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1
2 An act relating to intrastate crowdfunding; amending
3 s. 517.021, F.S.; conforming a cross-reference;
4 defining the term "intermediary" for purposes of the
5 Florida Securities and Investor Protection Act;
6 amending s. 517.061, F.S.; exempting offers or sales
7 of securities by certain issuers from registration
8 requirements; creating s. 517.0611, F.S.; providing a
9 short title; exempting the intrastate offering and
10 sale of certain securities from certain regulatory
11 requirements; providing applicability; providing
12 registration and reporting requirements for issuers
13 and intermediaries offering such securities; requiring
14 the issuer to provide to the office a copy of a
15 specified escrow agreement; limiting the aggregate
16 amount of sales of such securities within a specified
17 period; limiting the aggregate amount of sales to
18 specified investors; requiring an issuer to produce
19 and distribute an annual report to investors;
20 requiring a notice-filing to be suspended under
21 certain circumstances; providing for the deposit of
22 fees; requiring a qualified third party to hold
23 certain funds in escrow; amending s. 517.12, F.S.;
24 providing registration requirements for an
25 intermediary; conforming a cross-reference; amending
26 s. 517.121, F.S.; requiring an intermediary to comply

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27 with specified recordkeeping requirements; amending s.
 28 517.161, F.S.; including an intermediary in certain
 29 disciplinary provisions; amending s. 626.9911, F.S.;
 30 conforming a cross-reference; providing an
 31 appropriation; providing an effective date.

32

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

34

35 Section 1. Subsection (9) of section 517.021, Florida
 36 Statutes, is amended, subsections (13) through (23) are
 37 renumbered as subsections (14) through (24), respectively, and a
 38 new subsection (13) is added to that section, to read:

39 517.021 Definitions.—When used in this chapter, unless the
 40 context otherwise indicates, the following terms have the
 41 following respective meanings:

42 (9) "Federal covered adviser" means a person who is
 43 registered or required to be registered under s. 203 of the
 44 Investment Advisers Act of 1940. The term "federal covered
 45 adviser" does not include any person who is excluded from the
 46 definition of investment adviser under subparagraphs (14)(b)1.-
 47 8. ~~(13)(b)1.-8.~~

48 (13) "Intermediary" means a natural person residing in the
 49 state or a corporation, trust, partnership, association, or
 50 other legal entity registered with the Secretary of State to do
 51 business in the state, which facilitates the offer or sale of
 52 securities under s. 517.0611.

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53 Section 2. Section 517.061, Florida Statutes, is amended
54 to read:

55 517.061 Exempt transactions.—Except as otherwise provided
56 in s. 517.0611 for a transaction listed in subsection (21), the
57 exemption for each transaction listed below is self-executing
58 and does not require any filing with the office before ~~prior to~~
59 claiming the ~~such~~ exemption. Any person who claims entitlement
60 to any of the exemptions bears the burden of proving such
61 entitlement in any proceeding brought under this chapter. The
62 registration provisions of s. 517.07 do not apply to any of the
63 following transactions; however, such transactions are subject
64 to the provisions of ss. 517.301, 517.311, and 517.312:

65 (1) At any judicial, executor's, administrator's,
66 guardian's, or conservator's sale, or at any sale by a receiver
67 or trustee in insolvency or bankruptcy, or any transaction
68 incident to a judicially approved reorganization in which a
69 security is issued in exchange for one or more outstanding
70 securities, claims, or property interests.

71 (2) By or for the account of a pledgeholder or mortgagee
72 selling or offering for sale or delivery in the ordinary course
73 of business and not for the purposes of avoiding the provisions
74 of this chapter, to liquidate a bona fide debt, a security
75 pledged in good faith as security for such debt.

76 (3) The isolated sale or offer for sale of securities when
77 made by or on behalf of a vendor not the issuer or underwriter
78 of the securities, who, being the bona fide owner of such

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79 securities, disposes of her or his own property for her or his
80 own account, and such sale is not made directly or indirectly
81 for the benefit of the issuer or an underwriter of such
82 securities or for the direct or indirect promotion of any scheme
83 or enterprise with the intent of violating or evading any
84 provision of this chapter. For purposes of this subsection,
85 isolated offers or sales include, but are not limited to, an
86 isolated offer or sale made by or on behalf of a vendor of
87 securities not the issuer or underwriter of the securities if:

88 (a) The offer or sale of securities is in a transaction
89 satisfying all of the requirements of subparagraphs (11)(a)1.,
90 2., 3., and 4. and paragraph (11)(b); or

91 (b) The offer or sale of securities is in a transaction
92 exempt under s. 4(1) of the Securities Act of 1933, as amended.

93
94 For purposes of this subsection, any person, including, without
95 limitation, a promoter or affiliate of an issuer, shall not be
96 deemed an underwriter, an issuer, or a person acting for the
97 direct or indirect benefit of the issuer or an underwriter with
98 respect to any securities of the issuer which she or he has
99 owned beneficially for at least 1 year.

100 (4) The distribution by a corporation, trust, or
101 partnership, actively engaged in the business authorized by its
102 charter or other organizational articles or agreement, of
103 securities to its stockholders or other equity security holders,
104 partners, or beneficiaries as a stock dividend or other

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105 distribution out of earnings or surplus.

106 (5) The issuance of securities to such equity security
107 holders or other creditors of a corporation, trust, or
108 partnership in the process of a reorganization of such
109 corporation or entity, made in good faith and not for the
110 purpose of avoiding the provisions of this chapter, either in
111 exchange for the securities of such equity security holders or
112 claims of such creditors or partly for cash and partly in
113 exchange for the securities or claims of such equity security
114 holders or creditors.

115 (6) Any transaction involving the distribution of the
116 securities of an issuer exclusively among its own security
117 holders, including any person who at the time of the transaction
118 is a holder of any convertible security, any nontransferable
119 warrant, or any transferable warrant which is exercisable within
120 not more than 90 days of issuance, when no commission or other
121 remuneration is paid or given directly or indirectly in
122 connection with the sale or distribution of such additional
123 securities.

