

115TH CONGRESS  
1ST SESSION

# S. 779

To enhance civil penalties under the Federal securities laws, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MARCH 30, 2017

Mr. REED (for himself, Mr. GRASSLEY, Ms. HEITKAMP, and Mr. LEAHY) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To enhance civil penalties under the Federal securities laws,  
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Stronger Enforcement  
5 of Civil Penalties Act of 2017”.

6 **SEC. 2. UPDATED CIVIL MONEY PENALTIES FOR SECURI-**  
7 **TIES LAWS VIOLATIONS.**

8 (a) SECURITIES ACT OF 1933.—

1           (1) MONEY PENALTIES IN ADMINISTRATIVE AC-  
2           TIONS.—Section 8A(g)(2) of the Securities Act of  
3           1933 (15 U.S.C. 77h–1(g)(2)) is amended—

4                   (A) in subparagraph (A)—

5                           (i) by striking “\$7,500” and inserting  
6                           “\$10,000”; and

7                           (ii) by striking “\$75,000” and insert-  
8                           ing “\$100,000”;

9                   (B) in subparagraph (B)—

10                           (i) by striking “\$75,000” and insert-  
11                           ing “\$100,000”; and

12                           (ii) by striking “\$375,000” and in-  
13                           serting “\$500,000”; and

14                   (C) by striking subparagraph (C) and in-  
15                   serting the following:

16                           “(C) THIRD TIER.—Notwithstanding sub-  
17                           paragraphs (A) and (B), the amount of penalty  
18                           for each such act or omission shall not exceed  
19                           the greater of—

20                                   “(i) \$1,000,000 for a natural person  
21                                   or \$10,000,000 for any other person;

22                                   “(ii) 3 times the gross amount of pe-  
23                                   cuniary gain to the person who committed  
24                                   the act or omission; or

1 “(iii) the amount of losses incurred by  
 2 victims as a result of the act or omission,  
 3 if—

4 “(I) the act or omission described  
 5 in paragraph (1) involved fraud, de-  
 6 ceit, manipulation, or deliberate or  
 7 reckless disregard of a regulatory re-  
 8 quirement; and

9 “(II) such act or omission di-  
 10 rectly or indirectly resulted in—

11 “(aa) substantial losses or  
 12 created a significant risk of sub-  
 13 stantial losses to other persons;  
 14 or

15 “(bb) substantial pecuniary  
 16 gain to the person who com-  
 17 mitted the act or omission.”.

18 (2) MONEY PENALTIES IN CIVIL ACTIONS.—

19 Section 20(d)(2) of the Securities Act of 1933 (15  
 20 U.S.C. 77t(d)(2)) is amended—

21 (A) in subparagraph (A)—

22 (i) by striking “\$5,000” and inserting  
 23 “\$10,000”; and

24 (ii) by striking “\$50,000” and insert-  
 25 ing “\$100,000”;

1 (B) in subparagraph (B)—

2 (i) by striking “\$50,000” and insert-  
3 ing “\$100,000”; and

4 (ii) by striking “\$250,000” and in-  
5 serting “\$500,000”; and

6 (C) in subparagraph (C), by striking  
7 “greater of (i) \$100,000 for a natural person or  
8 \$500,000 for any other person, or (ii) the gross  
9 amount of pecuniary gain to such defendant as  
10 a result of the violation” and inserting the fol-  
11 lowing: “greater of—

12 “(i) \$1,000,000 for a natural person  
13 or \$10,000,000 for any other person;

14 “(ii) 3 times the gross amount of pe-  
15 cuniary gain to such defendant as a result  
16 of the violation; or

17 “(iii) the amount of losses incurred by  
18 victims as a result of the violation”.

