

502.604 Administrative enforcement.

1. *Issuance of an order or notice.* If the administrator determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of [this chapter](#) or a rule adopted or order issued under [this chapter](#) or that a person has materially aided, is materially aiding, or is about to materially aid an act, practice, or course of business constituting a violation of [this chapter](#) or a rule adopted or order issued under [this chapter](#), the administrator may do any of the following:

a. Issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with [this chapter](#).

b. Issue an order denying, suspending, revoking, or conditioning the exemptions for a broker-dealer under [section 502.401, subsection 2](#), paragraph “a”, subparagraph (4) or (6), or an investment adviser under [section 502.403, subsection 2](#), paragraph “a”, subparagraph (3).

c. Issue an order under [section 502.204](#).

2. *Summary process.* An order under [subsection 1](#) is effective on the date of issuance. Upon issuance of the order, the administrator shall promptly serve each person subject to the order with a copy of the order and a notice that the order has been entered. The order must include a statement of any restitution order, civil penalty, or costs of investigation the administrator will seek, a statement of the reasons for the order, and notice that, within thirty days after receipt of a request in a record from the person, the matter will be scheduled for a hearing. If a person subject to the order does not request a hearing and none is ordered by the administrator within thirty days after the date of service of the order, the order, including an order for restitution, the imposition of a civil penalty, or a requirement for payment of costs of investigation sought in the order, becomes final as to that person by operation of law. If a hearing is requested or ordered, the administrator, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend it until final determination.

3. *Procedure for final order.* If a hearing is requested or ordered pursuant to [subsection 2](#), a hearing must be held pursuant to [chapter 17A](#). A final order shall not be issued unless the administrator makes findings of fact and conclusions of law in a record in accordance with [chapter 17A](#). The final order may make final, vacate, or modify the order issued under [subsection 1](#).

4. *Civil penalty — restitution — corrective action.* In a final order under [subsection 3](#), the administrator may impose a civil penalty up to an amount not to exceed a maximum of ten thousand dollars for a single violation or one million dollars for more than one violation, or in an amount as agreed to by the parties, order restitution, or take other corrective action as the administrator deems necessary and appropriate to accomplish compliance with the laws of the state relating to all securities business transacted in the state.

5. *Costs.* In a final order, the administrator may charge the actual cost of an investigation or proceeding for a violation of [this chapter](#) or a rule adopted or order issued under [this chapter](#).

5A. *Failure to obey cease and desist order.* A person who fails to obey a valid cease and desist order issued by the administrator under [this section](#) may, after notice and opportunity for a hearing, be subject to a civil penalty in an amount of not less than one thousand dollars and not to exceed ten thousand dollars for violating the order. Each day the failure to obey the cease and desist order occurs or continues constitutes a separate violation of the order. The penalties provided in [this subsection](#) are in addition to, and not exclusive of, other remedies that may be available.

6. *Filing of certified final order with court — effect of filing.* If a petition for judicial review of a final order is not filed in accordance with [section 502.609](#), the administrator may file a certified copy of the final order with the clerk of a court of competent jurisdiction. The order so filed has the same effect as a judgment of the court and may be recorded, enforced, or satisfied in the same manner as a judgment of the court.

7. *Enforcement by court — further civil penalty.* If a person does not comply with an

order under [this section](#), the administrator may petition the Polk county district court or the district court for the county in which the person resides or is located to enforce the order. The court shall not require the administrator to post a bond in an action or proceeding under [this section](#). If the court finds, after service and opportunity for hearing, that the person was not in compliance with the order, the court may adjudge the person in civil contempt of the order. The court may impose a further civil penalty against the person for contempt in an amount not less than three thousand dollars but not greater than ten thousand dollars for each violation and may grant any other relief the court determines is just and proper in the circumstances.

[C31, 35, §8581-c17; C39, §8581.21; C46, 50, 54, 58, 62, 66, 71, 73, 75, §502.21(5); C77, 79, 81, §502.604]

[91 Acts, ch 40, §33](#); [96 Acts, ch 1025, §14](#); [99 Acts, ch 166, §8](#); [2000 Acts, ch 1147, §17](#); [2001 Acts, ch 118, §10, 11](#); [2004 Acts, ch 1161, §53, 68](#); [2007 Acts, ch 137, §5](#); [2011 Acts, ch 70, §1](#); [2013 Acts, ch 124, §5, 6](#)

Referred to in [§502.204](#), [502.604A](#)