124 (7) The offer or sale of securities to a bank, trust
125 company, savings institution, insurance company, dealer,
126 investment company as defined by the Investment Company Act of
127 1940, pension or profit-sharing trust, or qualified
128 institutional buyer as defined by rule of the commission in
129 accordance with Securities and Exchange Commission Rule 144A (17
130 C.F.R. s. 230.144(A) (a)), whether any of such entities is acting

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131 in its individual or fiduciary capacity; provided that such
132 offer or sale of securities is not for the direct or indirect
133 promotion of any scheme or enterprise with the intent of
134 violating or evading any provision of this chapter.

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

137 (a) The sale price of the securities is \$50,000 or more;
138 and

139 (b) The buyer and seller corporations each have assets of
140 \$500,000 or more.

141 (9) The offer or sale of securities from one corporation
142 to another corporation, or to security holders thereof, pursuant
143 to a vote or consent of such security holders as may be provided
144 by the articles of incorporation and the applicable corporate
145 statutes in connection with mergers, share exchanges,
146 consolidations, or sale of corporate assets.

147 (10) The issuance of notes or bonds in connection with the
148 acquisition of real property or renewals thereof, if such notes
149 or bonds are issued to the sellers of, and are secured by all or
150 part of, the real property so acquired.

151 (11) (a) The offer or sale, by or on behalf of an issuer,
152 of its own securities, which offer or sale is part of an
153 offering made in accordance with all of the following
154 conditions:

155 1. There are no more than 35 purchasers, or the issuer
156 reasonably believes that there are no more than 35 purchasers,

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157 | of the securities of the issuer in this state during an offering
158 | made in reliance upon this subsection or, if such offering
159 | continues for a period in excess of 12 months, in any
160 | consecutive 12-month period.

161 | 2. Neither the issuer nor any person acting on behalf of
162 | the issuer offers or sells securities pursuant to this
163 | subsection by means of any form of general solicitation or
164 | general advertising in this state.

165 | 3. Before ~~Prior to~~ the sale, each purchaser or the
166 | purchaser's representative, if any, is provided with, or given
167 | reasonable access to, full and fair disclosure of all material
168 | information.

169 | 4. No person defined as a "dealer" in this chapter is paid
170 | a commission or compensation for the sale of the issuer's
171 | securities unless such person is registered as a dealer under
172 | this chapter.

173 | 5. When sales are made to five or more persons in this
174 | state, any sale in this state made pursuant to this subsection
175 | is voidable by the purchaser in such sale either within 3 days
176 | after the first tender of consideration is made by such
177 | purchaser to the issuer, an agent of the issuer, or an escrow
178 | agent or within 3 days after the availability of that privilege
179 | is communicated to such purchaser, whichever occurs later.

180 | (b) The following purchasers are excluded from the
181 | calculation of the number of purchasers under subparagraph

182 | (a)1.:

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

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

191 3. Any corporation or other organization of which a
 192 purchaser, any of the persons related to such purchaser
 193 specified in subparagraph 1., and any trust or estate specified
 194 in subparagraph 2. collectively are beneficial owners of more
 195 than 50 percent of the equity securities or equity interest.

196 4. Any purchaser who makes a bona fide investment of
 197 \$100,000 or more, provided such purchaser or the purchaser's
 198 representative receives, or has access to, the information
 199 required to be disclosed by subparagraph (a)3.

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

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

207 a. Offers or sales of securities occurring more than 6
 208 months before ~~prior to~~ an offer or sale of securities made

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209 | pursuant to this subsection shall not be considered part of the
 210 | same offering, provided there are no offers or sales by or for
 211 | the issuer of the same or a similar class of securities during
 212 | such 6-month period.

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

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

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

232 | (12) The sale of securities by a bank or trust company
 233 | organized or incorporated under the laws of the United States or
 234 | this state at a profit to such bank or trust company of not more

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235 than 2 percent of the total sale price of such securities;
236 provided that there is no solicitation of this business by such
237 bank or trust company where such bank or trust company acts as
238 agent in the purchase or sale of such securities.

239 (13) An unsolicited purchase or sale of securities on
240 order of, and as the agent for, another by a dealer registered
241 pursuant to the provisions of s. 517.12; provided that this
242 exemption applies solely and exclusively to such registered
243 dealers and does not authorize or permit the purchase or sale of
244 securities on order of, and as agent for, another by any person
245 other than a dealer so registered; and provided, further, that
246 such purchase or sale is not directly or indirectly for the
247 benefit of the issuer or an underwriter of such securities or
248 for the direct or indirect promotion of any scheme or enterprise
249 with the intent of violation or evading any provision of this
250 chapter.

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

256 (15) The offer or sale of securities under a bona fide
257 employer-sponsored stock option, stock purchase, pension,
258 profit-sharing, savings, or other benefit plan when offered only
259 to employees of the sponsoring organization or to employees of
260 its controlled subsidiaries.

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261 (16) The sale by or through a registered dealer of any
 262 securities option if at the time of the sale of the option:
 263 (a) The performance of the terms of the option is
 264 guaranteed by any dealer registered under the federal Securities
 265 Exchange Act of 1934, as amended, which guaranty and dealer are
 266 in compliance with such requirements or rules as may be approved
 267 or adopted by the commission; or
 268 (b) Such options transactions are cleared by the Options
 269 Clearing Corporation or any other clearinghouse recognized by
 270 the office; and
 271 (c) The option is not sold by or for the benefit of the
 272 issuer of the underlying security; and
 273 (d) The underlying security may be purchased or sold on a
 274 recognized securities exchange or is quoted on the National
 275 Association of Securities Dealers Automated Quotation System;
 276 and
 277 (e) Such sale is not directly or indirectly for the
 278 purpose of providing or furthering any scheme to violate or
 279 evade any provisions of this chapter.