19 (b) SECURITIES EXCHANGE ACT OF 1934.—

20 (1) MONEY PENALTIES IN CIVIL ACTIONS.—

21 Section 21(d)(3)(B) of the Securities Exchange Act  
22 of 1934 (15 U.S.C. 78u(d)(3)(B)) is amended—

23 (A) in clause (i)—

24 (i) by striking “\$5,000” and inserting  
25 “\$10,000”; and

1 (ii) by striking “\$50,000” and insert-  
2 ing “\$100,000”;

3 (B) in clause (ii)—

4 (i) by striking “\$50,000” and insert-  
5 ing “\$100,000”; and

6 (ii) by striking “\$250,000” and in-  
7 serting “\$500,000”; and

8 (C) in clause (iii), by striking “greater of  
9 (I) \$100,000 for a natural person or \$500,000  
10 for any other person, or (II) the gross amount  
11 of pecuniary gain to such defendant as a result  
12 of the violation” and inserting the following:

13 “greater of—

14 “(I) \$1,000,000 for a natural  
15 person or \$10,000,000 for any other  
16 person;

17 “(II) 3 times the gross amount of  
18 pecuniary gain to such defendant as a  
19 result of the violation; or

20 “(III) the amount of losses in-  
21 curred by victims as a result of the  
22 violation”.

23 (2) MONEY PENALTIES IN ADMINISTRATIVE AC-  
24 TIONS.—Section 21B(b) of the Securities Exchange  
25 Act of 1934 (15 U.S.C. 78u-2(b)) is amended—

1 (A) in paragraph (1)—

2 (i) by striking “\$5,000” and inserting  
3 “\$10,000”; and

4 (ii) by striking “\$50,000” and insert-  
5 ing “\$100,000”;

6 (B) in paragraph (2)—

7 (i) by striking “\$50,000” and insert-  
8 ing “\$100,000”; and

9 (ii) by striking “\$250,000” and in-  
10 sserting “\$500,000”; and

11 (C) by striking paragraph (3) and insert-  
12 ing the following:

13 “(3) THIRD TIER.—Notwithstanding para-  
14 graphs (1) and (2), the amount of penalty for each  
15 such act or omission shall not exceed the greater  
16 of—

17 “(A) \$1,000,000 for a natural person or  
18 \$10,000,000 for any other person;

19 “(B) 3 times the gross amount of pecu-  
20 niary gain to the person who committed the act  
21 or omission; or

22 “(C) the amount of losses incurred by vic-  
23 tims as a result of the act or omission, if—

24 “(i) the act or omission described in  
25 subsection (a) involved fraud, deceit, ma-

1           nipulation, or deliberate or reckless dis-  
2           regard of a regulatory requirement; and

3           “(ii) such act or omission directly or  
4           indirectly resulted in substantial losses or  
5           created a significant risk of substantial  
6           losses to other persons or resulted in sub-  
7           stantial pecuniary gain to the person who  
8           committed the act or omission.”.

9           (c) INVESTMENT COMPANY ACT OF 1940.—

10           (1) MONEY PENALTIES IN ADMINISTRATIVE AC-  
11           TIONS.—Section 9(d)(2) of the Investment Company  
12           Act of 1940 (15 U.S.C. 80a-9(d)(2)) is amended—

13           (A) in subparagraph (A)—

14           (i) by striking “\$5,000” and inserting  
15           “\$10,000”; and

16           (ii) by striking “\$50,000” and insert-  
17           ing “\$100,000”;

18           (B) in subparagraph (B)—

19           (i) by striking “\$50,000” and insert-  
20           ing “\$100,000”; and

21           (ii) by striking “\$250,000” and in-  
22           serting “\$500,000”; and

23           (C) by striking subparagraph (C) and in-  
24           serting the following:

1           “(C) THIRD TIER.—Notwithstanding sub-  
2 paragraphs (A) and (B), the amount of penalty  
3 for each such act or omission shall not exceed  
4 the greater of—

5           “(i) \$1,000,000 for a natural person  
6 or \$10,000,000 for any other person;

7           “(ii) 3 times the gross amount of pe-  
8 cuniary gain to the person who committed  
9 the act or omission; or

10           “(iii) the amount of losses incurred by  
11 victims as a result of the act or omission,  
12 if—

13           “(I) the act or omission described  
14 in paragraph (1) involved fraud, de-  
15 ceit, manipulation, or deliberate or  
16 reckless disregard of a regulatory re-  
17 quirement; and

18           “(II) such act or omission di-  
19 rectly or indirectly resulted in sub-  
20 stantial losses or created a significant  
21 risk of substantial losses to other per-  
22 sons or resulted in substantial pecu-  
23 niary gain to the person who com-  
24 mitted the act or omission.”.



