

AN ACT

ENTITLED, An Act to authorize a civil penalty for securities violations by registered or unregistered persons or entities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That subsection (M) of § 47-31A-204(a) be repealed.

Section 2. That § 47-31A-408 be amended to read as follows:

47-31A-408. Whenever it appears to the director that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of this chapter, or any rule or order hereunder, the director may do one or more of the following:

- (1) Issue a cease and desist order, with or without prior hearing, against the person or persons engaged in the prohibited activities, directing them to cease and desist from further illegal activities;
- (2) Bring an action in the circuit court to enjoin the acts or practices to enforce compliance with this chapter, or any rule or order hereunder; or
- (3) Impose by order and collect a civil penalty against any person found in an administrative action to have violated any provision of this chapter, or any rule or order issued under this chapter, in an amount not to exceed ten thousand dollars per violation per person. The director may bring actions to recover penalties pursuant to this subdivision in circuit court.

All civil penalties received shall be deposited in the state general fund.

Upon a proper showing a permanent or temporary injunction, restraining order or writ of mandamus shall be granted and a receiver or conservator may be appointed for the defendant or defendant's assets. In addition, upon a proper showing by the director, the court may enter an order of rescission, restitution or disgorgement directed to any person who has engaged in any act constituting a violation of any provision of this chapter, or any rule or order hereunder. The court

may not require the director to post a bond.

An Act to authorize a civil penalty for securities violations by registered or unregistered persons or entities.

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I certify that the attached Act originated in the

SENATE as Bill No. 26

\_\_\_\_\_  
Secretary of the Senate

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\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

Senate Bill No. 26  
File No. \_\_\_\_\_  
Chapter No. \_\_\_\_\_

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Received at this Executive Office this \_\_\_\_\_ day of \_\_\_\_\_ ,

20\_\_\_\_ at \_\_\_\_\_ M.

By \_\_\_\_\_  
for the Governor

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The attached Act is hereby approved this \_\_\_\_\_ day of \_\_\_\_\_ , A.D., 20\_\_\_\_

\_\_\_\_\_  
Governor

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STATE OF SOUTH DAKOTA,  
ss.

Office of the Secretary of State

Filed \_\_\_\_\_ , 20\_\_\_\_  
at \_\_\_\_\_ o'clock \_\_ M.

\_\_\_\_\_  
Secretary of State

By \_\_\_\_\_  
Asst. Secretary of State