280 (17) (a) The offer or sale of securities, as agent or
 281 principal, by a dealer registered pursuant to s. 517.12, when
 282 such securities are offered or sold at a price reasonably
 283 related to the current market price of such securities, provided
 284 such securities are:
 285 1. Securities of an issuer for which reports are required
 286 to be filed by s. 13 or s. 15(d) of the Securities Exchange Act

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287 of 1934, as amended;

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

290 3. Securities of an insurance company, as that term is
291 defined in s. 2(a)(17) of the Investment Company Act of 1940, as
292 amended;

293 4. Securities, other than any security that is a federal
294 covered security pursuant to s. 18(b)(1) of the Securities Act
295 of 1933 and is not subject to any registration or filing
296 requirements under this act, which appear in any list of
297 securities dealt in on any stock exchange registered pursuant to
298 the Securities Exchange Act of 1934, as amended, and which
299 securities have been listed or approved for listing upon notice
300 of issuance by such exchange, and also all securities senior to
301 any securities so listed or approved for listing upon notice of
302 issuance, or represented by subscription rights which have been
303 so listed or approved for listing upon notice of issuance, or
304 evidences of indebtedness guaranteed by companies any stock of
305 which is so listed or approved for listing upon notice of
306 issuance, such securities to be exempt only so long as such
307 listings or approvals remain in effect. The exemption provided
308 for herein does not apply when the securities are suspended from
309 listing approval for listing or trading.

310 (b) The exemption provided in this subsection does not
311 apply if the sale is made for the direct or indirect benefit of
312 an issuer or controlling persons of such issuer or if such

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313 securities constitute the whole or part of an unsold allotment
314 to, or subscription or participation by, a dealer as an
315 underwriter of such securities.

316 (c) This exemption shall not be available for any
317 securities which have been denied registration pursuant to s.
318 517.111. Additionally, the office may deny this exemption with
319 reference to any particular security, other than a federal
320 covered security, by order published in such manner as the
321 office finds proper.

322 (18) The offer or sale of any security effected by or
323 through a person in compliance with s. 517.12(17).

324 (19) Other transactions defined by rules as transactions
325 exempted from the registration provisions of s. 517.07, which
326 rules the commission may adopt from time to time, but only after
327 a finding by the office that the application of the provisions
328 of s. 517.07 to a particular transaction is not necessary in the
329 public interest and for the protection of investors because of
330 the small dollar amount of securities involved or the limited
331 character of the offering. In conjunction with its adoption of
332 such rules, the commission may also provide in such rules that
333 persons selling or offering for sale the exempted securities are
334 exempt from the registration requirements of s. 517.12. No rule
335 so adopted may have the effect of narrowing or limiting any
336 exemption provided for by statute in the other subsections of
337 this section.

338 (20) Any nonissuer transaction by a registered associated

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339 person of a registered dealer, and any resale transaction by a
 340 sponsor of a unit investment trust registered under the
 341 Investment Company Act of 1940, in a security of a class that
 342 has been outstanding in the hands of the public for at least 90
 343 days; provided, at the time of the transaction:

344 (a) The issuer of the security is actually engaged in
 345 business and is not in the organization stage or in bankruptcy
 346 or receivership and is not a blank check, blind pool, or shell
 347 company whose primary plan of business is to engage in a merger
 348 or combination of the business with, or an acquisition of, any
 349 unidentified person;

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

352 (c) The security does not constitute the whole or part of
 353 an unsold allotment to, or a subscription or participation by,
 354 the broker-dealer as an underwriter of the security;

355 (d) A nationally recognized securities manual designated
 356 by rule of the commission or order of the office or a document
 357 filed with the Securities and Exchange Commission that is
 358 publicly available through the commission's electronic data
 359 gathering and retrieval system contains:

360 1. A description of the business and operations of the
 361 issuer;

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

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365 issuer's country of domicile;

366 3. An audited balance sheet of the issuer as of a date
 367 within 18 months before such transaction or, in the case of a
 368 reorganization or merger in which parties to the reorganization
 369 or merger had such audited balance sheet, a pro forma balance
 370 sheet; and

371 4. An audited income statement for each of the issuer's
 372 immediately preceding 2 fiscal years, or for the period of
 373 existence of the issuer, if in existence for less than 2 years
 374 or, in the case of a reorganization or merger in which the
 375 parties to the reorganization or merger had such audited income
 376 statement, a pro forma income statement; and

377 (e) The issuer of the security has a class of equity
 378 securities listed on a national securities exchange registered
 379 under the Securities Exchange Act of 1934 or designated for
 380 trading on the National Association of Securities Dealers
 381 Automated Quotation System, unless:

382 1. The issuer of the security is a unit investment trust
 383 registered under the Investment Company Act of 1940;

384 2. The issuer of the security has been engaged in
 385 continuous business, including predecessors, for at least 3
 386 years; or

387 3. The issuer of the security has total assets of at least
 388 \$2 million based on an audited balance sheet as of a date within
 389 18 months before such transaction or, in the case of a
 390 reorganization or merger in which parties to the reorganization

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391 or merger had such audited balance sheet, a pro forma balance
392 sheet.

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

395 Section 3. Section 517.0611, Florida Statutes, is created
396 to read:

397 517.0611 Intrastate crowdfunding.—

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

400 (2) Notwithstanding any other provision of this chapter,
401 an offer or sale of a security by an issuer is an exempt
402 transaction under s. 517.061 if the offer or sale is conducted
403 in accordance with this section. The exemption provided in this
404 section may not be used in conjunction with any other exemption
405 under s. 517.051 or s. 517.061.

406 (3) The offer or sale of securities under this section
407 must be conducted in accordance with the requirements of the
408 federal exemption for intrastate offerings in s. 3(a)(11) of the
409 Securities Act of 1933, 15 U.S.C. s. 77c(a)(11), and United
410 States Securities and Exchange Commission Rule 147, 17 C.F.R. s.
411 230.147, adopted pursuant to the Securities Act of 1933.

