

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

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WITHDRAWN	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

1 Committee/Subcommittee hearing bill: Commerce Committee
 2 Representative Barnaby offered the following:

Amendment (with title amendment)

Remove lines 70-1051 and insert:

Commission Rule 501, 17 C.F.R. s. 230.501, as amended.

7 (2) "Affiliate" means a person that directly, or
 8 indirectly through one or more intermediaries, controls, is
 9 controlled by, or is under common control with an applicant or
 10 registrant.

(3)-(2) "Associated person" means:

12 (a)1. With respect to a dealer, a natural person who is
 13 employed, appointed, or authorized by a dealer and who
 14 represents the dealer in effecting or attempting to effect
 15 purchases or sales of securities.

2. The term does not include the following:

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17 a. A dealer.

18 b. A partner, an officer, or a director of a dealer or a
19 person having a similar status or performing similar functions
20 as a dealer, unless such person is specified in subparagraph 1.

21 c. A dealer's employee whose function is only clerical or
22 ministerial.

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

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

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

33 b. Does any of the following:

34 (I) Makes any recommendation or otherwise gives investment
35 advice regarding securities.

36 (II) Manages accounts or portfolios of clients.

37 (III) Determines which recommendations or advice regarding
38 securities should be given.

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

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41 (V) Supervises employees who perform a function under this
42 sub-subparagraph.

43 2. The term does not include the following:

44 a. An investment adviser.

45 b. An employee whose function is only clerical or
46 ministerial or investment adviser, any of the following:

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

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

53 ~~3. Any natural person, other than a dealer, employed,~~
54 ~~appointed, or authorized by a dealer, investment adviser, or~~
55 ~~issuer to sell securities in any manner or act as an investment~~
56 ~~adviser as defined in this section.~~

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

64 ~~(c)(b)~~ With respect to a federal covered adviser, a
65 natural any person who is an investment adviser representative

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66 and who has a place of business in this state, as such terms are
67 defined in Rule 203A-3 of the Securities and Exchange Commission
68 adopted under the Investment Advisers Act of 1940, as amended.

69 ~~(4)-(3)~~ "Boiler room" means an enterprise in which two or
70 more persons engage in telephone communications with members of
71 the public using two or more telephones at one location, or at
72 more than one location in a common scheme or enterprise.

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

86 ~~(6)-(7)~~ "Commission" means the Financial Services
87 Commission.

88 ~~(7)-(5)~~ "Control," including the terms "controlling,"
89 "controlled by," and "under common control with," means the
90 possession, directly or indirectly, of the power to direct or

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91 cause the direction of the management or policies of a person,
92 whether through the ownership of voting securities, by contract,
93 or otherwise.

94 ~~(8)(6)(a)~~ "Dealer" includes, unless otherwise specified, a
95 person, other than an associated person of a dealer, that
96 engages, for all or part of the person's time, directly or
97 indirectly, as agent or principal in the business of offering,
98 buying, selling, or otherwise dealing or trading in securities
99 issued by another person any of the following:

100 ~~1. Any person, other than an associated person registered~~
101 ~~under this chapter, who engages, either for all or part of her~~
102 ~~or his time, directly or indirectly, as broker or principal in~~
103 ~~the business of offering, buying, selling, or otherwise dealing~~
104 ~~or trading in securities issued by another person.~~

105 ~~2. Any issuer who through persons directly compensated or~~
106 ~~controlled by the issuer engages, either for all or part of her~~
107 ~~or his time, directly or indirectly, in the business of offering~~
108 ~~or selling securities which are issued or are proposed to be~~
109 ~~issued by the issuer.~~

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

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

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

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116 (c) A trust company having trust powers that it is
117 authorized to exercise in this state, which renders or performs
118 services in a fiduciary capacity incidental to the exercise of
119 its trust powers.

120 (d) A wholesaler selling exclusively to dealers.

121 (e) A person buying and selling for the person's own
122 account exclusively through a registered dealer or stock
123 exchange.

124 (f) An issuer.

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

128 1. Is an officer, a director, a limited liability company
129 manager or managing member, or a bona fide employee of the
130 issuer;

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

135 3. Primarily performs, or is intended to perform at the
136 end of the distribution, substantial duties for, or on behalf
137 of, the issuer other than in connection with transactions in
138 securities; and

139 4. Does not receive a commission, compensation, or other
140 consideration for the completed sale of the issuer's securities

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141 apart from the compensation received for regular duties to the
142 issuer.

