

AMENDMENT IN THE NATURE OF A SUBSTITUTE TO
H.R. _____
OFFERED BY MS. PORTER OF CALIFORNIA

Strike all after the enacting clause and insert the following:

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Stronger Enforcement
3 of Civil Penalties Act of 2019”.

4 **SEC. 2. UPDATED CIVIL MONEY PENALTIES FOR SECURI-**
5 **TIES LAWS VIOLATIONS.**

6 (a) SECURITIES ACT OF 1933.—

7 (1) MONEY PENALTIES IN ADMINISTRATIVE AC-
8 TIONS.—Section 8A(g)(2) of the Securities Act of
9 1933 (15 U.S.C. 77h–1(g)(2)) is amended—

10 (A) in subparagraph (A)—

11 (i) by striking “\$7,500” and inserting
12 “\$10,000”; and

13 (ii) by striking “\$75,000” and insert-
14 ing “\$100,000”;

15 (B) in subparagraph (B)—

16 (i) by striking “\$75,000” and insert-
17 ing “\$100,000”; and

1 (ii) by striking “\$375,000” and in-
2 serting “\$500,000”; and

3 (C) by striking subparagraph (C) and in-
4 serting the following:

5 “(C) THIRD TIER.—

6 “(i) IN GENERAL.—Notwithstanding
7 subparagraphs (A) and (B), for a third
8 tier act or omission, the amount of penalty
9 for each such act or omission shall not ex-
10 ceed the greater of—

11 “(I) \$1,000,000 for a natural
12 person or \$10,000,000 for any other
13 person;

14 “(II) 3 times the gross amount of
15 pecuniary gain to the person who
16 committed the act or omission; or

17 “(III) the amount of losses in-
18 curred by victims as a result of the
19 act or omission.

20 “(ii) THIRD TIER ACT OR OMISSION.—

21 For the purposes of this subparagraph, the
22 term ‘third tier act or omission’ means an
23 act or omission described in paragraph (1)
24 that—

1 “(I) involved fraud, deceit, ma-
2 nipulation, or deliberate or reckless
3 disregard of a regulatory requirement;
4 and

5 “(II) directly or indirectly—

6 “(aa) resulted in substantial
7 losses to other persons;

8 “(bb) created a significant
9 risk of substantial losses to other
10 persons; or

11 “(cc) resulted in substantial
12 pecuniary gain to the person who
13 committed the act or omission.”.

14 (2) MONEY PENALTIES IN CIVIL ACTIONS.—
15 Section 20(d)(2) of the Securities Act of 1933 (15
16 U.S.C. 77t(d)(2)) is amended—

17 (A) in subparagraph (A)—

18 (i) by striking “\$5,000” and inserting
19 “\$10,000”; and

20 (ii) by striking “\$50,000” and insert-
21 ing “\$100,000”;

22 (B) in subparagraph (B)—

23 (i) by striking “\$50,000” and insert-
24 ing “\$100,000”; and

1 (ii) by striking “\$250,000” and in-
2 serting “\$500,000”; and

3 (C) by striking subparagraph (C) and in-
4 serting the following:

5 “(C) THIRD TIER.—

6 “(i) IN GENERAL.—Notwithstanding
7 subparagraphs (A) and (B), for a third
8 tier violation, the amount of penalty for
9 each violation shall not exceed the greater
10 of—

11 “(I) \$1,000,000 for a natural
12 person or \$10,000,000 for any other
13 person;

14 “(II) 3 times the gross amount of
15 pecuniary gain to the person who
16 committed the violation; or

17 “(III) the amount of losses in-
18 curred by victims as a result of the
19 violation.

20 “(ii) THIRD TIER VIOLATION.—For
21 the purposes of this subparagraph, the
22 term ‘third tier violation’ means a violation
23 described in paragraph (1) that—

24 “(I) involved fraud, deceit, ma-
25 nipulation, or deliberate or reckless

1 disregard of a regulatory requirement;

2 and

3 “(II) directly or indirectly—

4 “(aa) resulted in substantial
5 losses to other persons;

6 “(bb) created a significant
7 risk of substantial losses to other
8 persons; or

9 “(cc) resulted in substantial
10 pecuniary gain to the person who
11 committed the violation.”.