412 (4) An issuer must:

413 (a) Be a for-profit business entity formed under the laws
414 of the state, be registered with the Secretary of State,
415 maintain its principal place of business in the state, and
416 derive its revenues primarily from operations in the state.

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417 (b) Conduct transactions for the offering through a dealer
418 registered with the office or an intermediary registered under
419 s. 517.12(20).

420 (c) Not be, either before or as a result of the offering,
421 an investment company as defined in s. 3 of the Investment
422 Company Act of 1940, 15 U.S.C. s. 80a-3, or subject to the
423 reporting requirements of s. 13 or s. 15(d) of the Securities
424 Exchange Act of 1934, 15 U.S.C. s. 78m or s. 78o(d).

425 (d) Not be a company with an undefined business operation,
426 a company that lacks a business plan, a company that lacks a
427 stated investment goal for the funds being raised, or a company
428 that plans to engage in a merger or acquisition with an
429 unspecified business entity.

430 (e) Not be subject to a disqualification established by
431 the commission or office or a disqualification described in s.
432 517.1611 or United States Securities and Exchange Commission
433 Rule 506(d), 17 C.F.R. 230.506(d), adopted pursuant to the
434 Securities Act of 1933. Each director, officer, person occupying
435 a similar status or performing a similar function, or person
436 holding more than 20 percent of the shares of the issuer, is
437 subject to this requirement.

438 (f) Execute an escrow agreement with a federally insured
439 financial institution authorized to do business in the state for
440 the deposit of investor funds, and ensure that all offering
441 proceeds are provided to the issuer only when the aggregate
442 capital raised from all investors is equal to or greater than

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443 the target offering amount.

444 (g) Allow investors to cancel a commitment to invest
445 within 3 business days before the offering deadline, as stated
446 in the disclosure statement, and issue refunds to all investors
447 if the target offering amount is not reached by the offering
448 deadline.

449 (5) The issuer must file a notice of the offering with the
450 office, in writing or in electronic form, in a format prescribed
451 by commission rule, together with a nonrefundable filing fee of
452 \$200. The filing fee shall be deposited into the Regulatory
453 Trust Fund of the office. The commission may adopt rules
454 establishing procedures for the deposit of fees and the filing
455 of documents by electronic means if the procedures provide the
456 office with the information and data required by this section. A
457 notice is effective upon receipt, by the office, of the
458 completed form, filing fee, and an irrevocable written consent
459 to service of civil process, similar to that provided for in s.
460 517.101. The notice may be terminated by filing with the office
461 a notice of termination. The notice and offering expire 12
462 months after filing the notice with the office and are not
463 eligible for renewal. The notice must:

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

468 (b) Indicate that the issuer is conducting an offering in

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469 reliance upon the exemption provided by this section.

470 (c) Contain the name and contact information of the
471 issuer.

472 (d) Identify any predecessors, owners, officers,
473 directors, and control persons or any person occupying a similar
474 status or performing a similar function of the issuer, including
475 that person's title, his or her status as a partner, trustee,
476 sole proprietor or similar role, and his or her ownership
477 percentage.

478 (e) Identify the federally insured financial institution,
479 authorized to do business in the state, in which investor funds
480 will be deposited, in accordance with the escrow agreement.

481 (f) Require an attestation under oath that the issuer, its
482 predecessors, affiliated issuers, directors, officers, and
483 control persons, or any other person occupying a similar status
484 or performing a similar function, are not currently and have not
485 been within the past 10 years the subject of regulatory or
486 criminal actions involving fraud or deceit.

487 (g) Include documentation verifying that the issuer is
488 organized under the laws of the state and authorized to do
489 business in the state.

490 (h) Include the intermediary's website address where the
491 issuer's securities will be offered.

492 (i) Include the target offering amount.

493 (6) The issuer must amend the notice form within 30 days
494 after any information contained in the notice becomes inaccurate

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495 for any reason. The commission may require, by rule, an issuer
496 who has filed a notice under this section to file amendments
497 with the office.

498 (7) The issuer must provide to investors and the dealer or
499 intermediary, along with a copy to the office at the time that
500 the notice is filed, and make available to potential investors
501 through the dealer or intermediary, a disclosure statement
502 containing material information about the issuer and the
503 offering, including:

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

506 (b) The names of the directors, officers, and any person
507 occupying a similar status or performing a similar function, and
508 the name of each person holding more than 20 percent of the
509 shares of the issuer.

510 (c) A description of the business of the issuer and the
511 anticipated business plan of the issuer.

512 (d) A description of the stated purpose and intended use
513 of the proceeds of the offering.

514 (e) The target offering amount, the deadline to reach the
515 target offering amount, and regular updates regarding the
516 progress of the issuer in meeting the target offering amount.

517 (f) The price to the public of the securities or the
518 method for determining the price. However, before the sale, each
519 investor must receive in writing the final price and all
520 required disclosures and have an opportunity to rescind the

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521 commitment to purchase the securities.

522 (g) A description of the ownership and capital structure
523 of the issuer, including:

524 1. Terms of the securities being offered and each class of
525 security of the issuer, including how those terms may be
526 modified, and a summary of the differences between such
527 securities, including how the rights of the securities being
528 offered may be materially limited, diluted, or qualified by
529 rights of any other class of security of the issuer.

530 2. A description of how the exercise of the rights held by
531 the principal shareholders of the issuer could negatively impact
532 the purchasers of the securities being offered.

533 3. The name and ownership level of each existing
534 shareholder who owns more than 20 percent of any class of the
535 securities of the issuer.

536 4. How the securities being offered are being valued, and
537 examples of methods of how such securities may be valued by the
538 issuer in the future, including during subsequent corporate
539 actions.

540 5. The risks to purchasers of the securities relating to
541 minority ownership in the issuer, the risks associated with
542 corporate action, including additional issuances of shares, a
543 sale of the issuer or of assets of the issuer, or transactions
544 with related parties.