1           (2) MONEY PENALTIES IN CIVIL ACTIONS.—  
2           Section 42(e)(2) of the Investment Company Act of  
3           1940 (15 U.S.C. 80a-41(e)(2)) is amended—

4                   (A) in subparagraph (A)—

5                           (i) by striking “\$5,000” and inserting  
6                           “\$10,000”; and

7                           (ii) by striking “\$50,000” and insert-  
8                           ing “\$100,000”;

9                   (B) in subparagraph (B)—

10                           (i) by striking “\$50,000” and insert-  
11                           ing “\$100,000”; and

12                           (ii) by striking “\$250,000” and in-  
13                           serting “\$500,000”; and

14                   (C) in subparagraph (C), by striking  
15                   “greater of (i) \$100,000 for a natural person or  
16                   \$500,000 for any other person, or (ii) the gross  
17                   amount of pecuniary gain to such defendant as  
18                   a result of the violation” and inserting the fol-  
19                   lowing: “greater of—

20                           “(i) \$1,000,000 for a natural person  
21                           or \$10,000,000 for any other person;

22                           “(ii) 3 times the gross amount of pe-  
23                           cuniary gain to such defendant as a result  
24                           of the violation; or

1                   “(iii) the amount of losses incurred by  
2                   victims as a result of the violation”.

3           (d) INVESTMENT ADVISERS ACT OF 1940.—

4                   (1) MONEY PENALTIES IN ADMINISTRATIVE AC-  
5                   TIONS.—Section 203(i)(2) of the Investment Advis-  
6                   ers Act of 1940 (15 U.S.C. 80b-3(i)(2)) is amend-  
7                   ed—

8                           (A) in subparagraph (A)—

9                                   (i) by striking “\$5,000” and inserting  
10                                   “\$10,000”; and

11                                   (ii) by striking “\$50,000” and insert-  
12                                   ing “\$100,000”;

13                           (B) in subparagraph (B)—

14                                   (i) by striking “\$50,000” and insert-  
15                                   ing “\$100,000”; and

16                                   (ii) by striking “\$250,000” and in-  
17                                   serting “\$500,000”; and

18                           (C) by striking subparagraph (C) and in-  
19                   serting the following:

20                           “(C) THIRD TIER.—Notwithstanding sub-  
21                   paragraphs (A) and (B), the amount of penalty  
22                   for each such act or omission shall not exceed  
23                   the greater of—

24                                   “(i) \$1,000,000 for a natural person  
25                                   or \$10,000,000 for any other person;

1 “(ii) 3 times the gross amount of pe-  
2 cuniary gain to the person who committed  
3 the act or omission; or

4 “(iii) the amount of losses incurred by  
5 victims as a result of the act or omission,  
6 if—

7 “(I) the act or omission described  
8 in paragraph (1) involved fraud, de-  
9 ceit, manipulation, or deliberate or  
10 reckless disregard of a regulatory re-  
11 quirement; and

12 “(II) such act or omission di-  
13 rectly or indirectly resulted in sub-  
14 stantial losses or created a significant  
15 risk of substantial losses to other per-  
16 sons or resulted in substantial pecu-  
17 niary gain to the person who com-  
18 mitted the act or omission.”.

19 (2) MONEY PENALTIES IN CIVIL ACTIONS.—  
20 Section 209(e)(2) of the Investment Advisers Act of  
21 1940 (15 U.S.C. 80b-9(e)(2)) is amended—

22 (A) in subparagraph (A)—

23 (i) by striking “\$5,000” and inserting  
24 “\$10,000”; and

1 (ii) by striking “\$50,000” and insert-  
2 ing “\$100,000”;

3 (B) in subparagraph (B)—

4 (i) by striking “\$50,000” and insert-  
5 ing “\$100,000”; and

6 (ii) by striking “\$250,000” and in-  
7 serting “\$500,000”; and

8 (C) in subparagraph (C), by striking  
9 “greater of (i) \$100,000 for a natural person or  
10 \$500,000 for any other person, or (ii) the gross  
11 amount of pecuniary gain to such defendant as  
12 a result of the violation” and inserting the fol-  
13 lowing: “greater of—

14 “(i) \$1,000,000 for a natural person  
15 or \$10,000,000 for any other person;

16 “(ii) 3 times the gross amount of pe-  
17 cuniary gain to such defendant as a result  
18 of the violation; or

19 “(iii) the amount of losses incurred by  
20 victims as a result of the violation”.

