by a state

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717 or federal agency regulating banking, insurance, finance, or
718 small loan companies, real estate, mortgage brokers, or other
719 related or similar industries, which injunctions or
720 administrative orders relate to such person.

721 (c) The applicant's or person's ~~His or her~~ conviction of,
722 or plea of nolo contendere to, a criminal offense or his or her
723 commission of any acts which would be grounds for refusal of an
724 application under s. 517.161.

725 (d) The names and addresses of other persons of whom the
726 office may inquire as to his or her character, reputation, and
727 financial responsibility.

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

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742 pursuant to any agreement with the office. Any dealer,
743 investment adviser, or associated person who has not renewed a
744 registration by the time the current registration expires may
745 request reinstatement of such registration by filing with the
746 office, on or before January 31 of the year following the year
747 of expiration, such information as may be required by the
748 commission, together with payment of the fee required in
749 paragraph (9) (a) ~~(10) (a)~~ for dealers, investment advisers, or
750 associated persons and a late fee equal to the amount of such
751 fee. Any reinstatement of registration granted by the office
752 during the month of January shall be deemed effective
753 retroactive to January 1 of that year.

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

- 757 1. Is an active duty member of the United States Armed
758 Forces or the spouse of such member;
- 759 2. Is or was a member of the United States Armed Forces
760 and served on active duty within the 2 years preceding the
761 expiration date of the registration pursuant to paragraph (a).
762 To qualify for the fee waiver, a registrant who is a former
763 member of the United States Armed Forces who served on active
764 duty within the 2 years preceding the expiration date of the
765 registration must have received an honorable discharge upon
766 separation or discharge from the United States Armed Forces; or

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767 3. Is the surviving spouse of a member of the United
768 States Armed Forces if the member was serving on active duty at
769 the time of death and died within the 2 years preceding the
770 surviving spouse's registration expiration date pursuant to
771 paragraph (a).

772
773 A registrant seeking such fee waiver must submit proof, in a
774 form prescribed by commission rule, that the registrant meets
775 one of the qualifications in this paragraph.

776 ~~(14)-(15)~~

777 (b) In lieu of filing with the office the applications
778 specified in subsection (5) ~~(6)~~, the fees required by subsection
779 (9) ~~(10)~~, the renewals required by subsection (10) ~~(11)~~, and the
780 termination notices required by subsection (11) ~~(12)~~, the
781 commission may by rule establish procedures for the deposit of
782 such fees and documents with the Central Registration Depository
783 or the Investment Adviser Registration Depository of the
784 Financial Industry Regulatory Authority, as developed under
785 contract with the North American Securities Administrators
786 Association, Inc.

787 ~~(19)-(20)~~ An intermediary may not engage in business in
788 this state unless the intermediary is registered as a dealer or
789 as an intermediary with the office pursuant to this section to
790 facilitate the offer or sale of securities in accordance with s.
791 517.0611. An intermediary, in order to obtain registration, must

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792 file with the office a written application on a form prescribed
793 by commission rule and pay a registration fee of \$200. The fees
794 under this subsection shall be deposited into the Regulatory
795 Trust Fund of the office. The commission may establish by rule
796 procedures for depositing fees and filing documents by
797 electronic means if such procedures provide the office with the
798 information and data required by this section. Each intermediary
799 must also file an irrevocable written consent to service of
800 civil process, as provided in s. 517.101.

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

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

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

807 a. A corporation, a copy of its articles of incorporation
808 and amendments to the articles of incorporation;

809 b. A limited liability company, a copy of its articles of
810 organization and amendments to the articles and a copy of the
811 company's operating agreement; or

812 c. ~~if~~ A partnership, a copy of the partnership
813 agreement.

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

816 4. Contact information.

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817 (b) The application must also contain such information as
818 the commission may require by rule about the applicant; any
819 member, principal, or director of the applicant or any person
820 having a similar status or performing similar functions; or any
821 persons directly or indirectly controlling the applicant. Each
822 applicant and any direct owners, principals, or indirect owners
823 that are required to be reported on a form adopted by commission
824 rule shall submit fingerprints for live-scan processing in
825 accordance with rules adopted by the commission. The
826 fingerprints may be submitted through a third-party vendor
827 authorized by the Department of Law Enforcement to provide live-
828 scan fingerprinting. The costs of fingerprint processing shall
829 be borne by the person subject to the background check. The
830 Department of Law Enforcement shall conduct a state criminal
831 history background check, and a federal criminal history
832 background check must be conducted through the Federal Bureau of
833 Investigation. The office shall review the results of the state
834 and federal criminal history background checks and determine
835 whether the applicant meets registration requirements. The
836 commission may waive, by rule, the requirement that applicants,
837 including any direct owners, principals, or indirect owners,
838 which are required to be reported on a form adopted by
839 commission rule, submit fingerprints or the requirement that
840 such fingerprints be processed by the Department of Law
841 Enforcement or the Federal Bureau of Investigation. The

