

116TH CONGRESS  
1ST SESSION

# H. R. 4344

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IN THE SENATE OF THE UNITED STATES

NOVEMBER 19, 2019

Received; read twice and referred to the Committee on Banking, Housing, and  
Urban Affairs

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## AN ACT

To amend the Securities Exchange Act of 1934 to allow the Securities and Exchange Commission to seek and Federal courts to grant disgorgement of unjust enrichment, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Investor Protection  
3 and Capital Markets Fairness Act”.

4 **SEC. 2. ADDITIONAL RELIEF.**

5 (a) IN GENERAL.—Section 21(d) of the Securities  
6 Exchange Act of 1934 (15 U.S.C. 78u(d)) is amended by  
7 adding at the end the following:

8 “(7) ADDITIONAL RELIEF.—

9 “(A) IN GENERAL.—In any action or pro-  
10 ceeding brought or instituted by the Commis-  
11 sion under any provision of the securities laws,  
12 the Commission may seek, and any Federal  
13 court may grant the following additional relief:

14 “(i) Disgorgement in the amount of  
15 any unjust enrichment obtained as a result  
16 of the act or practice with respect to which  
17 the Commission is bringing such an action  
18 or proceeding.

19 “(ii) Injunctions, including officer and  
20 director bars.

21 “(B) RULE OF CONSTRUCTION.—Addi-  
22 tional relief sought under this paragraph may  
23 not be construed to be a civil fine, penalty, or  
24 forfeiture subject to chapter 163 of part VI of  
25 title 28, United States Code.

1           “(C) STATUTE OF LIMITATIONS.—A Fed-  
2           eral court may not issue relief under this para-  
3           graph if the action or proceeding brought or in-  
4           stituted by the Commission was commenced  
5           more than 14 years after the alleged violation.”.

6           (b) EFFECTIVE DATE.—The amendment made by  
7           this section shall apply with respect to any actions or pro-  
8           ceedings pending or commenced on or after the date of  
9           the enactment of this section.

10          (c) REPORT.—

11           (1) IN GENERAL.—Not later than 10 years  
12           after the date of the enactment of this Act, the Se-  
13           curities Exchange Commission shall submit to Con-  
14           gress data about each enforcement action brought by  
15           the Commission in the 10 years following the date  
16           of the enactment of this Act.

17           (2) CONTENTS.—In submitting data pursuant  
18           to paragraph (1), the Commission shall—

19           (A) with regard to each enforcement ac-  
20           tion—

21           (i) categorize the type of enforcement  
22           action;

23           (ii) categorize the type of issuer in-  
24           volved in the enforcement action;

1 (iii) identify the approximate duration  
2 of the misconduct that gave rise to the en-  
3 forcement action; and

4 (iv) identify the approximate duration  
5 of the investigation; and

6 (B) identify the 10 enforcement actions  
7 with the longest durations of misconduct that  
8 gave rise to enforcement actions.

9 **SEC. 3. DETERMINATION OF BUDGETARY EFFECTS.**

10 The budgetary effects of this Act, for the purpose of  
11 complying with the Statutory Pay-As-You-Go Act of 2010,  
12 shall be determined by reference to the latest statement  
13 titled “Budgetary Effects of PAYGO Legislation” for this  
14 Act, submitted for printing in the Congressional Record  
15 by the Chairman of the House Budget Committee, pro-  
16 vided that such statement has been submitted prior to the  
17 vote on passage.

Passed the House of Representatives November 18,  
2019.

Attest: CHERYL L. JOHNSON,  
*Clerk.*