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

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

148 ~~3. Any trust company having trust powers which it is~~
149 ~~authorized to exercise in this state, which renders or performs~~
150 ~~services in a fiduciary capacity incidental to the exercise of~~
151 ~~its trust powers;~~

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

153 ~~5. Any person buying and selling for her or his own~~
154 ~~account exclusively through a registered dealer or stock~~
155 ~~exchange; or~~

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

163 (9) "Federal covered adviser" means a person that ~~who~~ is
164 registered or required to be registered under s. 203 of the
165 Investment Advisers Act of 1940, as amended. The term "~~federal~~

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166 ~~covered adviser~~" does not include any person that ~~who~~ is
167 excluded from the definition of investment adviser under
168 subparagraphs (14) (b)1.-8.

169 (10) "Federal covered security" means a ~~any~~ security that
170 is a covered security under s. 18(b) of the Securities Act of
171 1933, as amended, or rules and regulations adopted thereunder.

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

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

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

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

207 (14) (a) "Investment adviser" means a ~~includes any person,~~
208 other than an associated person of an investment adviser or a
209 federal covered adviser, that ~~who~~ receives compensation,
210 directly or indirectly, and engages for all or part of the
211 person's ~~her or his~~ time, directly or indirectly, or through
212 publications or writings, in the business of advising others as
213 to the value of securities or as to the advisability of
214 investments in, purchasing of, or selling of securities, ~~except~~
215 ~~a dealer whose performance of these services is solely~~

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216 ~~incidental to the conduct of her or his business as a dealer and~~
217 ~~who receives no special compensation for such services.~~

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

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

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

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

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

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

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

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

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

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

253 ~~or~~

254 9. A federal covered adviser.

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

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

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265 ~~(17)-(8)~~ "Office" means the Office of Financial Regulation
266 of the commission.

267 ~~(18)-(17)~~ "Predecessor" means a person whose ~~the~~ major
268 portion of ~~whose~~ assets has ~~have~~ been acquired directly or
269 indirectly by an issuer.

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

275 ~~(20)-(19)~~ "Promoter" includes the following:

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

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

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290 ~~(21)~~(20) "Qualified institutional buyer" means a ~~any~~
291 qualified institutional buyer, as defined in ~~United States~~
292 Securities and Exchange Commission Rule 144A, 17 C.F.R. s.
293 230.144A(a), under the Securities Act of 1933, as amended, or
294 any foreign buyer that satisfies the minimum financial
295 requirements set forth in such rule.

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

313 ~~(23)~~(22) "Security" includes any of the following:

314 (a) A note.

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- 315 (b) A stock.
- 316 (c) A treasury stock.
- 317 (d) A bond.
- 318 (e) A debenture.
- 319 (f) An evidence of indebtedness.
- 320 (g) A certificate of deposit.
- 321 (h) A certificate of deposit for a security.
- 322 (i) A certificate of interest or participation.
- 323 (j) A whiskey warehouse receipt or other commodity
324 warehouse receipt.
- 325 (k) A certificate of interest in a profit-sharing
326 agreement or the right to participate therein.
- 327 (l) A certificate of interest in an oil, gas, petroleum,
328 mineral, or mining title or lease or the right to participate
329 therein.
- 330 (m) A collateral trust certificate.
- 331 (n) A reorganization certificate.
- 332 (o) A preorganization subscription.
- 333 (p) A ~~Any~~ transferable share.
- 334 (q) An investment contract.
- 335 (r) A beneficial interest in title to property, profits,
336 or earnings.
- 337 (s) An interest in or under a profit-sharing or
338 participation agreement or scheme.

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339 (t) ~~An Any~~ option contract that ~~which~~ entitles the holder
340 to purchase or sell a given amount of the underlying security at
341 a fixed price within a specified period of time.

342 (u) Any other instrument commonly known as a security,
343 including an interim or temporary bond, debenture, note, or
344 certificate.

345 (v) A ~~Any~~ receipt for a security, or for subscription to a
346 security, or a ~~any~~ right to subscribe to or purchase any
347 security.

348 (w) A viatical settlement investment.

349 ~~(24)-(23)~~ "Underwriter" means a person that ~~who~~ has
350 purchased from an issuer or an affiliate of an issuer with a
351 view to, or offers or sells for an issuer or an affiliate of an
352 issuer in connection with, the distribution of any security, or
353 participates or has a direct or indirect participation in any
354 such undertaking, or participates or has a participation in the
355 direct or indirect underwriting of any such undertaking; except
356 that a person is ~~shall be~~ presumed not to be an underwriter with
357 respect to any security which it ~~she or he~~ has owned
358 beneficially for at least 1 year; and, further, a dealer is
359 ~~shall~~ not be considered an underwriter with respect to any
360 securities which do not represent part of an unsold allotment to
361 or subscription by the dealer as a participant in the
362 distribution of such securities by the issuer or an affiliate of
363 the issuer; and, further, in the case of securities acquired on

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364 the conversion of another security without payment of additional
365 consideration, the length of time such securities have been
366 beneficially owned by a person includes the period during which
367 the convertible security was beneficially owned and the period
368 during which the security acquired on conversion has been
369 beneficially owned.