21 **SEC. 3. PENALTIES FOR RECIDIVISTS.**

22 (a) SECURITIES ACT OF 1933.—

23 (1) CEASE-AND-DESIST PROCEEDINGS.—Section  
24 8A(g)(2) of the Securities Act of 1933 (15 U.S.C.

1 77h-1(g)(2)) is amended by adding at the end the  
2 following:

3 “(D) FOURTH TIER.—Notwithstanding  
4 subparagraphs (A), (B), and (C), the maximum  
5 amount of penalty for each such act or omission  
6 shall be 3 times the otherwise applicable  
7 amount in such subparagraphs if, within the 5-  
8 year period preceding such act or omission, the  
9 person who committed the act or omission was  
10 criminally convicted for securities fraud or be-  
11 came subject to a judgment or order imposing  
12 monetary, equitable, or administrative relief in  
13 any Commission action alleging fraud by that  
14 person.”.

15 (2) INJUNCTIONS AND PROSECUTION OF OF-  
16 FENSES.—Section 20(d)(2) of the Securities Act of  
17 1933 (15 U.S.C. 77t(d)(2)) is amended by adding at  
18 the end the following:

19 “(D) FOURTH TIER.—Notwithstanding  
20 subparagraphs (A), (B), and (C), the maximum  
21 amount of penalty for each such violation shall  
22 be 3 times the otherwise applicable amount in  
23 such subparagraphs if, within the 5-year period  
24 preceding such violation, the defendant was  
25 criminally convicted for securities fraud or be-

1           came subject to a judgment or order imposing  
2           monetary, equitable, or administrative relief in  
3           any Commission action alleging fraud by that  
4           defendant.”.

5           (b) SECURITIES EXCHANGE ACT OF 1934.—

6           (1) CIVIL ACTIONS.—Section 21(d)(3)(B) of the  
7           Securities Exchange Act of 1934 (15 U.S.C.  
8           78u(d)(3)(B)) is amended by adding at the end the  
9           following:

10                   “(iv)     FOURTH     TIER.—Notwith-  
11                   standing clauses (i), (ii), and (iii), the  
12                   maximum amount of penalty for each such  
13                   violation shall be 3 times the otherwise ap-  
14                   plicable amount in such clauses if, within  
15                   the 5-year period preceding such violation,  
16                   the defendant was criminally convicted for  
17                   securities fraud or became subject to a  
18                   judgment or order imposing monetary, eq-  
19                   uitable, or administrative relief in any  
20                   Commission action alleging fraud by that  
21                   defendant.”.

22           (2) ADMINISTRATIVE PROCEEDINGS.—Section  
23           21B(b) of the Securities Exchange Act of 1934 (15  
24           U.S.C. 78u-2(b)) is amended by adding at the end  
25           the following:

1           “(4) FOURTH TIER.—Notwithstanding para-  
2           graphs (1), (2), and (3), the maximum amount of  
3           penalty for each such act or omission shall be 3  
4           times the otherwise applicable amount in such para-  
5           graphs if, within the 5-year period preceding such  
6           act or omission, the person who committed the act  
7           or omission was criminally convicted for securities  
8           fraud or became subject to a judgment or order im-  
9           posing monetary, equitable, or administrative relief  
10          in any Commission action alleging fraud by that per-  
11          son.”.

12          (c) INVESTMENT COMPANY ACT OF 1940.—

13                 (1) INELIGIBILITY OF CERTAIN UNDERWRITERS  
14                 AND AFFILIATES.—Section 9(d)(2) of the Invest-  
15                 ment Company Act of 1940 (15 U.S.C. 80a-9(d)(2))  
16                 is amended by adding at the end the following:

17                         “(D) FOURTH TIER.—Notwithstanding  
18                         subparagraphs (A), (B), and (C), the maximum  
19                         amount of penalty for each such act or omission  
20                         shall be 3 times the otherwise applicable  
21                         amount in such subparagraphs if, within the 5-  
22                         year period preceding such act or omission, the  
23                         person who committed the act or omission was  
24                         criminally convicted for securities fraud or be-  
25                         came subject to a judgment or order imposing

1           monetary, equitable, or administrative relief in  
2           any Commission action alleging fraud by that  
3           person.”.