545 (h) A description of the financial condition of the
546 issuer.

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547 1. For offerings that, in combination with all other
548 offerings of the issuer within the preceding 12-month period,
549 have target offering amounts of \$100,000 or less, the
550 description must include the most recent income tax return filed
551 by the issuer, if any, and a financial statement that must be
552 certified by the principal executive officer of the issuer as
553 true and complete in all material respects.

554 2. For offerings that, in combination with all other
555 offerings of the issuer within the preceding 12-month period,
556 have target offering amounts of more than \$100,000, but not more
557 than \$500,000, the description must include financial statements
558 prepared in accordance with generally accepted accounting
559 principles and reviewed by a certified public accountant, as
560 defined in s. 473.302, who is independent of the issuer, using
561 professional standards and procedures for such review or
562 standards and procedures established by the office, by rule, for
563 such purpose.

564 3. For offerings that, in combination with all other
565 offerings of the issuer within the preceding 12-month period,
566 have target offering amounts of more than \$500,000, the
567 description must include audited financial statements prepared
568 in accordance with generally accepted accounting principles by a
569 certified public accountant, as defined in s. 473.302, who is
570 independent of the issuer, and other requirements as the
571 commission may establish by rule.

572 (i) The following statement in boldface, conspicuous type

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573 on the front page of the disclosure statement:

574
575 These securities are offered under, and will be sold
576 in reliance upon, an exemption from the registration
577 requirements of federal and Florida securities laws.
578 Consequently, neither the Federal Government nor the
579 State of Florida has reviewed the accuracy or
580 completeness of any offering materials. In making an
581 investment decision, investors must rely on their own
582 examination of the issuer and the terms of the
583 offering, including the merits and risks involved.
584 These securities are subject to restrictions on
585 transferability and resale and may not be transferred
586 or resold except as specifically authorized by
587 applicable federal and state securities laws.
588 Investing in these securities involves a speculative
589 risk, and investors should be able to bear the loss of
590 their entire investment.

591
592 (8) The issuer shall provide to the office a copy of the
593 escrow agreement with a financial institution authorized to
594 conduct business in this state. All investor funds must be
595 deposited in the escrow account. The escrow agreement must
596 require that all offering proceeds be released to the issuer
597 only when the aggregate capital raised from all investors is
598 equal to or greater than the minimum target offering amount

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599 specified in the disclosure statement as necessary to implement
 600 the business plan, and that all investors will receive a full
 601 return of their investment commitment if that target offering
 602 amount is not raised by the date stated in the disclosure
 603 statement.

604 (9) The sum of all cash and other consideration received
 605 for sales of a security under this section may not exceed \$1
 606 million, less the aggregate amount received for all sales of
 607 securities by the issuer within the 12 months preceding the
 608 first offer or sale made in reliance upon this exemption. Offers
 609 or sales to a person owning 20 percent or more of the
 610 outstanding shares of any class or classes of securities or to
 611 an officer, director, partner, or trustee, or a person occupying
 612 a similar status, do not count toward this limitation.

613 (10) Unless the investor is an accredited investor as
 614 defined by Rule 501 of Regulation D, adopted pursuant to the
 615 Securities Act of 1933, the aggregate amount sold by an issuer
 616 to an investor in transactions exempt from registration
 617 requirements under this subsection in a 12-month period may not
 618 exceed:

619 (a) The greater of \$2,000 or 5 percent of the annual
 620 income or net worth of such investor, if the annual income or
 621 the net worth of the investor is less than \$100,000.

622 (b) Ten percent of the annual income or net worth of such
 623 investor, not to exceed a maximum aggregate amount sold of
 624 \$100,000, if either the annual income or net worth of the

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625 investor is equal to or exceeds \$100,000.

626 (11) The issuer shall file with the office and provide to
627 investors free of charge an annual report of the results of
628 operations and financial statements of the issuer within 45 days
629 after the end of its fiscal year, until no securities under this
630 offering are outstanding. The annual reports must meet the
631 following requirements:

632 (a) Include an analysis by management of the issuer of the
633 business operations and the financial condition of the issuer,
634 and disclose the compensation received by each director,
635 executive officer, and person having an ownership interest of 20
636 percent or more of the issuer, including cash compensation
637 earned since the previous report and on an annual basis, and any
638 bonuses, stock options, other rights to receive securities of
639 the issuer, or any affiliate of the issuer, or other
640 compensation received.

641 (b) Disclose any material change to information contained
642 in the disclosure statements which was not disclosed in a
643 previous report.

644 (12) (a) A notice-filing under this section shall be
645 summarily suspended by the office if the payment for the filing
646 is dishonored by the financial institution upon which the funds
647 are drawn. For purposes of s. 120.60(6), failure to pay the
648 required notice filing fee constitutes an immediate and serious
649 danger to the public health, safety, and welfare. The office
650 shall enter a final order revoking a notice-filing in which the

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651 payment for the filing is dishonored by the financial
652 institution upon which the funds are drawn.

653 (b) A notice-filing under this section shall be summarily
654 suspended by the office if the issuer made a material false
655 statement in the issuer's notice-filing. The summary suspension
656 shall remain in effect until a final order is entered by the
657 office. For purposes of s. 120.60(6), a material false statement
658 made in the issuer's notice-filing constitutes an immediate and
659 serious danger to the public health, safety, and welfare. If an
660 issuer made a material false statement in the issuer's notice-
661 filing, the office shall enter a final order revoking the
662 notice-filing, issue a fine as prescribed by s. 517.221(3), and
663 issue permanent bars under s. 517.221(4) to the issuer and all
664 owners, officers, directors, and control persons, or any person
665 occupying a similar status or performing a similar function of
666 the issuer, including title; status as a partner, trustee, sole
667 proprietor, or similar role; and ownership percentage.

