



125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 401

S.P. 114

In Senate, February 8, 2011

An Act To Enhance Penalties To Protect Senior Investors

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

Joseph G. Carleton Jr.

JOSEPH G. CARLETON, JR.
Secretary of the Senate

Presented by Senator KATZ of Kennebec.

Cosponsored by Senator: RECTOR of Knox, Representative: KESCHL of Belgrade.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 32 MRSA §16412, sub-§3**, as amended by PL 2007, c. 14, §7, is further
3 amended to read:

4 **3. Disciplinary penalties, licensees.** If the administrator finds that the order is in the
5 public interest and subsection 4, paragraph A, B, C, D, E, F, H, I, J, L or M authorizes the
6 action, an order under this chapter may censure, impose a bar on or impose a civil fine in
7 an amount not to exceed a maximum of \$5,000 per violation on a licensee. For a
8 violation involving an investor 65 years of age or older, the amount of the civil fine may
9 be doubled to an amount not to exceed a maximum of \$10,000 per violation.

10 **Sec. 2. 32 MRSA §16603, sub-§2, ¶B**, as enacted by PL 2005, c. 65, Pt. A, §2, is
11 amended to read:

12 B. Order other appropriate or ancillary relief, which may include:

13 (1) An asset freeze, accounting, writ of attachment, writ of general or specific
14 execution and appointment of a receiver or conservator, which may be the
15 administrator, for the defendant or the defendant's assets;

16 (2) Ordering the administrator to take charge and control of a defendant's
17 property, including investment accounts and accounts in a depository institution,
18 rents and profits, to collect debts and to acquire and dispose of property;

19 (3) Imposing a civil fine not to exceed \$10,000 per violation or an order of
20 rescission, restitution or disgorgement directed to a person that has engaged in an
21 act, practice or course of business constituting a violation of this chapter or the
22 predecessor act or a rule adopted or order issued under this chapter or the
23 predecessor act; ~~and~~

24 (4) Ordering the payment of prejudgment and postjudgment interest; ~~or~~ and

25 (5) Doubling the amount of a civil fine, not to exceed a maximum of \$20,000 per
26 violation, and doubling the amount of a monetary remedy, other than a civil fine,
27 without limitation for a violation involving an investor 65 years of age or older;
28 or

29 **Sec. 3. 32 MRSA §16604, sub-§4**, as enacted by PL 2005, c. 65, Pt. A, §2, is
30 amended to read:

31 **4. Civil fine; final orders and remedies.** In a final order under subsection 3, the
32 administrator may: order remedies described in subsection 1; censure that person; bar that
33 person from association with any issuer, broker-dealer or investment adviser in this State;
34 or impose a civil fine not to exceed \$5,000 per violation. For a violation involving an
35 investor 65 years of age or older, the amount of the civil fine may be doubled to an
36 amount not to exceed a maximum of \$10,000 per violation.

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SUMMARY

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This bill enacts measures that empower the Securities Administrator and the Maine courts to enhance the penalties for violations of the Maine Uniform Security Act that affect citizens 65 years of age or older.

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