

(2) the enforcement authority of the Commission with respect to violations of the standard of conduct applicable to a broker or dealer providing personalized investment advice about securities to a retail customer under the Securities Exchange Act of 1934 [15 U.S.C. 78a et seq.], including the authority to impose sanctions for such violations, and

the Commission shall seek to prosecute and sanction violators of the standard of conduct applicable to an investment adviser under this subchapter to same extent as the Commission prosecutes and sanctions violators of the standard of conduct applicable to a broker or dealer providing personalized investment advice about securities to a retail customer under the Securities Exchange Act of 1934 [15 U.S.C. 78a et seq.].

(Aug. 22, 1940, ch. 686, title II, §211, 54 Stat. 855; Pub. L. 86-507, §1(16), June 11, 1960, 74 Stat. 201; Pub. L. 86-750, §14, Sept. 13, 1960, 74 Stat. 888; Pub. L. 100-181, title VII, §705, Dec. 4, 1987, 101 Stat. 1264; Pub. L. 111-203, title IV, §406, title IX, §913(g)(2), (h)(2), July 21, 2010, 124 Stat. 1574, 1828, 1829.)

REFERENCES IN TEXT

The Commodity Exchange Act, referred to in subsec. (e), is act Sept. 21, 1922, ch. 369, 42 Stat. 998, which is classified generally to chapter 1 (§1 et seq.) of Title 7, Agriculture. For complete classification of this Act to the Code, see section 1 of Title 7 and Tables.

The Securities Exchange Act of 1934, referred to in subsec. (i), is act June 6, 1934, ch. 404, 48 Stat. 881, which is classified principally to chapter 2B (§78a et seq.) of this title. For complete classification of this Act to the Code, see section 78a of this title and Tables.

AMENDMENTS

2010—Subsec. (a). Pub. L. 111-203, §406(1), inserted “, including rules and regulations defining technical, trade, and other terms used in this subchapter, except that the Commission may not define the term ‘client’ for purposes of paragraphs (1) and (2) of section 80b-6 of this title to include an investor in a private fund managed by an investment adviser, if such private fund has entered into an advisory contract with such adviser” after “elsewhere in this subchapter”.

Subsec. (e). Pub. L. 111-203, §406(2), which directed addition of subsec. (e) at end of section, was executed by adding subsec. (e) after subsec. (d) to reflect the probable intent of Congress. See Effective Date of 2010 Amendment notes below.

Subsecs. (g), (h). Pub. L. 111-203, §913(g)(2), added subsecs. (g) and (h).

Subsec. (i). Pub. L. 111-203, §913(h)(2), added subsec. (i).

1987—Subsec. (b). Pub. L. 100-181 substituted “chapter 15 of title 44” for “the Federal Register Act”.

1960—Subsec. (a). Pub. L. 86-750 inserted “functions and”.

Subsec. (c). Pub. L. 86-507 inserted “or certified mail” after “registered mail”.

EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by section 913(g)(2), (h)(2) of Pub. L. 111-203 effective 1 day after July 21, 2010, except as otherwise provided, see section 4 of Pub. L. 111-203, set out as an Effective Date note under section 5301 of Title 12, Banks and Banking.

Amendment by section 406 of Pub. L. 111-203 effective 1 year after July 21, 2010, except that any investment adviser may, at the discretion of the investment adviser, register with the Commission under the Investment Advisers Act of 1940 during that 1-year period, subject to the rules of the Commission, and except as

otherwise provided, see section 419 of Pub. L. 111-203, set out as a note under section 80b-2 of this title.

TRANSFER OF FUNCTIONS

For transfer of functions of Securities and Exchange Commission, with certain exceptions, to Chairman of such Commission, see Reorg. Plan No. 10 of 1950, §§1, 2, eff. May 24, 1950, 15 F.R. 3175, 64 Stat. 1265, set out under section 78d of this title.

STUDY ON ENHANCING INVESTMENT ADVISER EXAMINATIONS

Pub. L. 111-203, title IX, §914, July 21, 2010, 124 Stat. 1830, provided that:

“(a) STUDY REQUIRED.—

“(1) IN GENERAL.—The Commission shall review and analyze the need for enhanced examination and enforcement resources for investment advisers.

“(2) AREAS OF CONSIDERATION.—The study required by this subsection shall examine—

“(A) the number and frequency of examinations of investment advisers by the Commission over the 5 years preceding the date of the enactment of this subtitle [July 21, 2010];

“(B) the extent to which having Congress authorize the Commission to designate one or more self-regulatory organizations to augment the Commission’s efforts in overseeing investment advisers would improve the frequency of examinations of investment advisers; and

“(C) current and potential approaches to examining the investment advisory activities of dually registered broker-dealers and investment advisers or affiliated broker-dealers and investment advisers.

“(b) REPORT REQUIRED.—The Commission shall report its findings to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, not later than 180 days after the date of enactment of this subtitle [July 21, 2010], and shall use such findings to revise its rules and regulations, as necessary. The report shall include a discussion of regulatory or legislative steps that are recommended or that may be necessary to address concerns identified in the study.”

[For definitions of terms used in section 914 of Pub. L. 111-203, set out above, see section 5301 of Title 12, Banks and Banking.]

§ 80b-12. Hearings

Hearings may be public and may be held before the Commission, any member or members thereof, or any officer or officers of the Commission designated by it, and appropriate records thereof shall be kept.

(Aug. 22, 1940, ch. 686, title II, §212, 54 Stat. 855.)

