

violation of this subchapter or rules, regulations, or orders thereunder, may be brought in any such district or in the district wherein the defendant is an inhabitant or transacts business, and process in such cases may be served in any district of which the defendant is an inhabitant or transacts business or wherever the defendant may be found. Judgments and decrees so rendered shall be subject to review as provided in sections 1254, 1291, 1292, and 1294 of title 28. No costs shall be assessed for or against the Commission in any proceeding under this subchapter brought by or against the Commission in any court.

(Aug. 22, 1940, ch. 686, title II, §214, 54 Stat. 856; Pub. L. 100-181, title VII, §707, Dec. 4, 1987, 101 Stat. 1264; Pub. L. 101-429, title IV, §403, Oct. 15, 1990, 104 Stat. 951.)

#### AMENDMENTS

1990—Pub. L. 101-429 inserted “and actions at law brought to enforce any liability or duty created by, or” after “all suits in equity” and “to enforce any liability or duty created by, or” after “Any suit or action”.

1987—Pub. L. 100-181 substituted “sections 1254, 1291, 1292, and 1294 of title 28” for “sections 128 and 240 of the Judicial Code, as amended, and section 7, as amended, of the Act entitled ‘An Act to establish a court of appeals for the District of Columbia’, approved February 9, 1893”.

#### EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by Pub. L. 101-429 effective Oct. 15, 1990, with provisions relating to civil penalties and accounting and disgorgement, see section 1(c)(1), (2) of Pub. L. 101-429, set out in a note under section 77g 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.

### § 80b-15. Validity of contracts

#### (a) Waiver of compliance as 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.

#### (b) Rights affected by invalidity

Every contract made in violation of any provision of this subchapter and every contract heretofore or hereafter made, the performance of which involves the violation of, or the continuance of any relationship or practice in violation of any provision of this subchapter, or any rule, regulation, or order thereunder, shall be void (1) as regards the rights of any person who, in violation of any such provision, rule, regulation, or order, shall have made or engaged in the performance of any such contract, and (2) as regards the rights of any person who, not being a party to such contract, shall have acquired any right thereunder with actual knowledge of the facts by reason of which the making or performance of such contract was in violation of any such provision.

(Aug. 22, 1940, ch. 686, title II, §215, 54 Stat. 856.)

#### 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.

### § 80b-16. Omitted

#### CODIFICATION

Section, act Aug. 22, 1940, ch. 686, title II, §216, 54 Stat. 857, which required the Securities and Exchange Commission to submit an annual report to Congress on the work of the Commission, terminated, effective May 15, 2000, pursuant to section 3003 of Pub. L. 104-66, as amended, set out as a note under section 1113 of Title 31, Money and Finance. See, also, page 191 of House Document No. 103-7.

### § 80b-17. Penalties

Any person who willfully violates any provision of this subchapter, or any rule, regulation, or order promulgated by the Commission under authority thereof, shall, upon conviction, be fined not more than \$10,000, imprisoned for not more than five years, or both.

(Aug. 22, 1940, ch. 686, title II, §217, 54 Stat. 857; Pub. L. 86-750, §15, Sept. 13, 1960, 74 Stat. 888; Pub. L. 94-29, §27(f), June 4, 1975, 89 Stat. 163.)

#### AMENDMENTS

1975—Pub. L. 94-29 substituted “imprisoned for not more than five years” for “imprisoned for not more than two years”.

1960—Pub. L. 86-750 inserted “, or any rule, regulation or order promulgated by the Commission under authority thereof.”

#### 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.

### § 80b-18. Hiring and leasing authority of Commission

The provisions of section 78d(b) of this title shall be applicable with respect to the power of the Commission—

(1) to appoint and fix the compensation of such other employees as may be necessary for carrying out its functions under this subchapter, and

(2) to lease and allocate such real property as may be necessary for carrying out its functions under this subchapter.

(Aug. 22, 1940, ch. 686, title II, §218, 54 Stat. 857; Oct. 28, 1949, ch. 782, title XI, §1106(a), 63 Stat. 972; Pub. L. 101-550, title I, §104(d), Nov. 15, 1990, 104 Stat. 2714.)

#### AMENDMENTS

1990—Pub. L. 101-550 amended section generally. Prior to amendment, section related to appointment and compensation of employees.

1949—Act Oct. 28, 1949, substituted “Classification Act of 1949” for “Classification Act of 1923”.

#### REPEALS

Act Oct. 28, 1949, ch. 782, cited as a credit to this section, was repealed (subject to a savings clause) by Pub. L. 89-554, Sept. 6, 1966, §8, 80 Stat. 632, 655.

