

# Are Tougher SEC Penalties on the Horizon?

By: Bettina Eckerle

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Two U.S. senators are proposing a bill that would authorize the SEC to hand down tough new penalties against [registered investment professionals and their firms](#).

The Stronger Enforcement of Civil Penalties Act of 2012, introduced by Sens. Jack Reed and Charles Grassley, is aimed at repeat violators of securities laws.

Under the proposal, fines against individuals would be raised to \$1 million per violation instead of \$150,000 and maximum penalties for firms would increase to \$10 million, from \$725,000 for each misdeed.

The legislation follows a request by SEC Chairman Mary Schapiro that Congress authorize the agency to seek penalties based on the scope of investor losses. According to the bill's sponsors, the legislation is in response to growing frustration in the public that many firms see SEC fines as simply business as usual.

"If a fine is just decimal dust for a Wall Street firm, that's not a deterrent," Grassley said in a statement. "A penalty should mean something, and it should get the recidivist's attention."

Stay tuned.

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