12 (b) SECURITIES EXCHANGE ACT OF 1934.—

13 (1) MONEY PENALTIES IN CIVIL ACTIONS.—

14 Section 21(d)(3)(B) of the Securities Exchange Act
15 of 1934 (15 U.S.C. 78u(d)(3)(B)) is amended—

16 (A) in clause (i)—

17 (i) by striking “\$5,000” and inserting
18 “\$10,000”; and

19 (ii) by striking “\$50,000” and insert-
20 ing “\$100,000”;

21 (B) in clause (ii)—

22 (i) by striking “\$50,000” and insert-
23 ing “\$100,000”; and

24 (ii) by striking “\$250,000” and in-
25 serting “\$500,000”; and

1 (C) by striking clause (iii) and inserting
2 the following:

3 “(iii) THIRD TIER.—

4 “(I) IN GENERAL.—Notwith-
5 standing clauses (i) and (ii), for a
6 third tier violation, the amount of
7 penalty for each such violation shall
8 not exceed the greater of—

9 “(aa) \$1,000,000 for a nat-
10 ural person or \$10,000,000 for
11 any other person;

12 “(bb) 3 times the gross
13 amount of pecuniary gain to the
14 person who committed the viola-
15 tion; or

16 “(cc) the amount of losses
17 incurred by victims as a result of
18 the violation.

19 “(II) THIRD TIER VIOLATION.—
20 For the purposes of this clause, the
21 term ‘third tier violation’ means a vio-
22 lation described in subparagraph (A)
23 that—

24 “(aa) involved fraud, deceit,
25 manipulation, or deliberate or

1 reckless disregard of a regulatory
2 requirement; and

3 “(bb) directly or indirectly—

4 “(AA) resulted in sub-
5 stantial losses to other per-
6 sons;

7 “(BB) created a signifi-
8 cant risk of substantial
9 losses to other persons; or

10 “(CC) resulted in sub-
11 stantial pecuniary gain to
12 the person who committed
13 the violation.”.

14 (2) MONEY PENALTIES IN ADMINISTRATIVE AC-
15 TIONS.—Section 21B(b) of the Securities Exchange
16 Act of 1934 (15 U.S.C. 78u–2(b)) is amended—

17 (A) in paragraph (1)—

18 (i) by striking “\$5,000” and inserting
19 “\$10,000”; and

20 (ii) by striking “\$50,000” and insert-
21 ing “\$100,000”;

22 (B) in paragraph (2)—

23 (i) by striking “\$50,000” and insert-
24 ing “\$100,000”; and

1 (ii) by striking “\$250,000” and in-
2 serting “\$500,000”; and

3 (C) by striking paragraph (3) and insert-
4 ing the following:

5 “(3) THIRD TIER.—

6 “(A) IN GENERAL.—Notwithstanding
7 paragraphs (1) and (2), for a third tier act or
8 omission, the amount of penalty for each such
9 act or omission shall not exceed the greater
10 of—

11 “(i) \$1,000,000 for a natural person
12 or \$10,000,000 for any other person;

13 “(ii) 3 times the gross amount of pe-
14 cuniary gain to the person who committed
15 the act or omission; or

16 “(iii) the amount of losses incurred by
17 victims as a result of the act or omission.

18 “(B) THIRD TIER ACT OR OMISSION.—For
19 the purposes of this paragraph, the term ‘third
20 tier act or omission’ means an act or omission
21 described in paragraph (1) that—

22 “(i) involved fraud, deceit, manipula-
23 tion, or deliberate or reckless disregard of
24 a regulatory requirement; and

25 “(ii) directly or indirectly—

1 “(I) resulted in substantial losses
2 to other persons;

3 “(II) created a significant risk of
4 substantial losses to other persons; or

5 “(III) resulted in substantial pe-
6 cuniary gain to the person who com-
7 mitted the act or omission.”.

