**ANNOTATIONS AND COMMENTS**

Section 17 of the Securities Act provides, in pertinent part:

It shall be unlawful for any person in the offer or sale of any securities… directly or indirectly –

to employ any device, scheme, or artifice to defraud, or

to obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

15 U.S.C. § 77q. *See SEC v. Jamie L. Solow*, 06-cv-81041 (S.D. FL), docket entry 118 at p.14; In *Re Bankatlantic Securities Litigation*, 07-cv-61542 (S.D. FL), docket entry 643 at p.21; *SEC v. Yun*, 99-cv-117 (M.D. FL), docket entry 360 at p.19; *see also SEC v. Grinsburg*, 362 F.3d 1292, 1298 (11th Cir. 2004) (preponderance of evidence standard and use of circumstantial evidence); *Basic, Inc. v. Levinson*, 485 U.S. 224 (1988) (materiality); *Aaron v. SEC*, 446 U.S. 680, 697 (1980) (scienter); *SEC v. Merchant Capital, LLC*, 483 F.3d 747, 766-67, 768, & 772 (11th Cir. 2007) (materiality and scienter); *Bryant v. Avado Brands, Inc.*, 187 F.3d 1271, 1282 n.18 (11th Cir. 1999) (scienter); *SEC v. Carriba Air, Inc.*, 681 F.2d 1318, 1324 (11th Cir. 1982) (scienter); *Woods v. Barnett Bank of Ft. Lauderdale*, 765 F.2d 1004, 1010-11, n.9 (11th Cir. 1985) (scienter); *see generally* Sand’s, Comments to Instruction 82-3, 82-4 & 82-8.