#### 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.

**§ 80b-18a. State regulation of investment advisers**

**(a) Jurisdiction of State regulators**

Nothing in this subchapter shall affect the jurisdiction of the securities commissioner (or any agency or officer performing like functions) of any State over any security or any person insofar as it does not conflict with the provisions of this subchapter or the rules and regulations thereunder.

**(b) Dual compliance purposes**

No State may enforce any law or regulation that would require an investment adviser to maintain any books or records in addition to those required under the laws of the State in which it maintains its principal place of business, if the investment adviser—

(1) is registered or licensed as such in the State in which it maintains its principal place of business; and

(2) is in compliance with the applicable books and records requirements of the State in which it maintains its principal place of business.

**(c) Limitation on capital and bond requirements**

No State may enforce any law or regulation that would require an investment adviser to maintain a higher minimum net capital or to post any bond in addition to any that is required under the laws of the State in which it maintains its principal place of business, if the investment adviser—

(1) is registered or licensed as such in the State in which it maintains its principal place of business; and

(2) is in compliance with the applicable net capital or bonding requirements of the State in which it maintains its principal place of business.

**(d) National de minimis standard**

No law of any State or political subdivision thereof requiring the registration, licensing, or qualification as an investment adviser shall require an investment adviser to register with the securities commissioner of the State (or any agency or officer performing like functions) or to comply with such law (other than any provision thereof prohibiting fraudulent conduct) if the investment adviser—

(1) does not have a place of business located within the State; and

(2) during the preceding 12-month period, has had fewer than 6 clients who are residents of that State.

(Aug. 22, 1940, ch. 686, title II, § 222, as added Pub. L. 86-750, § 16, Sept. 13, 1960, 74 Stat. 888; amended Pub. L. 104-290, title III, § 304, Oct. 11, 1996, 110 Stat. 3438; Pub. L. 105-353, title III, § 301(d)(2), Nov. 3, 1998, 112 Stat. 3237.)

AMENDMENTS

1998—Subsec. (b)(2). Pub. L. 105-353 substituted “principal” for “principle”.

1996—Pub. L. 104-290 substituted “regulation” for “control” in section catchline and amended text generally, designating existing provisions as subsec. (a), inserting heading, and adding subsecs. (b) to (d).

EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by Pub. L. 104-290 effective 270 days after Oct. 11, 1996, see section 308(a) of Pub. L. 104-290, as amended, set out as a note under section 80b-2 of this title.

**§ 80b-19. Separability**

If any provision of this subchapter or the application of such provision to any person or circumstances 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.

(Aug. 22, 1940, ch. 686, title II, § 219, 54 Stat. 857.)

**§ 80b-20. Short title**

This subchapter may be cited as the “Investment Advisers Act of 1940”.

(Aug. 22, 1940, ch. 686, title II, § 220, 54 Stat. 857.)

SHORT TITLE OF 1996 AMENDMENT

Pub. L. 104-290, title III, § 301, Oct. 11, 1996, 110 Stat. 3436, provided that: “This title [enacting section 80b-3a of this title, amending sections 80b-2, 80b-3, and 80b-18a of this title and section 1002 of Title 29, Labor, and enacting provisions set out as notes under sections 80b-2, 80b-3a, and 80b-10 of this title and section 1002 of Title 29] may be cited as the ‘Investment Advisers Supervision Coordination Act.’”

**§ 80b-21. Effective date**

This subchapter shall become effective on November 1, 1940.

(Aug. 22, 1940, ch. 686, title II, § 221, 54 Stat. 857.)

**CHAPTER 2E—OMNIBUS SMALL BUSINESS CAPITAL FORMATION**

Sec.	
80c.	Liaison between Securities Exchange Commission and Small Business Administration.
80c-1.	Annual government-business forum on capital formation.
80c-2.	Authorization of appropriations.
80c-3.	Reduction of costs of small securities issues.

**§ 80c. Liaison between Securities Exchange Commission and Small Business Administration**

**(a) Studies on needs, problems, and costs of businesses; availability**

The Securities and Exchange Commission shall gather, analyze, and make available to the public, information with respect to the capital formation needs, and the problems and costs involved with new, small, medium-sized, and independent businesses.

**(b) Availability of studies to Small Business Administration**

The Commission shall make the results of such studies available to the Small Business Administration and otherwise have regular communication and liaison with such Administration in these matters.

(Pub. L. 96-477, title V, § 502, Oct. 21, 1980, 94 Stat. 2292.)

EFFECTIVE DATE

Section 507 of title V of Pub. L. 96-477 provided that: “Except as otherwise specified, the amendments made