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## SENATE BILL NO. 1243

Senate Amendments in [ ] — January 22, 2009

A BILL to amend and reenact § 13.1-521 of the Code of Virginia, relating to penalties for violations of the Virginia Securities Act.

Patrons Prior to Engrossment—Senator Stosch; Delegate: Purkey

Referred to Committee on Commerce and Labor

**Be it enacted by the General Assembly of Virginia:****1. That § 13.1-521 of the Code of Virginia is 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~~ 30 days' notice to the defendant, 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~~ \$10,000, 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 contrary to the provisions of this chapter shall constitute a separate violation. The Commission may ~~request~~ [ *in any such case under subsection A* ] order the seller to rescind any such sale and to make restitution to the purchaser; ~~if the seller complies with the request, and the Commission shall consider such [ compliance rescission ] and restitution 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 contrary to the provisions of this chapter shall constitute a separate violation. The Commission may ~~request~~ [ *in any such case under subsection A* ] order 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 rescission and restitution ] 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.~~

ENGROSSED

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