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

374 Section 2. Paragraph (d) of subsection (3) of section
375 517.072, Florida Statutes, is amended, and subsection (4) is
376 added to that section, to read:

377 517.072 Viatical settlement investments.—

378 (3) The registration provisions of ss. 517.07 and 517.12
379 do not apply to any of the following transactions in viatical
380 settlement investments; however, such transactions in viatical
381 settlement investments are subject to the provisions of ss.
382 517.301, 517.311, and 517.312:

383 (d) The transfer or assignment of a viaticated policy to a
384 bank, trust company, savings institution, insurance company,
385 dealer, investment company as defined in the Investment Company
386 Act of 1940, as amended, pension or profit-sharing trust, ~~or~~
387 qualified institutional buyer ~~as defined in United States~~
388 ~~Securities and Exchange Commission Rule 144A, 17 C.F.R. s.~~

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389 ~~230.144A(a), or to an accredited investor as defined by Rule 501~~
390 ~~of Regulation D of the Securities Act Rules,~~ provided such
391 transfer or assignment is not for the direct or indirect
392 promotion of any scheme or enterprise with the intent of
393 violating or evading any provision of this chapter.

394 (4) The commission may establish by rule requirements and
395 standards for disclosures to purchasers of viatical settlement
396 investments and recordkeeping requirements for sellers of
397 viatical settlement investments.

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

401 517.081 Registration procedure.—

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

407 (a) The names and addresses of:

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

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

412 3. ~~of~~ All the partners, if the issuer is ~~be~~ a
413 partnership.

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

416 (g)1. A specimen copy of the securities certificate, if
417 applicable, security and a copy of any circular, prospectus,
418 advertisement, or other description of such securities.

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

427 a. An issuer seeking to register securities for resale by
428 persons other than the issuer.

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

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439 offered or any officer, director, ~~or~~ partner, or manager or
440 managing member of such selling agent.

441 c. An issuer that ~~who~~ is a development-stage company that
442 either has no specific business plan or purpose or has indicated
443 that its business plan is to merge with an unidentified company
444 or companies.

445 d. An issuer of offerings in which the specific business
446 or properties cannot be described.

447 e. Any issuer the office determines is ineligible because
448 ~~if~~ the form does ~~would~~ not provide full and fair disclosure of
449 material information for the type of offering to be registered
450 by the issuer.

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

454
455 As a condition precedent to qualifying for use of the simplified
456 offering circular, an issuer ~~a corporation~~ shall agree to
457 provide the office with an annual financial report containing a
458 balance sheet as of the end of the issuer's fiscal year and a
459 statement of income for such year, prepared in accordance with
460 United States generally accepted accounting principles and
461 accompanied by an independent accountant's report. If the issuer
462 has more than 100 security holders at the end of a fiscal year,
463 the financial statements must be audited. Annual financial

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464 reports must be filed with the office within 90 days after the
465 close of the issuer's fiscal year for each of the first 5 years
466 following the effective date of the registration.

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

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

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488 exceed the amount provided in s. 3(b) of the Securities Act of
489 1933, as amended.

490 (8) The office shall deem an application to register
491 securities filed with the office abandoned if the issuer or any
492 person acting on behalf of the issuer has failed to complete
493 timely an application as specified by commission rule ~~The~~
494 ~~commission may by rule establish requirements and standards~~
495 ~~for:~~

496 ~~(a) Disclosures to purchasers of viatical settlement~~
497 ~~investments.~~

498 ~~(b) Recordkeeping requirements for sellers of viatical~~
499 ~~settlement investments.~~

500 Section 4. Section 517.082, Florida Statutes, is amended
501 to read:

502 517.082 ~~Notification~~ Registration by notification; federal
503 registration statements.-

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

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

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

519 (b) Copies of such documents filed with the Securities and
520 Exchange Commission as the Financial Services Commission may by
521 rule require.~~†~~

522 (c) An irrevocable written consent to service as required
523 by s. 517.101.~~†~~ ~~and~~

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

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

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538 (3) Except for units of limited partnership interests or
539 such other securities as the commission describes by rule as
540 exempt from this subsection due to high investment quality, the
541 provisions of this section may not be used to register
542 securities if the offering price at the time of effectiveness
543 with the Securities and Exchange Commission is \$5 or less per
544 share, unless such securities are listed or designated, or
545 approved for listing or designation upon notice of issuance, on
546 a stock exchange registered pursuant to the Securities Exchange
547 Act of 1934, as amended, or on the National Association of
548 Securities Dealers Automated Quotation (NASDAQ) System, or
549 unless such securities are of the same issuer and of senior or
550 substantially equal rank to securities so listed or designated.