8 (c) INVESTMENT COMPANY ACT OF 1940.—

9 (1) MONEY PENALTIES IN ADMINISTRATIVE AC-
10 TIONS.—Section 9(d)(2) of the Investment Company
11 Act of 1940 (15 U.S.C. 80a–9(d)(2)) is amended—

12 (A) in subparagraph (A)—

13 (i) by striking “\$5,000” and inserting
14 “\$10,000”; and

15 (ii) by striking “\$50,000” and insert-
16 ing “\$100,000”;

17 (B) in subparagraph (B)—

18 (i) by striking “\$50,000” and insert-
19 ing “\$100,000”; and

20 (ii) by striking “\$250,000” and in-
21 serting “\$500,000”; and

22 (C) by striking subparagraph (C) and in-
23 serting the following:

24 “(C) THIRD TIER.—

1 “(i) IN GENERAL.—Notwithstanding
2 subparagraphs (A) and (B), for a third
3 tier act or omission, the amount of penalty
4 for each such act or omission shall not ex-
5 ceed the greater of—

6 “(I) \$1,000,000 for a natural
7 person or \$10,000,000 for any other
8 person;

9 “(II) 3 times the gross amount of
10 pecuniary gain to the person who
11 committed the act or omission; or

12 “(III) the amount of losses in-
13 curred by victims as a result of the
14 act or omission.

15 “(ii) THIRD TIER ACT OR OMISSION.—
16 For the purposes of this subparagraph, the
17 term ‘third tier act or omission’ means an
18 act or omission described in paragraph (1)
19 that—

20 “(I) involved fraud, deceit, ma-
21 nipulation, or deliberate or reckless
22 disregard of a regulatory requirement;
23 and

24 “(II) directly or indirectly—

1 “(aa) resulted in substantial
2 losses to other persons;

3 “(bb) created a significant
4 risk of substantial losses to other
5 persons; or

6 “(cc) resulted in substantial
7 pecuniary gain to the person who
8 committed the act or omission.”.

9 (2) MONEY PENALTIES IN CIVIL ACTIONS.—
10 Section 42(e)(2) of the Investment Company Act of
11 1940 (15 U.S.C. 80a–41(e)(2)) is amended—

12 (A) in subparagraph (A)—

13 (i) by striking “\$5,000” and inserting
14 “\$10,000”; and

15 (ii) by striking “\$50,000” and insert-
16 ing “\$100,000”;

17 (B) in subparagraph (B)—

18 (i) by striking “\$50,000” and insert-
19 ing “\$100,000”; and

20 (ii) by striking “\$250,000” and in-
21 serting “\$500,000”; and

22 (C) by striking subparagraph (C) and in-
23 serting the following:

24 “(C) THIRD TIER.—

1 “(i) IN GENERAL.—Notwithstanding
2 subparagraphs (A) and (B), for a third
3 tier violation, the amount of penalty for
4 each such violation shall not exceed the
5 greater of—

6 “(I) \$1,000,000 for a natural
7 person or \$10,000,000 for any other
8 person;

9 “(II) 3 times the gross amount of
10 pecuniary gain to the person who
11 committed the violation; or

12 “(III) the amount of losses in-
13 curred by victims as a result of the
14 violation.

15 “(ii) THIRD TIER VIOLATION.—For
16 the purposes of this subparagraph, the
17 term ‘third tier violation’ means a violation
18 described in paragraph (1) that—

19 “(I) involved fraud, deceit, ma-
20 nipulation, or deliberate or reckless
21 disregard of a regulatory requirement;
22 and

23 “(II) directly or indirectly—

24 “(aa) resulted in substantial
25 losses to other persons;

1 “(bb) created a significant
2 risk of substantial losses to other
3 persons; or

4 “(cc) resulted in substantial
5 pecuniary gain to the person who
6 committed the violation.”.

