

such application, report, or document relates, for damages caused by such reliance, unless the person sued shall prove that he acted in good faith and had no knowledge that such statement was false or misleading or of such omission. A person seeking to enforce such liability may sue at law or in equity in any court of competent jurisdiction. In any such suit the court may, in its discretion, require an undertaking for the payment of the costs of such suit and assess reasonable costs, including reasonable attorneys' fees, against either party litigant, having due regard to the merits and good faith of the suit or defense. No action shall be maintained to enforce any liability created under this section unless brought within one year after the discovery of the facts constituting the cause of action and within three years after such cause of action accrued.

(b) The rights and remedies provided by this subchapter shall be in addition to any and all other rights and remedies that may exist under the Securities Act of 1933 [15 U.S.C. 77a et seq.] or the Securities Exchange Act of 1934 [15 U.S.C. 78a et seq.], or otherwise at law or in equity; but no person permitted to maintain a suit for damages under the provisions of this subchapter shall recover, through satisfaction of judgment in one or more actions, a total amount in excess of his actual damages on account of the act complained of.

(May 27, 1933, ch. 38, title III, § 323, as added Aug. 3, 1939, ch. 411, 53 Stat. 1176; amended Pub. L. 111-203, title IX, § 986(b)(5), July 21, 2010, 124 Stat. 1936.)

REFERENCES IN TEXT

The Securities Act of 1933, referred to in subsec. (b), is act May 27, 1933, ch. 38, title I, 48 Stat. 74, which is classified generally to subchapter I (§ 77a et seq.) of this chapter. For complete classification of this Act to the Code, see section 77a of this title and Tables.

The Securities Exchange Act of 1934, referred to in subsec. (b), 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. (b). Pub. L. 111-203 substituted “Securities Act of 1933 or the Securities Exchange Act of 1934” for “Securities Act of 1933, or the Securities Exchange Act of 1934, or the Public Utility Holding Company Act of 1935”.

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.

§ 77xxx. Unlawful representations

It shall be unlawful for any person in offering, selling or issuing any security to represent or imply in any manner whatsoever that any action or failure to act by the Commission in the

administration of this subchapter means that the Commission has in any way passed upon the merits of, or given approval to, any trustee, indenture or security, or any transaction or transactions therein, or that any such action or failure to act with regard to any statement or report filed with or examined by the Commission pursuant to this subchapter or any rule, regulation, or order thereunder, has the effect of a finding by the Commission that such statement or report is true and accurate on its face or that it is not false or misleading.

(May 27, 1933, ch. 38, title III, § 324, as added Aug. 3, 1939, ch. 411, 53 Stat. 1176; amended Aug. 10, 1954, ch. 667, title III, § 305, 68 Stat. 688.)

AMENDMENTS

1954—Act Aug. 10, 1954, substituted “offering, selling, or issuing” for “issuing or selling”.

EFFECTIVE DATE OF 1954 AMENDMENT

Amendment by act Aug. 10, 1954, effective 60 days after Aug. 10, 1954, see note under section 77b 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.

§ 77yyy. Penalties

Any person who willfully violates any provision of this subchapter or any rule, regulation, or order thereunder, or any person who willfully, in any application, report, or document filed or required to be filed under the provisions of this subchapter or any rule, regulation, or order thereunder, makes any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading, shall upon conviction be fined not more than \$10,000 or imprisoned not more than five years, or both.

(May 27, 1933, ch. 38, title III, § 325, as added Aug. 3, 1939, ch. 411, 53 Stat. 1177; amended Pub. L. 94-29, § 27(d), June 4, 1975, 89 Stat. 163.)

AMENDMENTS

1975—Pub. L. 94-29 substituted “\$10,000” for “\$5,000”.

EFFECTIVE DATE OF 1975 AMENDMENT

Amendment by Pub. L. 94-29 effective June 4, 1975, see section 31(a) of Pub. L. 94-29, set out as a note under section 78b of this title.

§ 77zzz. Effect on existing law

Except as otherwise expressly provided, nothing in this subchapter shall affect (1) the jurisdiction of the Commission under the Securities Act of 1933 [15 U.S.C. 77a et seq.] or the Securities Exchange Act of 1934 [15 U.S.C. 78a et seq.] over any person, security, or contract, or (2) the rights, obligations, duties, or liabilities of any person under such acts; nor shall anything in this subchapter affect the jurisdiction of any other commission, board, agency, or officer of the United States or of any State or political subdivision of any State, over any person or se-

curity, insofar as such jurisdiction does not conflict with any provision of this subchapter or any rule, regulation, or order thereunder.