551 (4) In lieu of filing with the office the application,
552 fees, and documents for registration required by subsection (2),
553 the commission may establish, by rule, procedures for depositing
554 fees and filing documents by electronic means, provided such
555 procedures provide the office with the information and data
556 required by this section.

557 (5) If the Securities and Exchange Commission has not
558 declared effective the applicant's federal registration
559 statement within 180 days after the applicant's filing with the
560 office of an application for registration by notification, the
561 office must deem the application abandoned.

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562 Section 5. Section 517.111, Florida Statutes, is amended
563 to read:

564 517.111 Revocation or denial of registration of
565 securities.—

566 (1) The office may revoke or suspend the registration of
567 any security, or may deny any application to register
568 securities, if, upon examination or investigation into the
569 affairs of the issuer of such security, the office determines it
570 ~~shall appear~~ that:

571 (a) The issuer cannot pay its debts as they become due in
572 the usual course of business is insolvent;

573 (b) The issuer or any officer, director, manager or
574 managing member, or control person of the issuer has violated
575 any provision of this chapter or any rule made hereunder or any
576 order of the office of which such issuer has notice;

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

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

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587 (e) The issuer or any officer, director, manager or
588 managing member, or control person of the issuer has had a final
589 judgment entered against such issuer or person in a civil action
590 on the grounds of fraud, embezzlement, misrepresentation, or
591 deceit;

592 (f) The issuer or any officer, director, manager or
593 managing member, or control person of the issuer has engaged in
594 any action that would be grounds for revocation, denial, or
595 suspension under s. 517.161(1) ~~demonstrated any evidence of~~
596 ~~unworthiness;~~

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

603 (h) The security registered or sought to be registered is
604 the subject of an injunction entered by a court of competent
605 jurisdiction or is the subject of an administrative stop-order
606 or similar order prohibiting the offer or sale of the security;
607 or

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

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611 ~~(j) The issuer or any person acting on behalf of the~~
612 ~~issuer has failed to timely complete any application for~~
613 ~~registration filed with the office pursuant to the provisions of~~
614 ~~s. 517.081 or s. 517.082 or any rule adopted under such~~
615 ~~sections.~~

616 (2) In making such examination or investigation, the
617 office shall have access to and may compel the production of all
618 the books and papers of such issuer and may administer oaths to
619 and examine the officers of such issuer or any other person
620 connected therewith as to its business and affairs and may also
621 require a balance sheet exhibiting the assets and liabilities of
622 any such issuer or its income statement, or both, to be
623 certified to by a public accountant either of this state or of
624 any other state where the issuer's business is located. Whenever
625 the office deems it necessary, it may also require such balance
626 sheet or income statement, or both, to be made more specific in
627 such particulars as the office may require.

628 (3)~~(2)~~ If any issuer refuses ~~shall refuse~~ to permit an
629 examination or investigation to be made by the office, it shall
630 be proper ground for revocation of registration.

631 (4)~~(3)~~ If the office deems it necessary, it may enter an
632 order suspending the right to sell securities pending any
633 examination or investigation, provided that the order shall
634 state the office's grounds for taking such action.

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635 ~~(5)-(4)~~ Notice of the entry of such order shall be given
636 personally or by mail, ~~personally, by telephone confirmed in~~
637 ~~writing, or by telegraph~~ to the issuer. Before such order is
638 made final, the issuer ~~applying for registration~~ shall, on
639 application, be entitled to a hearing.

640 ~~(6)-(5)~~ The office may deny any request to terminate any
641 registration or to withdraw any application for registration if
642 the office believes that an act which would be grounds for
643 denial, suspension, or revocation under this chapter has been
644 committed.