4           (2) ENFORCEMENT.—Section 42(e)(2) of the  
5           Investment Company Act of 1940 (15 U.S.C. 80a–  
6           41(e)(2)) is amended by adding at the end the fol-  
7           lowing:

8                   “(D)   FOURTH   TIER.—Notwithstanding  
9                   subparagraphs (A), (B), and (C), the maximum  
10                  amount of penalty for each such violation shall  
11                  be 3 times the otherwise applicable amount in  
12                  such subparagraphs if, within the 5-year period  
13                  preceding such violation, the defendant was  
14                  criminally convicted for securities fraud or be-  
15                  came subject to a judgment or order imposing  
16                  monetary, equitable, or administrative relief in  
17                  any Commission action alleging fraud by that  
18                  defendant.”.

19           (d) INVESTMENT ADVISERS ACT OF 1940.—The In-  
20           vestment Advisers Act of 1940 (15 U.S.C. 80b–1 et seq.)  
21           is amended—

22                   (1) in section 203(i)(2) (15 U.S.C. 80b–  
23                   3(i)(2)), by adding at the end the following:

24                           “(D)   FOURTH   TIER.—Notwithstanding  
25                           subparagraphs (A), (B), and (C), the maximum



1 amount of penalty for each such act or omission  
2 shall be 3 times the otherwise applicable  
3 amount in such subparagraphs if, within the 5-  
4 year period preceding such act or omission, the  
5 person who committed the act or omission was  
6 criminally convicted for securities fraud or be-  
7 came subject to a judgment or order imposing  
8 monetary, equitable, or administrative relief in  
9 any Commission action alleging fraud by that  
10 person.”; and

11 (2) in section 209(e)(2) (15 U.S.C. 80b-  
12 9(e)(2)) by adding at the end the following:

13 “(D) FOURTH TIER.—Notwithstanding  
14 subparagraphs (A), (B), and (C), the maximum  
15 amount of penalty for each such violation shall  
16 be 3 times the otherwise applicable amount in  
17 such subparagraphs if, within the 5-year period  
18 preceding such violation, the defendant was  
19 criminally convicted for securities fraud or be-  
20 came subject to a judgment or order imposing  
21 monetary, equitable, or administrative relief in  
22 any Commission action alleging fraud by that  
23 defendant.”.

1 **SEC. 4. VIOLATIONS OF INJUNCTIONS AND BARS.**

2 (a) SECURITIES ACT OF 1933.—Section 20(d) of the  
3 Securities Act of 1933 (15 U.S.C. 77t(d)) is amended—

4 (1) in paragraph (1), by inserting after “the  
5 rules or regulations thereunder,” the following: “a  
6 Federal court injunction or a bar obtained or en-  
7 tered by the Commission under this title,”; and

8 (2) by striking paragraph (4) and inserting the  
9 following:

10 “(4) SPECIAL PROVISIONS RELATING TO A VIO-  
11 LATION OF AN INJUNCTION OR CERTAIN ORDERS.—

12 “(A) IN GENERAL.—Each separate viola-  
13 tion of an injunction or order described in sub-  
14 paragraph (B) shall be a separate offense, ex-  
15 cept that in the case of a violation through a  
16 continuing failure to comply with such injunc-  
17 tion or order, each day of the failure to comply  
18 with the injunction or order shall be deemed a  
19 separate offense.

20 “(B) INJUNCTIONS AND ORDERS.—Sub-  
21 paragraph (A) shall apply with respect to any  
22 action to enforce—

23 “(i) a Federal court injunction ob-  
24 tained pursuant to this title;

25 “(ii) an order entered or obtained by  
26 the Commission pursuant to this title that

1 bars, suspends, places limitations on the  
2 activities or functions of, or prohibits the  
3 activities of, a person; or

4 “(iii) a cease-and-desist order entered  
5 by the Commission pursuant to section  
6 8A.”.