7 (d) INVESTMENT ADVISERS ACT OF 1940.—

8 (1) MONEY PENALTIES IN ADMINISTRATIVE AC-
9 TIONS.—Section 203(i)(2) of the Investment Advis-
10 ers Act of 1940 (15 U.S.C. 80b–3(i)(2)) is amend-
11 ed—

12 (A) in subparagraph (A)—

13 (i) by striking “\$5,000” and inserting
14 “\$10,000”; and

15 (ii) by striking “\$50,000” and insert-
16 ing “\$100,000”;

17 (B) in subparagraph (B)—

18 (i) by striking “\$50,000” and insert-
19 ing “\$100,000”; and

20 (ii) by striking “\$250,000” and in-
21 serting “\$500,000”; and

22 (C) by striking subparagraph (C) and in-
23 serting the following:

24 “(C) THIRD TIER.—

1 “(i) IN GENERAL.—Notwithstanding
2 subparagraphs (A) and (B), for a third
3 tier act or omission, the amount of penalty
4 for each such act or omission shall not ex-
5 ceed the greater of—

6 “(I) \$1,000,000 for a natural
7 person or \$10,000,000 for any other
8 person;

9 “(II) 3 times the gross amount of
10 pecuniary gain to the person who
11 committed the act or omission; or

12 “(III) the amount of losses in-
13 curred by victims as a result of the
14 act or omission.

15 “(ii) THIRD TIER ACT OR OMISSION.—
16 For the purposes of this subparagraph, the
17 term ‘third tier act or omission’ means an
18 act or omission described in paragraph (1)
19 that—

20 “(I) involved fraud, deceit, ma-
21 nipulation, or deliberate or reckless
22 disregard of a regulatory requirement;
23 and

24 “(II) directly or indirectly—

1 “(aa) resulted in substantial
2 losses to other persons;

3 “(bb) created a significant
4 risk of substantial losses to other
5 persons; or

6 “(cc) resulted in substantial
7 pecuniary gain to the person who
8 committed the act or omission.”.

9 (2) MONEY PENALTIES IN CIVIL ACTIONS.—
10 Section 209(e)(2) of the Investment Advisers Act of
11 1940 (15 U.S.C. 80b-9(e)(2)) is amended—

12 (A) in subparagraph (A)—

13 (i) by striking “\$5,000” and inserting
14 “\$10,000”; and

15 (ii) by striking “\$50,000” and insert-
16 ing “\$100,000”;

17 (B) in subparagraph (B)—

18 (i) by striking “\$50,000” and insert-
19 ing “\$100,000”; and

20 (ii) by striking “\$250,000” and in-
21 serting “\$500,000”; and

22 (C) by striking subparagraph (C) and in-
23 serting the following:

24 “(C) THIRD TIER.—

1 “(i) IN GENERAL.—Notwithstanding
2 subparagraphs (A) and (B), for a third
3 tier violation, the amount of penalty for
4 each such violation shall not exceed the
5 greater of—

6 “(I) \$1,000,000 for a natural
7 person or \$10,000,000 for any other
8 person;

9 “(II) 3 times the gross amount of
10 pecuniary gain to the person who
11 committed the violation; or

12 “(III) the amount of losses in-
13 curred by victims as a result of the
14 violation.

15 “(ii) THIRD TIER VIOLATION.—For
16 the purposes of this subparagraph, the
17 term ‘third tier violation’ means a violation
18 described in paragraph (1) that—

19 “(I) involved fraud, deceit, ma-
20 nipulation, or deliberate or reckless
21 disregard of a regulatory requirement;
22 and

23 “(II) directly or indirectly—

24 “(aa) resulted in substantial
25 losses to other persons;

1 “(bb) created a significant
2 risk of substantial losses to other
3 persons; or

4 “(cc) resulted in substantial
5 pecuniary gain to the person who
6 committed the violation.”.