(May 27, 1933, ch. 38, title III, §326, as added Aug. 3, 1939, ch. 411, 53 Stat. 1177; amended Pub. L. 111-203, title IX, §986(b)(6), July 21, 2010, 124 Stat. 1936.)

REFERENCES IN TEXT

The Securities Act of 1933, referred to in text, is act May 27, 1933, ch. 38, title I, 48 Stat. 74, which is classified generally to subchapter I (§77a et seq.) of this chapter. For complete classification of this Act to the Code, see section 77a of this title and Tables.

The Securities Exchange Act of 1934, referred to in text, 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—Pub. L. 111-203 substituted “Securities Act of 1933 or the Securities Exchange Act of 1934” for “Securities Act of 1933, or the Securities Exchange Act of 1934, or the Public Utility Holding Company Act of 1935.”.

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.

§ 77aaaa. Contrary stipulations void

Any condition, stipulation, or provision binding any person to waive compliance with any provision of this subchapter or with any rule, regulation, or order thereunder shall be void.

(May 27, 1933, ch. 38, title III, §327, as added Aug. 3, 1939, ch. 411, 53 Stat. 1177.)

§ 77bbbb. Separability

If any provision of this subchapter or the application of such provision to any person or circumstance shall be held invalid, the remainder of the subchapter and the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

(May 27, 1933, ch. 38, title III, §328, as added Aug. 3, 1939, ch. 411, 53 Stat. 1177.)

CHAPTER 2B—SECURITIES EXCHANGES

Sec.
78a. Short title.
78b. Necessity for regulation.
78c. Definitions and application.
78c-1. Swap agreements.
78c-2. Securities-related derivatives.
78c-3. Clearing for security-based swaps.
78c-4. Security-based swap execution facilities.
78c-5. Segregation of assets held as collateral in security-based swap transactions.
78d. Securities and Exchange Commission.
78d-1. Delegation of functions by Commission.
78d-2. Transfer of functions with respect to assignment of personnel to chairman.

Sec.
78d-3. Appearance and practice before the Commission.
78d-4. Additional duties of Inspector General.
78d-5. Deadline for completing enforcement investigations and compliance examinations and inspections.
78d-6. Report and certification of internal supervisory controls.
78d-7. Triennial report on personnel management.
78d-8. Annual financial controls audit.
78d-9. Report on oversight of national securities associations.
78e. Transactions on unregistered exchanges.
78f. National securities exchanges.
78g. Margin requirements.
78h. Restrictions on borrowing and lending by members, brokers, and dealers.
78i. Manipulation of security prices.
78j. Manipulative and deceptive devices.
78j-1. Audit requirements.
78j-2. Position limits and position accountability for security-based swaps and large trader reporting.
78j-3. Compensation committees.
78j-4. Recovery of erroneously awarded compensation policy.
78k. Trading by members of exchanges, brokers, and dealers.
78k-1. National market system for securities; securities information processors.
78l. Registration requirements for securities.
78l-1. Applications for unlisted trading privileges deemed filed under section 78l of this title.
78m. Periodical and other reports.
78m-1. Reporting and recordkeeping for certain security-based swaps.
78m-2. Reporting requirements regarding coal or other mine safety.
78n. Proxies.
78n-1. Shareholder approval of executive compensation.
78n-2. Corporate governance.
78o. Registration and regulation of brokers and dealers.
78o-1. Brokers deemed to be registered.
78o-2. Liabilities arising prior to amendment unaffected.
78o-3. Registered securities associations.
78o-4. Municipal securities.
78o-4a. Commission Office of Municipal Securities.
78o-5. Government securities brokers and dealers.
78o-6. Securities analysts and research reports.
78o-7. Registration of nationally recognized statistical rating organizations.
78o-8. Universal ratings symbols.
78o-9. Study and rulemaking on assigned credit ratings.
78o-10. Registration and regulation of security-based swap dealers and major security-based swap participants.
78o-11. Credit risk retention.
78p. Directors, officers, and principal stockholders.
78q. Records and reports.
78q-1. National system for clearance and settlement of securities transactions.
78q-2. Automated quotation systems for penny stocks.
78r. Liability for misleading statements.
78s. Registration, responsibilities, and oversight of self-regulatory organizations.
78t. Liability of controlling persons and persons who aid and abet violations.
78t-1. Liability to contemporaneous traders for insider trading.
78u. Investigations and actions.
78u-1. Civil penalties for insider trading.
78u-2. Civil remedies in administrative proceedings.
78u-3. Cease-and-desist proceedings.