

Ouch! State Actions Against Advisers Doubled in 2011

With Senior Investors

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The number of enforcement actions involving investment adviser firms nearly doubled to 399 in 2011, according to a recent report by the [North American Securities Administrators Association](#) (NASAA). In total, actions against advisers made up 15 percent of all enforcement actions pursued by state securities regulators.

The report is based on the results of a survey of NASAA member states during the spring of 2012. This year, 48 states responded to the survey, a response rate of 94 percent.

Of the 6121 investigations state securities regulators conducted last year, 2,602 led to criminal, administrative and civil enforcement actions. Prison time resulting from state-initiated actions totaled 1,662 years, up 47% from 2010.

The report also revealed that states are removing or barring brokers and investment advisers from the licensed community with greater frequency. In 2011, nearly 2,800 licenses were withdrawn, up almost eight percent from the year before; and 774 licenses were denied, revoked, suspended or conditioned, up 20 percent.

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