668 (13) An intermediary must:

669 (a) Take measures, as established by commission rule, to
670 reduce the risk of fraud with respect to transactions, including
671 verifying that the issuer is in compliance with the requirements
672 of this section and, if necessary, denying an issuer access to
673 its platform if the intermediary believes it is unable to
674 adequately assess the risk of fraud of the issuer or its
675 potential offering.

676 (b) Provide basic information on its website regarding the

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677 high risk of investment in and limitation on the resale of
 678 exempt securities and the potential for loss of an entire
 679 investment. The basic information must include:

680 1. A description of the escrow agreement that the issuer
 681 has executed and the conditions for release of such funds to the
 682 issuer in accordance with the agreement and subsection (4).

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

686 (c) Obtain a zip code or residence address from each
 687 potential investor who seeks to view information regarding
 688 specific investment opportunities, in order to confirm that the
 689 potential investor is a resident of the state.

690 (d) Obtain and verify a valid Florida driver license
 691 number or Florida identification card number from each investor
 692 before purchase of a security to confirm that the investor is a
 693 resident of the state. The commission may adopt rules
 694 authorizing additional forms of identification and prescribing
 695 the process for verifying any identification presented by the
 696 investor.

697 (e) Obtain an affidavit from each investor stating that
 698 the investment being made by the investor is consistent with the
 699 income requirements of subsection (10).

700 (f) Direct the release of investor funds in escrow in
 701 accordance with subsection (4).

702 (g) Direct investors to transmit funds directly to the

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703 financial institution designated in the escrow agreement to hold
704 the funds for the benefit of the investor.

705 (h) Provide a monthly update for each offering, after the
706 first full month after the date of the offering. The update must
707 be accessible on the intermediary's website and must display the
708 date and amount of each sale of securities, and each
709 cancellation of commitment to invest, in the previous calendar
710 month.

711 (i) Require each investor to certify in writing, including
712 as part of such certification his or her signature and his or
713 her initials next to each paragraph of the certification, as
714 follows:

715
716 I understand and acknowledge that:

717
718 I am investing in a high-risk, speculative business
719 venture. I may lose all of my investment, and I can
720 afford the loss of my investment.

721
722 This offering has not been reviewed or approved by any
723 state or federal securities commission or other
724 regulatory authority and no regulatory authority has
725 confirmed the accuracy or determined the adequacy of
726 any disclosure made to me relating to this offering.

727
728 The securities I am acquiring in this offering are

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729 illiquid and are subject to possible dilution. There
730 is no ready market for the sale of the securities. It
731 may be difficult or impossible for me to sell or
732 otherwise dispose of the securities, and I may be
733 required to hold the securities indefinitely.

734
735 I may be subject to tax on my share of the taxable
736 income and losses of the issuer, whether or not I have
737 sold or otherwise disposed of my investment or
738 received any dividends or other distributions from the
739 issuer.

740
741 By entering into this transaction with the issuer, I
742 am affirmatively representing myself as being a
743 Florida resident at the time this contract is formed,
744 and if this representation is subsequently shown to be
745 false, the contract is void.

746
747 If I resell any of the securities I am acquiring in
748 this offering to a person that is not a Florida
749 resident within 9 months after the closing of the
750 offering, my contract with the issuer for the purchase
751 of these securities is void.

752
753 (j) Require each investor to answer questions
754 demonstrating an understanding of the level of risk generally

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755 applicable to investments in startups, emerging businesses, and
756 small issuers, and an understanding of the risk of illiquidity.

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

759 (l) Prohibit its directors and officers from having any
760 financial interest in the issuer using its services.

761 (m) Implement written policies and procedures that are
762 reasonably designed to achieve compliance with federal and state
763 securities laws; comply with the anti-money laundering
764 requirements of 31 C.F.R. chapter X applicable to registered
765 brokers; and comply with the privacy requirements of 17 C.F.R.
766 part 248 relating to brokers.

767 (14) An intermediary not registered as a dealer under s.
768 517.12(6) may not:

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

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

775 (c) Compensate employees, agents, or other persons for the
776 solicitation of, or based on the sale of, securities offered or
777 displayed on its website.

778 (d) Hold, manage, possess, or otherwise handle investor
779 funds or securities.

780 (e) Compensate promoters, finders, or lead generators for

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781 providing the intermediary with the personal identifying
782 information of any potential investor.

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

785 (15) All funds received from investors must be directed to
786 the financial institution designated in the escrow agreement to
787 hold the funds and must be used in accordance with
788 representations made to investors by the intermediary. If an
789 investor cancels a commitment to invest, the intermediary must
790 direct the financial institution designated to hold the funds to
791 promptly refund the funds of the investor.

792 Section 4. Subsection (20) of section 517.12, Florida
793 Statutes, is renumbered as subsection (21) and amended, and a
794 new subsection (20) is added to that section, to read:

795 517.12 Registration of dealers, associated persons,
796 intermediaries, and investment advisers.—

797 (20) An intermediary may not engage in business in this
798 state unless the intermediary is registered as a dealer or as an
799 intermediary with the office pursuant to this section to
800 facilitate the offer or sale of securities in accordance with s.
801 517.0611. An intermediary, in order to obtain registration, must
802 file with the office a written application on a form prescribed
803 by commission rule and pay a registration fee of \$200. The fees
804 under this subsection shall be deposited into the Regulatory
805 Trust Fund of the office. The commission may establish by rule
806 procedures for depositing fees and filing documents by

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807 electronic means if such procedures provide the office with the
 808 information and data required by this section. Each intermediary
 809 must also file an irrevocable written consent to service of
 810 civil process, as provided in s. 517.101.

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

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

815 2. The applicant's form and place of organization; and, if
 816 the applicant is a corporation, a copy of its articles of
 817 incorporation and amendments to the articles of incorporation
 818 or, if a partnership, a copy of the partnership agreement.

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

821 4. Contact information.