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842 commission, by rule, or the office may require information about
843 any applicant or person, including:

844 1. The applicant's or person's ~~His or her~~ full name and
845 any other names by which the applicant or person ~~he or she~~ may
846 have been known and the applicant's or person's ~~his or her~~ age,
847 social security number, photograph, qualifications, and
848 educational and business history.

849 2. Any injunction or administrative order by a state or
850 federal agency, national securities exchange, or national
851 securities association involving a security or any aspect of an
852 intermediary's regulated ~~the securities~~ business and any
853 injunction or administrative order by a state or federal agency
854 regulating banking, insurance, finance, ~~or small loan companies,~~
855 real estate, mortgage brokers, or other related or similar
856 industries, which relate to such person.

857 3. The applicant's or person's ~~His or her~~ conviction of,
858 or plea of nolo contendere to, a criminal offense or the
859 applicant's or person's ~~his or her~~ commission of any acts that
860 would be grounds for refusal of an application under s. 517.161.

861 (c) The application must be amended within 30 days if any
862 information contained in the form becomes inaccurate for any
863 reason.

864 (d) An intermediary or persons affiliated with the
865 intermediary are not subject to any disqualification described
866 in s. 517.1611 or ~~United States~~ Securities and Exchange

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867 Commission Rule 506(d), 17 C.F.R. 230.506(d), adopted pursuant
868 to the Securities Act of 1933, as amended. Each director,
869 officer, manager or managing member, control person of the
870 issuer, any person occupying a similar status or performing a
871 similar function, and each person holding more than 20 percent
872 of the ownership interests ~~shares~~ of the intermediary is subject
873 to this requirement.

874 (e) If the office finds that the applicant ~~is of good~~
875 ~~repute and character and~~ has complied with the applicable
876 registration provisions of this chapter and the rules adopted
877 thereunder, it shall register the applicant. The registration of
878 each intermediary expires on December 31 of the year the
879 registration became effective unless the registrant renews his
880 or her registration on or before that date. Registration may be
881 renewed by furnishing such information as the commission may
882 require by rule, together with payment of a \$200 fee and the
883 payment of any amount due to the office pursuant to any order of
884 the office or pursuant to any agreement with the office. An
885 intermediary who has not renewed a registration by the time that
886 the current registration expires may request reinstatement of
887 such registration by filing with the office, on or before
888 January 31 of the year following the year of expiration, such
889 information as required by the commission, together with payment
890 of the \$200 fee and a late fee of \$200. Any reinstatement of
891 registration granted by the office during the month of January

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892 is deemed effective retroactive to January 1 of that year.

893 ~~(20)-(21)~~ The registration requirements of this section do
894 not apply to any general lines insurance agent or life insurance
895 agent licensed under chapter 626, for the sale of a security as
896 defined in s. 517.021(28)(g) ~~s. 517.021(22)(g)~~, if the
897 individual is directly authorized by the issuer to offer or sell
898 the security on behalf of the issuer and the issuer is a
899 federally chartered savings bank subject to regulation by the
900 Federal Deposit Insurance Corporation. Actions under this
901 subsection shall constitute activity under the insurance agent's
902 license for purposes of ss. 626.611 and 626.621.

903 Section 7. Section 517.1214, Florida Statutes, is created
904 to read:

905 517.1214 Continuing education requirements for associated
906 persons of investment advisers and federal covered advisers.-

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

908 (a) "Approved continuing education content" means the
909 materials, written, oral, or otherwise, which have been approved
910 by NASAA or its designee and which make up the educational
911 program provided to an associated person under this section.

912 (b) "Credit" means a unit designated by NASAA or its
913 designee as at least 50 minutes of educational instruction.

914 (c) "Home state" means the state in which an associated
915 person of an investment adviser or a federal covered adviser has
916 his or her principal office and place of business.

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917 (d) "NASAA" means the North American Securities
918 Administrators Association, Inc.

919 (e) "Reporting period" means one 12-month period beginning
920 January 1 and ending December 31. An associated person's initial
921 reporting period with this state commences the first day of the
922 first full reporting period after the individual is registered
923 or required to be registered with this state.

