



**Oregon**

Tina Kotek, Governor



Division of  
Financial  
Regulation

Department of Consumer  
and Business Services

## HB 2274: Strengthening Oregon Securities Law

### Background

The primary focus of the Oregon Securities Law (OSL), Oregon Revised Statutes (ORS) chapter 59, is investor protection. ORS chapter 59 has three key mechanisms for protecting investors from harm: first, a security must be registered with the director of the Department of Consumer and Business Services (DCBS) before it is offered or sold in Oregon subject to certain statutory conditions; second, it requires that the person selling the security or offering investment advice must be licensed by the director as a broker-dealer, salesperson, investment advisor, or investment advisor representative, unless an exemption or exclusion applies; and third, a person may not directly or indirectly make any false or misleading statements in connection with the sale or purchase of Oregon securities.

The purpose of the proposed amendments to ORS chapter 59 are to ensure that (1) the director has supervisory authority to ensure compliance with laws governing the sale and purchase of securities in Oregon; (2) investigations involving possible violations of securities law are kept confidential; and (3) provide stronger investor protection enforcement tools.

### - 1 Amendment

First, expressly include confidentiality protections to prevent persons under investigation for securities violations, or other members of the public, from obtaining information that could possibly compromise the director's regulatory oversight of the Oregon securities industry.

Second, provide the director with authority to request that licensees and persons required to have a license produce, for the director's examination and use, books, accounts, records, files, documents or other information or evidence, and impose a civil penalty for failing to provide such documents and information in a prompt and truthful manner.

Third, permit the director to order the payment of restitution to injured investors.

Fourth, provide for enhanced civil penalties, up to \$60,000 for each violation, if the injured investor is considered a vulnerable person as defined in ORS 59.480.



350 Winter St. NE  
P.O. Box 14480  
Salem, OR 97309



503-378-4140



dfr.financialserviceshelp@dcbs.oregon.gov  
dfr.insurancehelp@dcbs.oregon.gov



dfr.oregon.gov