822 (b) The application must also contain such information as
 823 the commission may require by rule about the applicant; any
 824 member, principal, or director of the applicant or any person
 825 having a similar status or performing similar functions; or any
 826 persons directly or indirectly controlling the applicant. Each
 827 applicant and any direct owners, principals, or indirect owners
 828 that are required to be reported on a form adopted by commission
 829 rule shall submit fingerprints for live-scan processing in
 830 accordance with rules adopted by the commission. The
 831 fingerprints may be submitted through a third-party vendor
 832 authorized by the Department of Law Enforcement to provide live-

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833 scan fingerprinting. The costs of fingerprint processing shall
834 be borne by the person subject to the background check. The
835 Department of Law Enforcement shall conduct a state criminal
836 history background check, and a federal criminal history
837 background check must be conducted through the Federal Bureau of
838 Investigation. The office shall review the results of the state
839 and federal criminal history background checks and determine
840 whether the applicant meets registration requirements. The
841 commission may waive, by rule, the requirement that applicants,
842 including any direct owners, principals, or indirect owners,
843 which are required to be reported on a form adopted by
844 commission rule submit fingerprints or the requirement that such
845 fingerprints be processed by the Department of Law Enforcement
846 or the Federal Bureau of Investigation. The commission, by rule,
847 or the office may require information about any applicant or
848 person, including:

849 1. His or her full name and any other names by which he or
850 she may have been known and his or her age, social security
851 number, photograph, qualifications, and educational and business
852 history.

853 2. Any injunction or administrative order by a state or
854 federal agency, national securities exchange, or national
855 securities association involving a security or any aspect of the
856 securities business and any injunction or administrative order
857 by a state or federal agency regulating banking, insurance,
858 finance, or small loan companies, real estate, mortgage brokers,

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859 or other related or similar industries, which relate to such
860 person.

861 3. His or her conviction of, or plea of nolo contendere
862 to, a criminal offense or his or her commission of any acts that
863 would be grounds for refusal of an application under s. 517.161.

864 (c) The application must be amended within 30 days if any
865 information contained in the form becomes inaccurate for any
866 reason.

867 (d) An intermediary or persons affiliated with the
868 intermediary are not subject to any disqualification described
869 in s. 517.1611 or the United States Securities and Exchange
870 Commission Rule 506(d), 17 C.F.R. 230.506(d), adopted pursuant
871 to the Securities Act of 1933. Each director, officer, control
872 person of the issuer, any person occupying a similar status or
873 performing a similar function, and each person holding more than
874 20 percent of the shares of the intermediary is subject to this
875 requirement.

876 (e) If the office finds that the applicant is of good
877 repute and character and has complied with the provisions of
878 this chapter and the rules adopted thereunder, it shall register
879 the applicant. The registration of each intermediary expires on
880 December 31 of the year the registration became effective unless
881 the registrant renews his or her registration on or before that
882 date. Registration may be renewed by furnishing such information
883 as the commission may require by rule, together with payment of
884 a \$200 fee and the payment of any amount due to the office

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

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

905 Section 5. Subsections (1) and (2) of section 517.121,
 906 Florida Statutes, are amended to read:

907 517.121 Books and records requirements; examinations.—

908 (1) A dealer, investment adviser, branch office, ~~or~~
 909 associated person, or intermediary shall maintain such books and
 910 records as the commission may prescribe by rule.

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911 (2) The office shall, at intermittent periods, examine the
 912 affairs and books and records of each registered dealer,
 913 investment adviser, associated person, intermediary, or branch
 914 office notice-filed with the office, or require such records and
 915 reports to be submitted to it as required by rule of the
 916 commission, to determine compliance with this act.

917 Section 6. Section 517.161, Florida Statutes, is amended
 918 to read:

919 517.161 Revocation, denial, or suspension of registration
 920 of dealer, investment adviser, intermediary, or associated
 921 person.—

922 (1) Registration under s. 517.12 may be denied or any
 923 registration granted may be revoked, restricted, or suspended by
 924 the office if the office determines that such applicant or
 925 registrant; any member, principal, or director of the applicant
 926 or registrant or any person having a similar status or
 927 performing similar functions; or any person directly or
 928 indirectly controlling the applicant or registrant:

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

931 (b) Has made a material false statement in the application
 932 for registration;

933 (c) Has been guilty of a fraudulent act in connection with
 934 rendering investment advice or in connection with any sale of
 935 securities, has been or is engaged or is about to engage in
 936 making fictitious or pretended sales or purchases of any such

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937 securities or in any practice involving the rendering of
938 investment advice or the sale of securities which is fraudulent
939 or in violation of the law;

940 (d) Has made a misrepresentation or false statement to, or
941 concealed any essential or material fact from, any person in the
942 rendering of investment advice or the sale of a security to such
943 person;

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

946 (f) Has not delivered, after a reasonable time, to persons
947 entitled thereto securities held or agreed to be delivered by
948 the dealer, broker, or investment adviser, as and when paid for,
949 and due to be delivered;

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

953 (h) Has demonstrated unworthiness to transact the business
954 of dealer, investment adviser, intermediary, or associated
955 person;

956 (i) Has exercised management or policy control over or
957 owned 10 percent or more of the securities of any dealer, intermediary,
958 intermediary, or investment adviser that has been declared
959 bankrupt, or had a trustee appointed under the Securities
960 Investor Protection Act; or is, in the case of a dealer, intermediary,
961 intermediary, or investment adviser, insolvent;

962 (j) Has been convicted of, or has entered a plea of guilty

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963 or nolo contendere to, regardless of whether adjudication was
964 withheld, a crime against the laws of this state or any other
965 state or of the United States or of any other country or
966 government which relates to registration as a dealer, investment
967 adviser, issuer of securities, intermediary, or associated
968 person; which relates to the application for such registration;
969 or which involves moral turpitude or fraudulent or dishonest
970 dealing;

971 (k) Has had a final judgment entered against her or him in
972 a civil action upon grounds of fraud, embezzlement,
973 misrepresentation, or deceit;

974 (l) Is of bad business repute;