924 (2) By December 31, 2024, and each December 31 thereafter,
925 each associated person of an investment adviser or a federal
926 covered adviser shall complete the following continuing
927 education content requirements offered by a person that NASAA or
928 its designee has authorized to provide the continuing education
929 content required by this section:

930 (a) Six credits of approved continuing education content
931 that addresses an associated person's ethical and regulatory
932 obligations, with at least 3 hours covering the topic of ethics;
933 and

934 (b) Six credits of approved continuing education content
935 that addresses an associated person's skills and knowledge
936 regarding financial products, investment features, and practices
937 in the investment advisory industry.

938 (3) An associated person of an investment adviser or
939 federal covered adviser who is also registered as an associated
940 person of a Financial Industry Regulatory Authority (FINRA)
941 member dealer and who complies with FINRA's continuing education

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942 requirements is considered to be in compliance with this
943 section's products and practice requirement for each applicable
944 reporting period, provided that the FINRA continuing education
945 content is approved continuing education content.

946 (4) Credits of continuing education completed by an
947 associated person who was awarded and currently holds a
948 credential that qualifies for examination waiver by passing any
949 tests as prescribed in s. 15(b)(7) of the Securities Exchange
950 Act of 1934, as amended, comply with paragraphs (2)(a) and (b),
951 provided all of the following conditions are met:

952 (a) The associated person completes the credits of
953 continuing education as a condition of maintaining the
954 credential for the relevant reporting period.

955 (b) The credits of continuing education completed during
956 the relevant reporting period by the associated person are
957 mandatory to maintain the credential.

958 (c) The continuing education content provided by the
959 credentialing organization during the relevant reporting period
960 is approved continuing education content.

961 (5) Each associated person is responsible for ensuring
962 that the authorized provider reports the associated person's
963 completion of the applicable continuing education requirements.

964 (6) An associated person who completes credits of
965 continuing education in excess of the credits required for the
966 reporting period may not carry forward excess credits to a

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967 subsequent reporting period.

968 (7) An associated person who fails to comply with this
969 section by the end of a reporting period shall renew as "CE
970 inactive" at the close of the calendar year in this state until
971 the associated person completes and reports all required
972 continuing education credits for all reporting periods as
973 required by this section. If an associated person renews as "CE
974 inactive" at the close of the calendar year and fails to
975 complete and report all required continuing education credits
976 for all reporting periods as required by this section by the
977 close of the next calendar year, the associated person becomes
978 unregistered for purposes of this chapter.

979 (8) An associated person registered or required to be
980 registered in this state who is registered as an associated
981 person of an investment adviser or federal covered adviser in
982 the individual's home state is considered to be in compliance
983 with this section if:

984 (a) The associated person's home state has a continuing
985 education requirement of at least 12 hours annually; and

986 (b) The associated person is in compliance with the home
987 state's associated person of an investment adviser or federal
988 covered adviser continuing education requirements.

989 (9) An associated person who was previously registered
990 under s. 517.12 and became unregistered must complete continuing
991 education for all reporting periods that occurred between the

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992 time that the associated person became unregistered and when the
993 person became registered again under s. 517.12, unless the
994 associated person takes and passes the required examinations or
995 the examination requirements are waived in connection with the
996 subsequent application for registration.

997 Section 8. Section 517.1217, Florida Statutes, is amended
998 to read:

999 517.1217 Rules of conduct and prohibited business
1000 practices for dealers and their associated persons and for
1001 intermediaries.—

1002 The commission by rule may establish rules of conduct and
1003 prohibited business practices for dealers and their associated
1004 persons and for intermediaries. In adopting the rules, the
1005 commission shall consider general industry standards as
1006 expressed in the rules and regulations of the various federal
1007 and self-regulatory agencies and regulatory associations,
1008 including, but not limited to, the ~~United States~~ Securities and
1009 Exchange Commission, the Financial Industry Regulatory
1010 Authority, and the North American Securities Administrators
1011 Association, Inc.