645 Section 6. Subsections (3) through (22) of section 517.12,
646 Florida Statutes, are renumbered as subsections (2) through
647 (21), respectively, new subsection (22) is added, and subsection
648 (1), present subsections (2) and (3), paragraph (b) of present
649 subsection (6), present subsections (7) and (11), paragraph (b)
650 of present subsection (15), and present subsections (20) and
651 (21) of that section are amended, to read:

652 517.12 Registration of dealers, associated persons,
653 intermediaries, and investment advisers.—

654 (1) No dealer or, ~~or~~ associated person, ~~or issuer of~~
655 ~~securities~~ shall sell or offer for sale any securities in or
656 from offices in this state, ~~or~~ sell securities to persons in
657 this state from offices outside this state, by mail or
658 otherwise, unless the person is ~~has been~~ registered with the
659 office as a dealer or as an associated person of a dealer

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660 pursuant to ~~the provisions of~~ this section. The office shall not
661 register any person as an associated person of a dealer unless
662 the dealer with which the applicant seeks registration is
663 lawfully registered with the office pursuant to this chapter.

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

667 ~~(2)(3) Except as otherwise provided in s.~~
668 ~~517.061(11)(a)4., (13), (16), (17), or (19),~~ The registration
669 requirements of this section do not apply in a transaction
670 exempted by s. 517.061(1)-(10) and (12), ~~s. 517.061(1)-(12),~~
671 (14), and (15).

672 ~~(5)(6)~~ A dealer, associated person, or investment adviser,
673 in order to obtain registration, must file with the office a
674 written application, on a form which the commission may by rule
675 prescribe. The commission may establish, by rule, procedures for
676 depositing fees and filing documents by electronic means
677 provided such procedures provide the office with the information
678 and data required by this section. Each dealer or investment
679 adviser must also file an irrevocable written consent to service
680 of civil process similar to that provided for in s. 517.101. The
681 application shall contain such information as the commission or
682 office may require concerning such matters as:

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

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685 1. A corporation, a copy of its articles of incorporation
686 and amendments to the articles of incorporation;
687 2. A limited liability company, a copy of its articles of
688 organization with amendments to its articles; or
689 3.~~if~~ A partnership, a copy of the partnership agreement.
690 (6)~~(7)~~ The application must also contain such information
691 as the commission or office may require about the applicant; any
692 member, principal, or director of the applicant or any person
693 having a similar status or performing similar functions; any
694 person directly or indirectly controlling the applicant; or any
695 employee of a dealer or of an investment adviser rendering
696 investment advisory services. Each applicant and any direct
697 owners, principals, or indirect owners that are required to be
698 reported on Form BD or Form ADV pursuant to subsection (14) ~~(15)~~
699 shall submit fingerprints for live-scan processing in accordance
700 with rules adopted by the commission. The fingerprints may be
701 submitted through a third-party vendor authorized by the
702 Department of Law Enforcement to provide live-scan
703 fingerprinting. The costs of fingerprint processing shall be
704 borne by the person subject to the background check. The
705 Department of Law Enforcement shall conduct a state criminal
706 history background check, and a federal criminal history
707 background check must be conducted through the Federal Bureau of
708 Investigation. The office shall review the results of the state
709 and federal criminal history background checks and determine

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710 whether the applicant meets licensure requirements. The
711 commission may waive, by rule, the requirement that applicants,
712 including any direct owners, principals, or indirect owners that
713 are required to be reported on Form BD or Form ADV pursuant to
714 subsection (14) ~~(15)~~, submit fingerprints or the requirement
715 that such fingerprints be processed by the Department of Law
716 Enforcement or the Federal Bureau of Investigation. The
717 commission or office may require information about any such
718 applicant or person concerning such matters as:

719 (a) The applicant's or person's ~~His or her~~ full name, and
720 any other names by which the applicant or person ~~he or she~~ may
721 have been known, and the applicant's or person's ~~his or her~~ age,
722 social security number, photograph, qualifications, and
723 educational and business history.

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

733 (c) The applicant's or person's ~~His or her~~ conviction of,
734 or plea of nolo contendere to, a criminal offense or the

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735 applicant's or person's ~~his or her~~ commission of any acts which
736 would be grounds for refusal of an application under s. 517.161.