975 (m) Has been the subject of any decision, finding,
976 injunction, suspension, prohibition, revocation, denial,
977 judgment, or administrative order by any court of competent
978 jurisdiction, administrative law judge, or by any state or
979 federal agency, national securities, commodities, or option
980 exchange, or national securities, commodities, or option
981 association, involving a violation of any federal or state
982 securities or commodities law or any rule or regulation
983 promulgated thereunder, or any rule or regulation of any
984 national securities, commodities, or options exchange or
985 national securities, commodities, or options association, or has
986 been the subject of any injunction or adverse administrative
987 order by a state or federal agency regulating banking,
988 insurance, finance or small loan companies, real estate,

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989 mortgage brokers or lenders, money transmitters, or other
990 related or similar industries. For purposes of this subsection,
991 the office may not deny registration to any applicant who has
992 been continuously registered with the office for 5 years after
993 the date of entry of such decision, finding, injunction,
994 suspension, prohibition, revocation, denial, judgment, or
995 administrative order provided such decision, finding,
996 injunction, suspension, prohibition, revocation, denial,
997 judgment, or administrative order has been timely reported to
998 the office pursuant to the commission's rules; or

999 (n) Made payment to the office for a registration with a
1000 check or electronic transmission of funds that is dishonored by
1001 the applicant's or registrant's financial institution.

1002 (2) The payment or anticipated payment of any amount from
1003 the Securities Guaranty Fund in settlement of a claim or in
1004 satisfaction of a judgment against an applicant or registrant
1005 constitutes prima facie grounds for the denial of the
1006 applicant's application for registration or the revocation of
1007 the registrant's registration.

1008 (3) In the event the office determines to deny an
1009 application or revoke a registration, it shall enter a final
1010 order with its findings on the register of dealers and
1011 associated persons; and denial, suspension, or revocation of the
1012 registration of a dealer, intermediary, or investment adviser
1013 shall also deny, suspend, or revoke the registration of all her
1014 or his associated persons.

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1015 (4) It shall be sufficient cause for denial of an
1016 application or revocation of registration, in the case of a
1017 partnership, corporation, or unincorporated association, if any
1018 member of the partnership or any officer, director, or ultimate
1019 equitable owner of the corporation or association has committed
1020 any act or omission which would be cause for denying, revoking,
1021 restricting, or suspending the registration of an individual
1022 dealer, investment adviser, intermediary, or associated person.
1023 As used in this subsection, the term "ultimate equitable owner"
1024 means a natural person who directly or indirectly owns or
1025 controls an ownership interest in the corporation, partnership,
1026 association, or other legal entity however organized, regardless
1027 of whether such natural person owns or controls such ownership
1028 interest through one or more proxies, powers of attorney,
1029 nominees, corporations, associations, partnerships, trusts,
1030 joint stock companies, or other entities or devices, or any
1031 combination thereof.

1032 (5) The office may deny any request to terminate or
1033 withdraw any application or registration if the office believes
1034 that an act which would be a ground for denial, suspension,
1035 restriction, or revocation under this chapter has been
1036 committed.

1037 (6) Registration under s. 517.12 may be denied or any
1038 registration granted may be suspended or restricted if an
1039 applicant or registrant is charged, in a pending enforcement
1040 action or pending criminal prosecution, with any conduct that

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1041 would authorize denial or revocation under subsection (1).
 1042 Registration under s. 517.12 may be suspended or restricted if a
 1043 registrant is arrested for any conduct that would authorize
 1044 revocation under subsection (1).

1045 (a) Any denial of registration ordered under this
 1046 subsection shall be without prejudice to the applicant's ability
 1047 to reapply for registration.

1048 (b) Any order of suspension or restriction under this
 1049 subsection shall:

1050 1. Take effect only after a hearing, unless no hearing is
 1051 requested by the registrant or unless the suspension or
 1052 restriction is made in accordance with s. 120.60(6).

1053 2. Contain a finding that evidence of a prima facie case
 1054 supports the charge made in the enforcement action or criminal
 1055 prosecution.

1056 3. Operate for no longer than 10 days beyond receipt of
 1057 notice by the office of termination with respect to the
 1058 registrant of the enforcement action or criminal prosecution.

1059 (c) For purposes of this subsection:

1060 1. The term "enforcement action" means any judicial
 1061 proceeding or any administrative proceeding where such judicial
 1062 or administrative proceeding is brought by an agency of the
 1063 United States or of any state to enforce or restrain violation
 1064 of any state or federal law, or any disciplinary proceeding
 1065 maintained by the Financial Industry Regulatory Authority, the
 1066 National Futures Association, or any other similar self-

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1067 regulatory organization.

1068 2. An enforcement action is pending at any time after
 1069 notice to the applicant or registrant of such action and is
 1070 terminated at any time after entry of final judgment or decree
 1071 in the case of judicial proceedings, final agency action in the
 1072 case of administrative proceedings, and final disposition by a
 1073 self-regulatory organization in the case of disciplinary
 1074 proceedings.

1075 3. A criminal prosecution is pending at any time after
 1076 criminal charges are filed and is terminated at any time after
 1077 conviction, acquittal, or dismissal.

1078 Section 7. Paragraph (b) of subsection (4) of section
 1079 626.9911, Florida Statutes, is amended to read:

1080 626.9911 Definitions.—As used in this act, the term:

1081 (4) "Life expectancy provider" means a person who
 1082 determines, or holds himself or herself out as determining, life
 1083 expectancies or mortality ratings used to determine life
 1084 expectancies:

1085 (b) In connection with a viatical settlement investment,
 1086 pursuant to s. 517.021(24) ~~517.021(23)~~; or

1087 Section 8. For the 2015-2016 fiscal year, the sum of
 1088 \$120,000 in nonrecurring funds from the Regulatory Trust Fund of
 1089 the Department of Financial Services is appropriated to the
 1090 Office of Financial Regulation for the purpose of implementing
 1091 this act.

1092 Section 9. This act shall take effect October 1, 2015.