1012 Section 9. Subsections (1), (4), and (5) of section
1013 517.161, Florida Statutes, are amended to read:

1014 517.161 Revocation, denial, or suspension of registration
1015 of dealer, investment adviser, intermediary, or associated
1016 person.—

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1017 (1) Registration under s. 517.12 may be denied or any
1018 registration granted may be revoked, restricted, or suspended by
1019 the office if the office determines that such applicant or
1020 registrant; any member, principal, or director of the applicant
1021 or registrant or any person having a similar status or
1022 performing similar functions; or any person directly or
1023 indirectly controlling the applicant or registrant:

1024 (a) Has violated any provision of this chapter or any rule
1025 or order made under this chapter;

1026 (b) Has made a material false statement in the application
1027 for registration;

1028 (c) Has been guilty of a fraudulent act in connection with
1029 rendering investment advice or in connection with any sale of
1030 securities, has been or is engaged or is about to engage in
1031 making fictitious or pretended sales or purchases of any such
1032 securities or in any practice involving the rendering of
1033 investment advice or the sale of securities which is fraudulent
1034 or in violation of the law;

1035 (d) Has made a misrepresentation or false statement to, or
1036 concealed any essential or material fact from, any person in the
1037 rendering of investment advice or the sale of a security to such
1038 person;

1039 (e) Has failed to account to persons interested for all
1040 money and property received;

1041 (f) Has not delivered, after a reasonable time, to persons

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1042 entitled thereto securities held or agreed to be delivered by
1043 the dealer, ~~broker,~~ or investment adviser, as and when paid for,
1044 and due to be delivered;

1045 (g) Is rendering investment advice or selling or offering
1046 for sale securities through any associated person not registered
1047 in compliance with ~~the provisions of~~ this chapter;

1048 (h) ~~Has demonstrated unworthiness to transact the business~~
1049 ~~of dealer, investment adviser, intermediary, or associated~~
1050 ~~person;~~

1051 ~~(i)~~ Has exercised management or policy control over or
1052 owned 10 percent or more of the securities of any dealer,
1053 intermediary, or investment adviser that has been declared
1054 bankrupt, or had a trustee appointed under the Securities
1055 Investor Protection Act; or is, in the case of a dealer,
1056 intermediary, or investment adviser, unable to pay its debts as
1057 they become due in the usual course of business insolvent;

1058 (i)-(j) Has been convicted of, or has entered a plea of
1059 guilty or nolo contendere to, regardless of whether adjudication
1060 was withheld, a crime against the laws of this state or any
1061 other state or of the United States or of any other country or
1062 government which relates to registration as a dealer, investment
1063 adviser, issuer of securities, intermediary, or associated
1064 person; which relates to the application for such registration;
1065 or which involves moral turpitude or fraudulent or dishonest
1066 dealing;

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1067 ~~(j)-(k)~~ Has had a final judgment entered against her or him
1068 in a civil action upon grounds of fraud, embezzlement,
1069 misrepresentation, or deceit;

1070 ~~(l) Is of bad business repute;~~

1071 ~~(k)-(m)~~ Has been the subject of any decision, finding,
1072 injunction, suspension, prohibition, revocation, denial,
1073 judgment, or administrative order by any court of competent
1074 jurisdiction, administrative law judge, or by any state or
1075 federal agency, national securities, commodities, or option
1076 exchange, or national securities, commodities, or option
1077 association, involving a violation of any federal or state
1078 securities or commodities law or any rule or regulation
1079 promulgated thereunder, or any rule or regulation of any
1080 national securities, commodities, or options exchange or
1081 national securities, commodities, or options association, or has
1082 been the subject of any injunction or adverse administrative
1083 order by a state or federal agency regulating banking,
1084 insurance, finance ~~or small loan companies~~, real estate,
1085 mortgage brokers or lenders, money transmitters, or other
1086 related or similar industries. For purposes of this subsection,
1087 the office may not deny registration to any applicant who has
1088 been continuously registered with the office for 5 years after
1089 the date of entry of such decision, finding, injunction,
1090 suspension, prohibition, revocation, denial, judgment, or
1091 administrative order provided such decision, finding,

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1092 injunction, suspension, prohibition, revocation, denial,
1093 judgment, or administrative order has been timely reported to
1094 the office pursuant to the commission's rules; ~~or~~

1095 (l)~~(n)~~ Made payment to the office for a registration with
1096 a check or electronic transmission of funds that is dishonored
1097 by the applicant's or registrant's financial institution;

1098 (m) Failed to pay and fully satisfy any final judgment or
1099 arbitration award resulting from an investment-related, client-
1100 or customer-initiated arbitration or court proceeding, unless
1101 alternative payment arrangements are agreed to in writing
1102 between the client or customer and the investment adviser,
1103 dealer, or associated person and the investment adviser, dealer,
1104 or associated person complies with the terms of the alternative
1105 payment arrangement;