7 **SEC. 3. PENALTIES FOR RECIDIVISTS.**

8 (a) SECURITIES ACT OF 1933.—

9 (1) CEASE-AND-DESIST PROCEEDINGS.—Section
10 8A(g)(2) of the Securities Act of 1933 (15 U.S.C.
11 77h–1(g)(2)) is amended by adding at the end the
12 following:

13 “(D) FOURTH TIER.—Notwithstanding
14 subparagraphs (A), (B), and (C), the maximum
15 amount of penalty for each such act or omission
16 shall be 3 times the otherwise applicable
17 amount in such subparagraphs if, within the 5-
18 year period preceding such act or omission, the
19 person who committed the act or omission was
20 criminally convicted for securities fraud or be-
21 came subject to a judgment or order imposing
22 monetary, equitable, or administrative relief in
23 any Commission action alleging fraud by that
24 person.”.

1 (2) INJUNCTIONS AND PROSECUTION OF OF-
2 FENSES.—Section 20(d)(2) of the Securities Act of
3 1933 (15 U.S.C. 77t(d)(2)) is amended by adding at
4 the end the following:

5 “(D) FOURTH TIER.—Notwithstanding
6 subparagraphs (A), (B), and (C), the maximum
7 amount of penalty for each such violation shall
8 be 3 times the otherwise applicable amount in
9 such subparagraphs if, within the 5-year period
10 preceding such violation, the defendant was
11 criminally convicted for securities fraud or be-
12 came subject to a judgment or order imposing
13 monetary, equitable, or administrative relief in
14 any Commission action alleging fraud by that
15 defendant.”.

16 (b) SECURITIES EXCHANGE ACT OF 1934.—

17 (1) CIVIL ACTIONS.—Section 21(d)(3)(B) of the
18 Securities Exchange Act of 1934 (15 U.S.C.
19 78u(d)(3)(B)) is amended by adding at the end the
20 following:

21 “(iv) FOURTH TIER.—Notwithstanding
22 clauses (i), (ii), and (iii), the maximum amount
23 of penalty for each such violation shall be 3
24 times the otherwise applicable amount in such
25 clauses if, within the 5-year period preceding

1 such violation, the defendant was criminally
2 convicted for securities fraud or became subject
3 to a judgment or order imposing monetary, eq-
4 uitable, or administrative relief in any Commis-
5 sion action alleging fraud by that defendant.”.

6 (2) ADMINISTRATIVE PROCEEDINGS.—Section
7 21B(b) of the Securities Exchange Act of 1934 (15
8 U.S.C. 78u–2(b)) is amended by adding at the end
9 the following:

10 “(4) FOURTH TIER.—Notwithstanding para-
11 graphs (1), (2), and (3), the maximum amount of
12 penalty for each such act or omission shall be 3
13 times the otherwise applicable amount in such para-
14 graphs if, within the 5-year period preceding such
15 act or omission, the person who committed the act
16 or omission was criminally convicted for securities
17 fraud or became subject to a judgment or order im-
18 posing monetary, equitable, or administrative relief
19 in any Commission action alleging fraud by that per-
20 son.”.

21 (c) INVESTMENT COMPANY ACT OF 1940.—

22 (1) INELIGIBILITY OF CERTAIN UNDERWRITERS
23 AND AFFILIATES.—Section 9(d)(2) of the Invest-
24 ment Company Act of 1940 (15 U.S.C. 80a–9(d)(2))
25 is amended by adding at the end the following:

1 “(D) FOURTH TIER.—Notwithstanding
2 subparagraphs (A), (B), and (C), the maximum
3 amount of penalty for each such act or omission
4 shall be 3 times the otherwise applicable
5 amount in such subparagraphs if, within the 5-
6 year period preceding such act or omission, the
7 person who committed the act or omission was
8 criminally convicted for securities fraud or be-
9 came subject to a judgment or order imposing
10 monetary, equitable, or administrative relief in
11 any Commission action alleging fraud by that
12 person.”.

