

S 1985

Microcap Fraud Prevention Act of 2001

**Congress:** 107 (2001–2003, Ended)

**Chamber:** Senate

**Policy Area:** Finance and Financial Sector

**Introduced:** Mar 5, 2002

**Current Status:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

**Latest Action:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Mar 5, 2002)

**Official Text:** <https://www.congress.gov/bill/107th-congress/senate-bill/1985>

Sponsor

**Name:** Sen. Collins, Susan M. [R-ME]

**Party:** Republican • **State:** ME • **Chamber:** Senate

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Mar 5, 2002

Subjects & Policy Tags

**Policy Area:**

Finance and Financial Sector

Related Bills

No related bills are listed.

Microcap Fraud Prevention Act of 2001 - Amends the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, and the Investment Company Act of 1940 to direct the Securities and Exchange Commission (SEC) to enjoin the activities of any broker, dealer, or investment adviser who: (1) is subject to an SEC order barring or suspending such person's right to be associated with a broker or dealer; (2) has been found by a foreign financial regulatory authority to have violated foreign statutes or regulations governing transactions in securities, banking, and insurance; (3) failed reasonably to supervise with a view to preventing securities, banking, or insurance violations; or (4) is subject to any order of a State regulatory authority barring such person from either engaging in the business of securities, insurance, or banking, or from association with an entity engaged in such businesses. Includes both municipal, and government securities dealers and brokers within the sweep of such regulation.

Amends the Securities Exchange Act of 1934 to: (1) extend the penny stock bar to any noncovered security; and (2) make it unlawful for any person who is the subject of certain enforcement sanctions to serve as officer, director, or participant in any offering involving a noncovered security.

Authorizes a court to prohibit violators of certain SEC anti-fraud rules from participating in an offering of a noncovered security.

Bars persons subject to specified court orders from serving as officers, directors, or participants in any offering involving a noncovered security.

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### **Actions Timeline**

- **Mar 5, 2002:** Introduced in Senate
- **Mar 5, 2002:** Sponsor introductory remarks on measure. (CR S1537-1538)
- **Mar 5, 2002:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.