TRANSFER OF FUNCTIONS

For transfer of functions of Securities and Exchange Commission, with certain exceptions, to Chairman of such Commission, see Reorg. Plan No. 10 of 1950, §§1, 2, eff. May 24, 1950, 15 F.R. 3175, 64 Stat. 1265, set out under section 78d of this title.

§ 80b-13. Court review of orders

(a) Petition; jurisdiction; findings of Commission; additional evidence; finality

Any person or party aggrieved by an order issued by the Commission under this subchapter may obtain a review of such order in the United States court of appeals within any circuit wherein such person resides or has his principal office or place of business, or in the United States Court of Appeals for the District of Columbia, by filing in such court, within sixty

days after the entry of such order, a written petition praying that the order of the Commission be modified or set aside in whole or in part. A copy of such petition shall be forthwith transmitted by the clerk of the court to any member of the Commission, or any officer thereof designated by the Commission for that purpose, and thereupon the Commission shall file in the court the record upon which the order complained of was entered, as provided in section 2112 of title 28. Upon the filing of such petition such court shall have jurisdiction, which upon the filing of the record shall be exclusive, to affirm, modify, or set aside such order, in whole or in part. No objection to the order of the Commission shall be considered by the court unless such objection shall have been urged before the Commission or unless there were reasonable grounds for failure so to do. The findings of the Commission as to the facts, if supported by substantial evidence, shall be conclusive. If application is made to the court for leave to adduce additional evidence, and it is shown to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the proceeding before the Commission, the court may order such additional evidence to be taken before the Commission and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Commission may modify its findings as to the facts by reason of the additional evidence so taken, and it shall file with the court such modified or new findings, which, if supported by substantial evidence, shall be conclusive, and its recommendation, if any, for the modification or setting aside of the original order. The judgment and decree of the court affirming, modifying, or setting aside, in whole or in part, any such order of the Commission shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28.

(b) Stay of Commission's order

The commencement of proceedings under subsection (a) shall not, unless specifically ordered by the court, operate as a stay of the Commission's order.

(Aug. 22, 1940, ch. 686, title II, §213, 54 Stat. 855; June 25, 1948, ch. 646, §32(a), 62 Stat. 991; May 24, 1949, ch. 139, §127, 63 Stat. 107; Pub. L. 85-791, §26, Aug. 28, 1958, 72 Stat. 949; Pub. L. 100-181, title VII, §706, Dec. 4, 1987, 101 Stat. 1264; Pub. L. 111-203, title IX, §985(e)(3), July 21, 2010, 124 Stat. 1935.)

AMENDMENTS

2010—Subsec. (a). Pub. L. 111-203 substituted “principal office or place of business” for “principal place of business”.

1987—Subsec. (a). Pub. L. 100-181 substituted “section 1254 of title 28” for “sections 239 and 240 of the Judicial Code, as amended”.

1958—Subsec. (a). Pub. L. 85-791, in second sentence, substituted “transmitted by the clerk of the court to any member of the Commission, or” for “served upon any member of the Commission, or upon”, substituted “file in the court” for “certify and file in the court a transcript of”, and inserted “as provided in section 2112 of title 28”, and which, in third sentence, substituted

“petition” for “transcript”, and “jurisdiction, which upon the filing of the record shall be exclusive” for “exclusive jurisdiction”.

CHANGE OF NAME

Act June 25, 1948, eff. Sept. 1, 1948, as amended by act May 24, 1949, substituted “court of appeals” for “circuit court of appeals”.

EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-203 effective 1 day after July 21, 2010, except as otherwise provided, see section 4 of Pub. L. 111-203, set out as an Effective Date note under section 5301 of Title 12, Banks and Banking.

TRANSFER OF FUNCTIONS

For transfer of functions of Securities and Exchange Commission, with certain exceptions, to Chairman of such Commission, see Reorg. Plan No. 10 of 1950, §§1, 2, eff. May 24, 1950, 15 F.R. 3175, 64 Stat. 1265, set out under section 78d of this title.

§ 80b-14. Jurisdiction of offenses and suits

(a) In general

The district courts of the United States and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have jurisdiction of violations of this subchapter or the rules, regulations, or orders thereunder, and, concurrently with State and Territorial courts, of all suits in equity and actions at law brought to enforce any liability or duty created by, or to enjoin any violation of this subchapter or the rules, regulations, or orders thereunder. Any criminal proceeding may be brought in the district wherein any act or transaction constituting the violation occurred. Any suit or action to enforce any liability or duty created by, or to enjoin any violation of this subchapter or rules, regulations, or orders thereunder, may be brought in any such district or in the district wherein the defendant is an inhabitant or transacts business, and process in such cases may be served in any district of which the defendant is an inhabitant or transacts business or wherever the defendant may be found. In any action or proceeding instituted by the Commission under this subchapter in a United States district court for any judicial district, a subpoena issued to compel the attendance of a witness or the production of documents or tangible things (or both) at a hearing or trial may be served at any place within the United States. Rule 45(c)(3)(A)(ii) of the Federal Rules of Civil Procedure shall not apply to a subpoena issued under the preceding sentence. Judgments and decrees so rendered shall be subject to review as provided in sections 1254, 1291, 1292, and 1294 of title 28. No costs shall be assessed for or against the Commission in any proceeding under this subchapter brought by or against the Commission in any court.

(b) Extraterritorial jurisdiction

The district courts of the United States and the United States courts of any Territory shall have jurisdiction of an action or proceeding brought or instituted by the Commission or the United States alleging a violation of section 80b-6 of this title involving—

(1) conduct within the United States that constitutes significant steps in furtherance of