13 (2) ENFORCEMENT OF CERTAIN ACTIONS.—
14 Section 42(e)(2) of the Investment Company Act of
15 1940 (15 U.S.C. 80a–41(e)(2)) is amended by add-
16 ing at the end the following:

17 “(D) FOURTH TIER.—Notwithstanding
18 subparagraphs (A), (B), and (C), the maximum
19 amount of penalty for each such violation shall
20 be 3 times the otherwise applicable amount in
21 such subparagraphs if, within the 5-year period
22 preceding such violation, the defendant was
23 criminally convicted for securities fraud or be-
24 came subject to a judgment or order imposing
25 monetary, equitable, or administrative relief in

1 any Commission action alleging fraud by that
2 defendant.”.

3 (d) INVESTMENT ADVISERS ACT OF 1940.—The In-
4 vestment Advisers Act of 1940 (15 U.S.C. 80b–1 et seq.)
5 is amended—

6 (1) in section 203(i)(2) (15 U.S.C. 80b–
7 3(i)(2)), by adding at the end the following:

8 “(D) FOURTH TIER.—Notwithstanding
9 subparagraphs (A), (B), and (C), the maximum
10 amount of penalty for each such act or omission
11 shall be 3 times the otherwise applicable
12 amount in such subparagraphs if, within the 5-
13 year period preceding such act or omission, the
14 person who committed the act or omission was
15 criminally convicted for securities fraud or be-
16 came subject to a judgment or order imposing
17 monetary, equitable, or administrative relief in
18 any Commission action alleging fraud by that
19 person.”; and

20 (2) in section 209(e)(2) (15 U.S.C. 80b–
21 9(e)(2)) by adding at the end the following:

22 “(D) FOURTH TIER.—Notwithstanding
23 subparagraphs (A), (B), and (C), the maximum
24 amount of penalty for each such violation shall
25 be 3 times the otherwise applicable amount in

1 such subparagraphs if, within the 5-year period
2 preceding such violation, the defendant was
3 criminally convicted for securities fraud or be-
4 came subject to a judgment or order imposing
5 monetary, equitable, or administrative relief in
6 any Commission action alleging fraud by that
7 defendant.”.

8 **SEC. 4. VIOLATIONS OF INJUNCTIONS AND BARS.**

9 (a) SECURITIES ACT OF 1933.—Section 20(d) of the
10 Securities Act of 1933 (15 U.S.C. 77t(d)) is amended—

11 (1) in paragraph (1), by inserting after “the
12 rules or regulations thereunder,” the following: “a
13 Federal court injunction or a bar obtained or en-
14 tered by the Commission under this title,”; and

15 (2) by striking paragraph (4) and inserting the
16 following:

17 “(4) SPECIAL PROVISIONS RELATING TO A VIO-
18 LATION OF AN INJUNCTION OR CERTAIN ORDERS.—

19 “(A) IN GENERAL.—Each separate viola-
20 tion of an injunction or order described in sub-
21 paragraph (B) shall be a separate offense, ex-
22 cept that in the case of a violation through a
23 continuing failure to comply with such injunc-
24 tion or order, each day of the failure to comply

1 with the injunction or order shall be deemed a
2 separate offense.

3 “(B) INJUNCTIONS AND ORDERS.—Sub-
4 paragraph (A) shall apply with respect to any
5 action to enforce—

6 “(i) a Federal court injunction ob-
7 tained pursuant to this title;

8 “(ii) an order entered or obtained by
9 the Commission pursuant to this title that
10 bars, suspends, places limitations on the
11 activities or functions of, or prohibits the
12 activities of a person; or

13 “(iii) a cease-and-desist order entered
14 by the Commission pursuant to section
15 8A.”.

