

VIRGINIA ACTS OF ASSEMBLY -- 2000 SESSION

CHAPTER 166

An Act to amend and reenact §§ 13.1-521 and 13.1-570 of the Code of Virginia, relating to penalties for violations of the Securities Act and the Retail Franchising Act.

[H 662]

Approved March 24, 2000

Be it enacted by the General Assembly of Virginia:

1. That §§ 13.1-521 and 13.1-570 of the Code of Virginia are amended and reenacted as follows:

§ 13.1-521. Violations punishable by the Commission.

A. The Commission may, by judgment entered after a hearing on *thirty days'* notice ~~duly served on~~ to the defendant ~~not less than thirty days before the date of the hearing~~, if it is proved that the defendant has knowingly made any misrepresentation of a material fact for the purpose of inducing the Commission to take any action or to refrain from taking action, or has violated any provision of this chapter or any order, rule, or regulation of the Commission issued pursuant to this chapter, impose a *civil* penalty not exceeding \$5,000, which shall be collectible by the process of the Commission as provided by law.

B. In addition to imposing the penalty set forth in subsection A, or without imposing such penalty, the Commission may, in any such case, revoke any authority or registration issued by the Commission to or at the instance of the defendant.

C. Each sale of a security ~~in violation of~~ *contrary to* the provisions of this chapter shall constitute a separate ~~offense~~ *violation*. The Commission may request the seller to rescind any such sale and to make restitution to the purchaser. If the seller complies with the request, the Commission shall consider such compliance in determining whether a penalty should be imposed on him on account of that illegal sale, and if so, the amount of such penalty.

D. Each investment advisory contract, transaction or activity ~~in violation of~~ *contrary to* the provisions of this chapter shall constitute a separate ~~offense~~ *violation*. The Commission may request the investment advisor or investment advisor representative to rescind any such contract or transaction and to make restitution to the user of the investment advisory service, and if the investment advisor or investment advisor representative complies with the request, the Commission shall consider such compliance in determining whether a penalty should be imposed on him on account of that illegal contract, transaction or activity and, if so, the amount of such penalty.

§ 13.1-570. Violations punishable by Commission.

The Commission may, by judgment entered after a hearing on *thirty days'* notice ~~duly served on~~ to the defendant ~~not less than thirty days before the date of the hearing~~, if it be proved that the defendant has knowingly made any misrepresentation of a material fact for the purpose of inducing the Commission to take any action or to refrain from taking action, or has violated any provision of this chapter or any order, rule, or regulation of the Commission issued pursuant to this chapter, impose a *civil* penalty not exceeding \$25,000, which shall be collectible by the process of the Commission as provided by law.

Each franchise entered into ~~in violation of~~ *contrary to* the provisions of this chapter shall constitute a separate ~~offense~~ *violation*. The Commission may request the franchisor to rescind any franchise and to make restitution to the franchisee. If the franchisor complies with the request, the Commission shall consider such compliance in determining whether a penalty should be imposed on him on account of that illegal franchise, and if so, the amount of such penalty.