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

740 (10) (a) ~~(11) (a)~~ If the office finds that the applicant ~~is~~
741 ~~of good repute and character and~~ has complied with the
742 applicable registration provisions of this chapter and the rules
743 made pursuant hereto, it shall register the applicant unless the
744 applicant is otherwise disqualified for registration pursuant to
745 law. The registration of each dealer, investment adviser, and
746 associated person expires on December 31 of the year the
747 registration became effective unless the registrant has renewed
748 its ~~his or her~~ registration on or before that date. Registration
749 may be renewed by furnishing such information as the commission
750 may require, together with payment of the fee required in
751 paragraph (9) (a) ~~(10) (a)~~ for dealers, investment advisers, or
752 associated persons and the payment of any amount lawfully due
753 and owing to the office pursuant to any order of the office or
754 pursuant to any agreement with the office. Any dealer,
755 investment adviser, or associated person who has not renewed a
756 registration by the time the current registration expires may
757 request reinstatement of such registration by filing with the
758 office, on or before January 31 of the year following the year
759 of expiration, such information as may be required by the

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760 commission, together with payment of the fee required in
761 paragraph (9)(a) ~~(10)(a)~~ for dealers, investment advisers, or
762 associated persons and a late fee equal to the amount of such
763 fee. Any reinstatement of registration granted by the office
764 during the month of January shall be deemed effective
765 retroactive to January 1 of that year.

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

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

771 2. Is or was a member of the United States Armed Forces
772 and served on active duty within the 2 years preceding the
773 expiration date of the registration pursuant to paragraph (a).
774 To qualify for the fee waiver, a registrant who is a former
775 member of the United States Armed Forces who served on active
776 duty within the 2 years preceding the expiration date of the
777 registration must have received an honorable discharge upon
778 separation or discharge from the United States Armed Forces; or

779 3. Is the surviving spouse of a member of the United
780 States Armed Forces if the member was serving on active duty at
781 the time of death and died within the 2 years preceding the
782 surviving spouse's registration expiration date pursuant to
783 paragraph (a).

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785 A registrant seeking such fee waiver must submit proof, in a
786 form prescribed by commission rule, that the registrant meets
787 one of the qualifications in this paragraph.

788 ~~(14)~~ ~~(15)~~

789 (b) In lieu of filing with the office the applications
790 specified in subsection (5) ~~(6)~~, the fees required by subsection
791 (9) ~~(10)~~, the renewals required by subsection (10) ~~(11)~~, and the
792 termination notices required by subsection (11) ~~(12)~~, the
793 commission may by rule establish procedures for the deposit of
794 such fees and documents with the Central Registration Depository
795 or the Investment Adviser Registration Depository of the
796 Financial Industry Regulatory Authority, as developed under
797 contract with the North American Securities Administrators
798 Association, Inc.

799 ~~(19)~~ ~~(20)~~ An intermediary may not engage in business in
800 this state unless the intermediary is registered as a dealer or
801 as an intermediary with the office pursuant to this section to
802 facilitate the offer or sale of securities in accordance with s.
803 517.0611. An intermediary, in order to obtain registration, must
804 file with the office a written application on a form prescribed
805 by commission rule and pay a registration fee of \$200. The fees
806 under this subsection shall be deposited into the Regulatory
807 Trust Fund of the office. The commission may establish by rule
808 procedures for depositing fees and filing documents by
809 electronic means if such procedures provide the office with the

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810 information and data required by this section. Each intermediary
811 must also file an irrevocable written consent to service of
812 civil process, as provided in s. 517.101.

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

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

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

819 a. A corporation, a copy of its articles of incorporation
820 and amendments to the articles of incorporation;

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

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

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

827 4. Contact information.

828 (b) The application must also contain such information as
829 the commission may require by rule about the applicant; any
830 member, principal, or director of the applicant or any person
831 having a similar status or performing similar functions; or any
832 persons directly or indirectly controlling the applicant. Each
833 applicant and any direct owners, principals, or indirect owners
834 that are required to be reported on a form adopted by commission

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

855 1. The applicant's or person's ~~His or her~~ full name and
856 any other names by which the applicant or person ~~he or she~~ may
857 have been known and the applicant's or person's ~~his or her~~ age,
858 social security number, photograph, qualifications, and
859 educational and business history.

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860 2. Any injunction or administrative order by a state or
861 federal agency, national securities exchange, or national
862 securities association involving a security or any aspect of an
863 intermediary's regulated ~~the securities~~ business and any
864 injunction or administrative order by a state or federal agency
865 regulating banking, insurance, finance, ~~or small loan companies,~~
866 real estate, mortgage brokers, or other related or similar
867 industries, which relate to such person.

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

872 (c) The application must be amended within 30 days if any
873 information contained in the form becomes inaccurate for any
874 reason.

875 (d) An intermediary or persons affiliated with the
876 intermediary are not subject to any disqualification described
877 in s. 517.1611 or ~~United States~~ Securities and Exchange
878 Commission Rule 506(d), 17 C.F.R. 230.506(d), adopted pursuant
879 to the Securities Act of 1933, as amended. Each director,
880 officer, manager or managing member, control person of the
881 issuer, any person occupying a similar status or performing a
882 similar function, and each person holding more than 20 percent
883 of the ownership interests ~~shares~~ of the intermediary is subject
884 to this requirement.