16 (b) SECURITIES EXCHANGE ACT OF 1934.—Section
17 21(d)(3) of the Securities Exchange Act of 1934 (15
18 U.S.C. 78u(d)(3)) is amended—

19 (1) in subparagraph (A), by inserting after “the
20 rules or regulations thereunder,” the following: “a
21 Federal court injunction or a bar obtained or en-
22 tered by the Commission under this title,”; and

23 (2) by striking subparagraph (D) and inserting
24 the following:

1 “(D) SPECIAL PROVISIONS RELATING TO A VIO-
2 LATION OF AN INJUNCTION OR CERTAIN ORDERS.—

3 “(i) IN GENERAL.—Each separate violation
4 of an injunction or order described in clause (ii)
5 shall be a separate offense, except that in the
6 case of a violation through a continuing failure
7 to comply with such injunction or order, each
8 day of the failure to comply with the injunction
9 or order shall be deemed a separate offense.

10 “(ii) INJUNCTIONS AND ORDERS.—Clause
11 (i) shall apply with respect to an action to en-
12 force—

13 “(I) a Federal court injunction ob-
14 tained pursuant to this title;

15 “(II) an order entered or obtained by
16 the Commission pursuant to this title that
17 bars, suspends, places limitations on the
18 activities or functions of, or prohibits the
19 activities of a person; or

20 “(III) a cease-and-desist order entered
21 by the Commission pursuant to section
22 21C.”.

23 (c) INVESTMENT COMPANY ACT OF 1940.—Section
24 42(e) of the Investment Company Act of 1940 (15 U.S.C.
25 80a–41(e)) is amended—

1 (1) in paragraph (1), by inserting after “the
2 rules or regulations thereunder,” the following: “a
3 Federal court injunction or a bar obtained or en-
4 tered by the Commission under this title,”; and

5 (2) by striking paragraph (4) and inserting the
6 following:

7 “(4) SPECIAL PROVISIONS RELATING TO A VIO-
8 LATION OF AN INJUNCTION OR CERTAIN ORDERS.—

9 “(A) IN GENERAL.—Each separate viola-
10 tion of an injunction or order described in sub-
11 paragraph (B) shall be a separate offense, ex-
12 cept that in the case of a violation through a
13 continuing failure to comply with such injunc-
14 tion or order, each day of the failure to comply
15 with the injunction or order shall be deemed a
16 separate offense.

17 “(B) INJUNCTIONS AND ORDERS.—Sub-
18 paragraph (A) shall apply with respect to any
19 action to enforce—

20 “(i) a Federal court injunction ob-
21 tained pursuant to this title;

22 “(ii) an order entered or obtained by
23 the Commission pursuant to this title that
24 bars, suspends, places limitations on the

1 activities or functions of, or prohibits the
2 activities of a person; or

3 “(iii) a cease-and-desist order entered
4 by the Commission pursuant to section
5 9(f).”.

6 (d) INVESTMENT ADVISERS ACT OF 1940.—Section
7 209(e) of the Investment Advisers Act of 1940 (15 U.S.C.
8 80b–9(e)) is amended—

9 (1) in paragraph (1), by inserting after “the
10 rules or regulations thereunder,” the following: “a
11 Federal court injunction or a bar obtained or en-
12 tered by the Commission under this title,”; and

13 (2) by striking paragraph (4) and inserting the
14 following:

15 “(4) SPECIAL PROVISIONS RELATING TO A VIO-
16 LATION OF AN INJUNCTION OR CERTAIN ORDERS.—

17 “(A) IN GENERAL.—Each separate viola-
18 tion of an injunction or order described in sub-
19 paragraph (B) shall be a separate offense, ex-
20 cept that in the case of a violation through a
21 continuing failure to comply with such injunc-
22 tion or order, each day of the failure to comply
23 with the injunction or order shall be deemed a
24 separate offense.

1 “(B) INJUNCTIONS AND ORDERS.—Sub-
2 paragraph (A) shall apply with respect to any
3 action to enforce—

4 “(i) a Federal court injunction ob-
5 tained pursuant to this title;

6 “(ii) an order entered or obtained by
7 the Commission pursuant to this title that
8 bars, suspends, places limitations on the
9 activities or functions of, or prohibits the
10 activities of a person; or

11 “(iii) a cease-and-desist order entered
12 by the Commission pursuant to section
13 203(k).”.

