

**286.3-990 Penalties.**

- (1) (a) The commissioner may levy a civil penalty against any person that violates KRS 286.3-025.
- (b) The civil penalty levied under paragraph (a) of this subsection shall not be less than one thousand dollars (\$1,000) nor more than five thousand dollars (\$5,000) for each violation, plus the state's costs and expenses for examination, investigation, and prosecution of the matter, including reasonable attorney's fees and court costs.
- (2) Any receiver of an insolvent institution who fails to comply with the provisions of this subtitle shall be subject to the same penalties provided for solvent institutions and officers so offending.
- (3) (a) Any directors of a bank who knowingly violate, or knowingly permit any officer or employee of the bank to violate, any of the laws relating to banks, shall be jointly and severally liable to the creditors and stockholders for any loss or damage resulting from such violation.
- (b) If the loss or damage is not made good within a reasonable time, the commissioner, with the consent of the Attorney General, shall institute proceedings to revoke the corporate powers of the bank.
- (4) Any deputy commissioner or any examiner who has knowledge of the insolvency or unsafe condition of a state bank or trust company, or that it is inexpedient to permit the bank or trust company to continue business, and who fails to immediately present a signed report of such facts to the commissioner, or who violates any of the provisions of this subtitle, shall:
  - (a) Forfeit his or her office; and
  - (b) Pay a civil penalty of not less than one hundred dollars (\$100) nor more than two thousand dollars (\$2,000) for each violation.
- (5) Any commissioner who has knowledge of the insolvency or unsafe condition of a state bank or trust company, or that it is inexpedient to permit the bank or trust company to continue business, and who willfully fails to take the action prescribed by this subtitle, or who violates any of the provisions of this subtitle, shall:
  - (a) Forfeit his or her office; and
  - (b) Pay a civil penalty of not less than five hundred dollars (\$500) nor more than five thousand dollars (\$5,000) for each violation.
- (6) (a) The commissioner may levy a civil penalty against any bank or trust company that knowingly fails to:
  1. Make a report required by law or by the commissioner within the time designated for making the report;
  2. Include in a report any matter required by law or by the commissioner;
  3. Publish a report within thirty (30) days after it should have been published; or
  4. Pay, when due, the fees for:
    - a. Filing reports;

- b. An examination of the bank or trust company; or
  - c. The annual assessment required under KRS 286.3-480.
- (b) The civil penalty levied under paragraph (a) of this subsection shall not be more than one hundred dollars (\$100) for each day of delinquency, and in no event shall the aggregate penalty for any violation exceed one thousand dollars (\$1,000).
- (7) (a) The commissioner may levy a civil penalty against:
  - 1. Each bank or trust company that willfully:
    - a. Makes or transmits a false report; or
    - b. Refuses to submit its books, papers, and assets for examination; or
  - 2. Any officer of a bank or trust company who refuses to be examined under oath concerning the affairs of the bank or trust company.
- (b) The civil penalty levied under paragraph (a) of this subsection shall not be less than five hundred dollars (\$500) nor more than five thousand dollars (\$5,000) for each violation.
- (8) (a) The commissioner may levy a civil penalty against any person that violates KRS 286.3-225.
- (b) The civil penalty levied under paragraph (a) of this subsection shall not be less than fifty dollars (\$50) nor more than two thousand dollars (\$2,000) for each violation.
- (9) (a) The commissioner may levy a civil penalty against any bank or trust company that violates, or any officer, director, employee, agent, or other person who violates, any order issued under KRS 286.3-690 which has become final.
- (b) The civil penalty levied under paragraph (a) of this subsection shall not be more than one thousand dollars (\$1,000) for each day the violation continues, and in no event shall the aggregate penalty for any violation exceed ten thousand dollars (\$10,000).
- (c) As used in this subsection, the term "violates" includes any action causing, participating in, counseling, aiding, or abetting a violation.
- (d) In determining the amount of the civil penalty, the commissioner shall consider:
  - 1. The financial resources and good faith of the bank, trust company, or person charged;
  - 2. The gravity of the violation;
  - 3. The history of previous violations; and
  - 4. Such other factors as justice requires.
- (10) The commissioner may levy a civil penalty against any bank that violates KRS 286.3-100(1)(i) or (j) of:
  - (a) For the first violation, not less than one thousand dollars (\$1,000) nor more than two thousand dollars (\$2,000); and
  - (b) For the second or any subsequent violation, not less than two thousand dollars (\$2,000) nor more than five thousand dollars (\$5,000).

- (11) The commissioner may levy a civil penalty against any officer or director who violates:
- (a) KRS 286.3-280(1) or (2). The civil penalty shall not be less than one hundred dollars (\$100) nor more than five hundred dollars (\$500) for each violation; and
  - (b) KRS 286.3-280(3). The civil penalty shall not be less than five hundred dollars (\$500) nor more than two thousand dollars (\$2,000) for each violation.
- (12) Except as provided in subsection (13) of this section:
- (a) The commissioner shall provide written notice of any civil penalty assessed under this subtitle; and
  - (b) Whenever any civil penalty imposed under this subtitle is not paid, the commissioner may institute an action in Franklin Circuit Court or the Circuit Court of the county in which the violation was committed to recover the civil penalty.
- (13) In the case of a violation of subsection (5) of this section, the secretary of the Public Protection Cabinet may designate the Attorney General or any other person authorized to represent the cabinet to provide written notice or institute an action under subsection (12) of this section.

**Effective:** July 15, 2024

**History:** Amended 2024 Ky. Acts ch. 152, sec. 34, effective July 15, 2024. -- Amended 2010 Ky. Acts ch. 24, sec. 655, effective July 15, 2010. -- Amended 2006 Ky. Acts ch. 183, sec. 14, effective July 12, 2006. -- Amended 1998 Ky. Acts ch. 196, sec. 29, effective July 15, 1998. -- Amended 1996 Ky. Acts ch. 338, sec. 21, effective July 15, 1996. -- Amended 1992 Ky. Acts ch. 77, sec. 23, effective July 14, 1992. -- Amended 1986 Ky. Acts ch. 444, sec. 16, effective July 15, 1986. -- Amended 1984 Ky. Acts ch. 130, sec. 4, effective July 13, 1984; and ch. 324, sec. 59, effective July 13, 1984. -- Amended 1982 Ky. Acts ch. 251, sec. 17, effective April 1, 1982. -- Amended 1974 Ky. Acts ch. 406, sec. 312, effective January 1, 1975. -- Amended 1972 Ky. Acts ch. 207, sec. 8. -- Amended 1966 Ky. Acts ch. 255, sec. 283. -- Amended 1944 Ky. Acts ch. 11, sec. 1. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 165a-7, 165a-12, 165a-13, 165a-14, 583a-2, 597, 598, 602a-2.

**Formerly codified as** KRS 287.990.

**Legislative Research Commission Note (7/12/2006).** This section was amended in 2006 Ky. Acts ch. 183. In that same session, 2006 Ky. Acts ch. 247, sec. 38 required that all sections of KRS Chapters 287, 288, 290, 291, 294, 366, 366A, and 368 be renumbered as sections of a single KRS chapter entitled the "Kentucky Financial Services Code." Therefore, the Statute Reviser, acting under KRS 7.136(1), has changed the number of this section and codified it as a section of KRS Chapter 286. In addition, KRS references have been adjusted to conform with the renumbering.