1106 (n) Attempted to avoid payment of any final judgment or
1107 arbitration award resulting from an investment-related, client-
1108 or customer-initiated arbitration or court proceeding, unless
1109 alternative payment arrangements are agreed to in writing
1110 between the client or customer and the investment adviser,
1111 dealer, or associated person and the investment adviser, dealer,
1112 or associated person complies with the terms of the alternative
1113 payment arrangements; or

1114 (o) Failed to pay and fully satisfy any fine, civil
1115 penalty, order of restitution, order of disgorgement, or similar
1116 monetary payment obligation imposed upon the investment adviser,

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1117 dealer, or associated person by the Securities and Exchange
1118 Commission, the securities regulator or other financial services
1119 regulator of any state or province, or any securities industry
1120 self-regulatory organization.

1121 (4) It shall be sufficient cause for denial of an
1122 application or revocation of registration, in the case of a
1123 partnership, corporation, limited liability company, or
1124 unincorporated association, if any member of the partnership,
1125 any manager or managing member of the limited liability company,
1126 or any officer, director, or ultimate equitable owner of the
1127 corporation or association has committed any act or omission
1128 which would be cause for denying, revoking, restricting, or
1129 suspending the registration of an individual dealer, investment
1130 adviser, intermediary, or associated person. As used in this
1131 subsection, the term "ultimate equitable owner" means a natural
1132 person who directly or indirectly owns or controls an ownership
1133 interest in the corporation, partnership, association, or other
1134 legal entity however organized, regardless of whether such
1135 natural person owns or controls such ownership interest through
1136 one or more proxies, powers of attorney, nominees, corporations,
1137 associations, partnerships, trusts, joint stock companies, or
1138 other entities or devices, or any combination thereof.

1139 (5) The office may deny any request to terminate or
1140 withdraw any application or registration if the office believes
1141 that an act that ~~which~~ would be a ground for denial, suspension,

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1142 restriction, or revocation under this chapter has been
1143 committed.

1144 Section 10. Subsection (2) of section 517.1611, Florida
1145 Statutes, is amended to read:

1146 517.1611 Guidelines.—

1147 (2) The commission shall adopt by rule disqualifying
1148 periods pursuant to which an applicant will be disqualified from
1149 eligibility for registration based upon criminal convictions,
1150 pleas of nolo contendere, or pleas of guilt, regardless of
1151 whether adjudication was withheld, by the applicant; any
1152 partner, member, officer, or director of the applicant or any
1153 person having a similar status or performing similar functions;
1154 or any person directly or indirectly controlling the applicant.

1155 (a) The disqualifying periods shall be 15 years for a
1156 felony and 5 years for a misdemeanor.

1157 (b) The disqualifying periods shall be related to crimes
1158 involving registration as a dealer, investment adviser, issuer
1159 of securities, or associated person or the application for such
1160 registration or involving moral turpitude or fraudulent or
1161 dishonest dealing.

1162 (c) The rules may also address mitigating factors, an
1163 additional waiting period based upon dates of imprisonment or
1164 community supervision, an additional waiting period based upon
1165 commitment of multiple crimes, and other factors reasonably
1166 related to the consideration of an applicant's criminal history.

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1167 (d) An applicant is not eligible for registration until
1168 the expiration of the disqualifying period set by rule. Section
1169 112.011 does not apply to the registration provisions under this
1170 chapter. Nothing in this section changes or amends the grounds
1171 for denial under s. 517.161.

1172 Section 11. Section 517.181, Florida Statutes, is
1173 repealed.

1174 Section 12. Paragraph (a) of subsection (4) of section
1175 517.201, Florida Statutes, is amended to read:

1176 517.201 Investigations; examinations; subpoenas; hearings;
1177 witnesses.—

1178 (4)(a) In the event of substantial noncompliance with a
1179 subpoena or subpoena duces tecum issued or caused to be issued
1180 by the office pursuant to this section, the office may petition
1181 the circuit court of the county in which the person subpoenaed
1182 resides or has its principal place of business for an order
1183 requiring the subpoenaed person to appear and testify and to
1184 produce such books, records, and documents as are specified in
1185 such subpoena duces tecum. The court may grant injunctive relief
1186 restraining the issuance, sale or offer for sale, purchase or
1187 offer to purchase, promotion, negotiation, advertisement, or
1188 distribution ~~in or from offices in this state~~ of securities or
1189 investments in or from this state by the noncompliant a person
1190 or its agent, employee, broker, partner, officer, director,

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1191 manager, managing member, equity holder, or any person directly
1192 or indirectly controlling the noncompliant person

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