

HB 380 -- Securities Regulation

Co-Sponsors: Byrd, Luetkemeyer, Hanaway, Shoemaker (8), Bearden, Willoughby, Crowell, Dixon, Engler, Meredith

This bill substantially revises and modernizes the securities regulation laws, incorporating many provisions of the Uniform Securities Act. In its main provisions, the bill:

- (1) Authorizes the Secretary of State to seek court orders requiring violators to disgorge illicit profits, pay restitution, and pay into the Investor Education and Protection Fund, which the bill establishes;
- (2) Increases criminal fines to \$1 million;
- (3) Requires banks with on-premise brokerage firms to comply with federal rules;
- (4) Modernizes, simplifies, and broadens exemptions from securities registration with the state;
- (5) Promotes consistency with other states and the Securities and Exchange Commission in the definition of "security";
- (6) Authorizes civil prosecution of individuals who materially aid in violations; and
- (7) Adds civil penalties of \$10,000 for one violation and up to \$1 million for more than one violation.