

MEMO# 3565

March 5, 1992

MASSACHUSETTS AMENDS PROVISIONS TO DENY, SUSPEND OR REVOKE A REGISTRATION STATEMENT

March 5, 1992 TO: STATE SECURITIES MEMBERS NO. 9-92 UNIT INVESTMENT TRUST MEMBERS NO. 15-92 RE: MASSACHUSETTS AMENDS PROVISIONS TO DENY, SUSPEND OR REVOKE A REGISTRATION STATEMENT

Legislation was passed by the Massachusetts Legislature which amends Section 204 of the Massachusetts Securities Act. The amendments are effective as of March 30, 1992. The amendments give the Massachusetts Securities Division the authority to impose administrative fines, the issuance of an order for an accounting, disgorgement and rescission. The maximum administrative fine that may be imposed is \$10,000 per violation. In addition, the amendments to the Act grant the Division the authority to revoke or suspend a registration statement based upon a cease and desist order issued by another jurisdiction. The amendments removed the provision in Section 204(a))(F) which provided that the Division had to act within a one-year period if it was to rely upon an order of another jurisdiction and that, if acting upon such order, the revocation would have to be based upon facts that would constitute a violation of the securities laws in Massachusetts. Finally, the statute of limitations was amended to provide a four-year statute of limitations from the date of discovery rather than from the date the violation occurred. A copy of House Bill 3354 is attached. We will keep you advised of developments. Patricia Louie Assistant General Counsel Attachment

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