7 (b) SECURITIES EXCHANGE ACT OF 1934.—Section  
8 21(d)(3) of the Securities Exchange Act of 1934 (15  
9 U.S.C. 78u(d)(3)) is amended—

10 (1) in subparagraph (A), by inserting after “the  
11 rules or regulations thereunder,” the following: “a  
12 Federal court injunction or a bar obtained or en-  
13 tered by the Commission under this title,”; and

14 (2) by striking subparagraph (D) and inserting  
15 the following:

16 “(D) SPECIAL PROVISIONS RELATING TO A  
17 VIOLATION OF AN INJUNCTION OR CERTAIN OR-  
18 DERS.—

19 “(i) IN GENERAL.—Each separate vio-  
20 lation of an injunction or order described  
21 in clause (ii) shall be a separate offense,  
22 except that in the case of a violation  
23 through a continuing failure to comply  
24 with such injunction or order, each day of

1 the failure to comply with the injunction or  
2 order shall be deemed a separate offense.

3 “(ii) INJUNCTIONS AND ORDERS.—  
4 Clause (i) shall apply with respect to an  
5 action to enforce—

6 “(I) a Federal court injunction  
7 obtained pursuant to this title;

8 “(II) an order entered or ob-  
9 tained by the Commission pursuant to  
10 this title that bars, suspends, places  
11 limitations on the activities or func-  
12 tions of, or prohibits the activities of,  
13 a person; or

14 “(III) a cease-and-desist order  
15 entered by the Commission pursuant  
16 to section 21C.”.

17 (c) INVESTMENT COMPANY ACT OF 1940.—Section  
18 42(e) of the Investment Company Act of 1940 (15 U.S.C.  
19 80a–41(e)) is amended—

20 (1) in paragraph (1), by inserting after “the  
21 rules or regulations thereunder,” the following: “a  
22 Federal court injunction or a bar obtained or en-  
23 tered by the Commission under this title,”; and

24 (2) by striking paragraph (4) and inserting the  
25 following:

1           “(4) SPECIAL PROVISIONS RELATING TO A VIO-  
2 LATION OF AN INJUNCTION OR CERTAIN ORDERS.—

3           “(A) IN GENERAL.—Each separate viola-  
4 tion of an injunction or order described in sub-  
5 paragraph (B) shall be a separate offense, ex-  
6 cept that in the case of a violation through a  
7 continuing failure to comply with such injunc-  
8 tion or order, each day of the failure to comply  
9 with the injunction or order shall be deemed a  
10 separate offense.

11           “(B) INJUNCTIONS AND ORDERS.—Sub-  
12 paragraph (A) shall apply with respect to any  
13 action to enforce—

14           “(i) a Federal court injunction ob-  
15 tained pursuant to this title;

16           “(ii) an order entered or obtained by  
17 the Commission pursuant to this title that  
18 bars, suspends, places limitations on the  
19 activities or functions of, or prohibits the  
20 activities of, a person; or

21           “(iii) a cease-and-desist order entered  
22 by the Commission pursuant to section  
23 9(f).”.

1 (d) INVESTMENT ADVISERS ACT OF 1940.—Section  
2 209(e) of the Investment Advisers Act of 1940 (15 U.S.C.  
3 80b–9(e)) is amended—

4 (1) in paragraph (1), by inserting after “the  
5 rules or regulations thereunder,” the following: “a  
6 Federal court injunction or a bar obtained or en-  
7 tered by the Commission under this title,”; and

8 (2) by striking paragraph (4) and inserting the  
9 following:

10 “(4) SPECIAL PROVISIONS RELATING TO A VIO-  
11 LATION OF AN INJUNCTION OR CERTAIN ORDERS.—

12 “(A) IN GENERAL.—Each separate viola-  
13 tion of an injunction or order described in sub-  
14 paragraph (B) shall be a separate offense, ex-  
15 cept that in the case of a violation through a  
16 continuing failure to comply with such injunc-  
17 tion or order, each day of the failure to comply  
18 with the injunction or order shall be deemed a  
19 separate offense.

20 “(B) INJUNCTIONS AND ORDERS.—Sub-  
21 paragraph (A) shall apply with respect to any  
22 action to enforce—

23 “(i) a Federal court injunction ob-  
24 tained pursuant to this title;

1                   “(ii) an order entered or obtained by  
2                   the Commission pursuant to this title that  
3                   bars, suspends, places limitations on the  
4                   activities or functions of, or prohibits the  
5                   activities of, a person; or

6                   “(iii) a cease-and-desist order entered  
7                   by the Commission pursuant to section  
8                   203(k).”.

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