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SENATE BILL NO. 974

Offered January 11, 2023

Prefiled January 6, 2023

A *BILL to amend and reenact § 6.2-1537 of the Code of Virginia, relating to financial institutions; consumer finance companies; authority of Attorney General to issue civil investigative demand.*

Patron—Peake

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:**1. That § 6.2-1537 of the Code of Virginia is amended and reenacted as follows:****§ 6.2-1537. Authority of Attorney General; impoundment of property and receivership.**

A. Whenever the Attorney General has reasonable cause to believe that (i) any person, not licensed under this chapter, is violating, has violated, is threatening to violate or intends to violate any provision of this chapter or any order or regulation lawfully made pursuant to the authority of this chapter and (ii) the facts justify it, the Attorney General shall institute and prosecute a lawsuit for monetary or injunctive relief or both in the Circuit Court of the City of Richmond, in the name of the Commonwealth. The court may grant monetary relief or may enjoin and restrain or both any such person from engaging in or continuing any such violation or from doing any act or acts in furtherance thereof. In any such suit a decree or order may be entered awarding such monetary relief or preliminary or final injunctive relief as may be deemed proper.

B. In addition to all other means provided by law for the enforcement of an award of monetary relief, a temporary restraining order, temporary injunction, or final injunction, the court may impound, and appoint a receiver for, (i) the property and business of the defendant, including books, papers, documents, and records pertaining thereto, (ii) so much thereof as the court deems reasonably necessary to prevent further violation of this chapter through or by means of the use of such property and business, or (iii) so much thereof as is necessary to identify borrowers who have been damaged and the amount of their damages, and to refund the amount of any such damages to the borrowers pursuant to subsection C. The receiver, when appointed and qualified, shall have such powers and duties as to custody, collection, administration, payment of debts and liquidation of the property and business as from time to time are conferred upon him by the court.

C. The Attorney General may seek and the circuit court may order or decree such other relief allowed by law, including restitution to the extent available to borrowers under § 6.2-1541.

D. In any action brought by the Attorney General by virtue of the authority granted in this section, the Attorney General shall be entitled to seek attorney fees and costs.

E. Nothing in this section shall be construed to preclude any person who suffers a loss as a result of a violation of § 6.2-1501 from maintaining an action to recover damages or restitution under § 6.2-1541.

F. No individual shall be entitled to refuse to testify in a suit brought under this section because the person's testimony would tend to incriminate such person or subject the individual to penalty or forfeiture. If called to testify by the Commonwealth or by the court trying the case, the individual may not thereafter be prosecuted for any crime or subjected to any penalty or forfeiture growing out of the transaction concerning which the individual testifies.

G. *Notwithstanding the provisions of § 59.1-199, whenever the Attorney General has reasonable cause to believe that any person has engaged in, is engaging in, or is about to engage in any violation of the provisions of this chapter or any order or regulation lawfully made pursuant to the authority of this chapter, the Attorney General is empowered to issue a civil investigative demand. The provisions of § 59.1-9.10 shall apply mutatis mutandis to civil investigative demands issued pursuant to this section.*

INTRODUCED

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