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885 (e) If the office finds that the applicant ~~is of good~~
886 ~~repute and character and~~ has complied with the applicable
887 registration provisions of this chapter and the rules adopted
888 thereunder, it shall register the applicant. The registration of
889 each intermediary expires on December 31 of the year the
890 registration became effective unless the registrant renews his
891 or her registration on or before that date. Registration may be
892 renewed by furnishing such information as the commission may
893 require by rule, together with payment of a \$200 fee and the
894 payment of any amount due to the office pursuant to any order of
895 the office or pursuant to any agreement with the office. An
896 intermediary who has not renewed a registration by the time that
897 the current registration expires may request reinstatement of
898 such registration by filing with the office, on or before
899 January 31 of the year following the year of expiration, such
900 information as required by the commission, together with payment
901 of the \$200 fee and a late fee of \$200. Any reinstatement of
902 registration granted by the office during the month of January
903 is deemed effective retroactive to January 1 of that year.

904 ~~(20)-(21)~~ The registration requirements of this section do
905 not apply to any general lines insurance agent or life insurance
906 agent licensed under chapter 626, for the sale of a security as
907 defined in s. 517.021(23)(g) ~~s. 517.021(22)(g)~~, if the
908 individual is directly authorized by the issuer to offer or sell
909 the security on behalf of the issuer and the issuer is a

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910 federally chartered savings bank subject to regulation by the
911 Federal Deposit Insurance Corporation. Actions under this
912 subsection shall constitute activity under the insurance agent's
913 license for purposes of ss. 626.611 and 626.621.

914 (22) Registration exemption for investment advisers to
915 private funds.

916 (a) For purposes of this subsection, the following
917 definitions shall apply:

918 1. "Advisory affiliate" means an "advisory affiliate" as
919 defined in the Glossary of Terms to Form ADV (Uniform
920 Application for Investment Adviser Registration) (17 C.F.R. s.
921 279.1).

922 2. "Exempt reporting adviser" means an "exempt reporting
923 adviser" as defined in the Glossary of Terms to Form ADV
924 (Uniform Application for Investment Adviser Registration) (17
925 C.F.R. s. 279.1).

926 3. "Private fund adviser" means an investment adviser who
927 provides advice solely to one or more qualifying private funds.

928 4. "Qualifying private fund" means:

929 a. A private fund that meets the definition of a
930 "qualifying private fund" in SEC Rule 203(m)-1, 17 C.F.R.
931 275.203(m)-1;

932 b. A private fund that meets the definition of a "venture
933 capital fund" in SEC Rule 203(l)-1, 17 C.F.R. s. 275.203(l)-1;
934 or

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935 c. A "venture capital operating company" as defined in
936 Rule 2510.3-101(d) adopted by the U.S. Department of Labor under
937 the Employee Retirement Income Security Act of 1974, as amended
938 (29 C.F.R. s. 2510.3- 101(d)).

939 5. "3(c) (1) fund" means a qualifying private fund that is
940 eligible for the exclusion from the definition of an investment
941 company under section 3(c) (1) of the Investment Company Act of
942 1940, as amended (15 U.S.C. 80a-3(c) (1)).

943 (b) Subject to the additional requirements of paragraph
944 (c) below, a private fund adviser shall be exempt from the
945 registration requirements of s. 517.12, if the private fund
946 adviser satisfies the following conditions:

947 1. neither the private fund adviser nor any of its
948 advisory affiliates are subject to an event that would
949 disqualify an issuer under Rule 506(d) (1) of SEC Regulation D,
950 17 C.F.R. s. 230.506(d) (1); and

951 2. the private fund adviser files with the office each
952 report and amendment thereto that an exempt reporting adviser is
953 required to file with the Securities and Exchange Commission
954 pursuant to SEC Rule 204-4, 17 C.F.R. s. 275.204-4.

955 (c) In order to qualify for the exemption described in
956 paragraph (b) of this subsection, a private fund adviser who
957 advises at least one (3) (c) (1) fund that is not a venture
958 capital fund shall, in addition to satisfying each of the

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959 conditions specified in paragraph (b), comply with the following
960 requirements:

961 1. The private fund adviser shall advise only those
962 3(c) (1) funds (other than venture capital funds) whose
963 outstanding securities (other than short-term paper) are
964 beneficially owned entirely by accredited investors; and

965 2. At the time of purchase, the private fund adviser shall
966 disclose the following in writing to each beneficial owner of a
967 3(c) (1) fund that is not a venture capital fund:

968 a. All services, if any, to be provided to individual
969 beneficial owners;

970 b. All duties, if any, the investment adviser owes to the
971 beneficial owners; and

972 c. Any other material information affecting the rights or
973 responsibilities of the beneficial owners.

974 (d) If a private fund adviser is registered with the
975 Securities and Exchange Commission, the adviser shall not be
976 eligible for this exemption and shall comply with the state
977 notice filing requirements applicable to federal covered
978 investment advisers in s. 517.1201.

979 (e) A person is exempt from the registration requirements
980 of s. 517.12 if he or she is employed by or associated with an
981 investment adviser that is exempt from registration in this
982 state pursuant to this subsection and does not otherwise act as

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983 an associated person of an investment adviser or federal covered
984 adviser.

985 (f) The report filings described in subparagraph (b)2. above
986 shall be made electronically through the Investment Adviser
987 Registration Depository. A report shall be deemed filed with the
988 office when the report has been filed and accepted by the
989 Depository on the office's behalf.

990 Section 7. Section 517.1214, Florida Statutes, is created
991 to read:

992 517.1214 Continuing education requirements for associated
993 persons of investment advisers and federal covered advisers.-

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

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

999 (b) "Credit" means a unit designated by NASAA or its
1000 designee as at least 50 minutes of educational instruction.

1001 (c) "Home state" means the state in which an associated
1002 person of an investment adviser or a federal covered adviser has
1003 his or her principal office and place of business.

1004 (d) "NASAA" means the North American Securities
1005 Administrators Association, Inc.

1006 (e) "Reporting period" means one 12-month period beginning
1007 January 1 and ending December 31. An associated person's initial

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1008 reporting period with this state commences the first day of the
1009 first full reporting period after the individual is registered
1010 or required to be registered with this state.

1011 (2) By December 31, 2024, and each December 31 thereafter,
1012 each associated person of an investment adviser or a federal
1013 covered adviser shall complete the following continuing
1014 education content requirements offered by a person that NASAA or
1015 its designee has authorized to provide the continuing education
1016 content required by this section:

1017 (a) Six credits of approved continuing education content
1018 that addresses an associated person's ethical and regulatory
1019 obligations, with at least 3 hours covering the topic of ethics;
1020 and

1021 (b) Six credits of approved continuing education content
1022 that addresses an associated person's skills and knowledge
1023 regarding financial products, investment features, and practices
1024 in the investment advisory industry.

1025 (3) An associated person of an investment adviser or
1026 federal covered adviser who is also registered as an associated
1027 person of a Financial Industry Regulatory Authority (FINRA)
1028 member dealer and who complies with FINRA's continuing education
1029 requirements is considered to be in compliance with this
1030 section's products and practice requirement for each applicable
1031 reporting period, provided that the FINRA continuing education
1032 content is approved continuing education content.

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1033 (4) Credits of continuing education completed by an
1034 associated person who was awarded and currently holds a
1035 credential that qualifies for examination waiver by passing any
1036 tests as prescribed in s. 15(b)(7) of the Securities Exchange
1037 Act of 1934, as amended, comply with paragraphs (2)(a) and (b),
1038 provided all of the following conditions are met:

1039 (a) The associated person completes the credits of
1040 continuing education as a condition of maintaining the
1041 credential for the relevant reporting period.

1042 (b) The credits of continuing education completed during
1043 the relevant reporting period by the associated person are
1044 mandatory to maintain the credential.

1045 (c) The continuing education content provided by the
1046 credentialing organization during the relevant reporting period
1047 is approved continuing education content.

1048 (5) Each associated person is responsible for ensuring
1049 that the authorized provider reports the associated person's
1050 completion of the applicable continuing education requirements.

1051 (6) An associated person who completes credits of
1052 continuing education in excess of the credits required for the
1053 reporting period may not carry forward excess credits to a
1054 subsequent reporting period.

1055 (7) An associated person who fails to comply with this
1056 section by the end of a reporting period shall renew as "CE
1057 inactive" at the close of the calendar year in this state until

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1058 the associated person completes and reports all required
1059 continuing education credits for all reporting periods as
1060 required by this section. An associated person who is "CE
1061 inactive" at the close of the next calendar year is not eligible
1062 for associated person registration or renewal of associated
1063 person registration.

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

1067

Remove line 24 and insert:

1068

F.S.; providing a registration exemption for investment advisers

1069

to private funds; revising applicability of registration