

286.4-495 Emergency orders -- Grounds -- Hearing -- Duration of emergency order.

- (1) The commissioner may enter an emergency order suspending, conditioning, limiting, or restricting a license issued under this subtitle without notice or hearing if, after a thorough investigation and written findings, it appears upon grounds satisfactory to the commissioner that the licensee has engaged or is engaging in unsafe, unsound, or illegal practices that pose an imminent threat to the public interest.
- (2) The commissioner may enter an emergency cease-and-desist order against an unlicensed person if, after a thorough investigation, it appears upon grounds satisfactory to the commissioner that the unlicensed person has engaged or is engaging in unsafe or unsound practices, or actions contrary to this subtitle, that pose an imminent threat to the public interest.
- (3) One (1) or more of the following circumstances shall be considered sufficient grounds for an emergency order under this section if it appears on grounds satisfactory to the commissioner that:
 - (a) The licensee has willfully failed to comply with more than one (1) of the requirements of this subtitle;
 - (b) The licensee is in such financial condition that it cannot continue in business with safety to its customers;
 - (c) The licensee, or a person in control of the licensee, has been found guilty of any act involving fraud, deception, theft, or breach of trust, or is the subject of an active administrative cease-and-desist order or similar order, or of a permanent or temporary injunction currently in effect entered by any court or agency of competent jurisdiction;
 - (d) The licensee has made a misrepresentation of material fact to, or concealed an essential or material fact from, a person in the course of doing business, or has engaged in a course of business that has worked or tended to work a fraud or deceit upon a person or would so operate;
 - (e) The licensee has refused to permit a lawful examination or investigation, or has refused or failed, within a reasonable time, to furnish any information or make any report that may have been requested or required by the commissioner in connection with a lawful investigation or examination; or
 - (f) The licensee has had any license, registration, or claim of exemption related to the financial services industry denied, suspended, or revoked under the laws of this state, or has surrendered or terminated any license, registration, or claim of exemption issued by this state under threat of administrative action.
- (4) An emergency order issued under this section, compliant with KRS 13B.125, becomes effective when served by the commissioner. The emergency order shall be delivered by personal service or certified mail to the last known address of every affected party.
- (5) A person aggrieved by an emergency order issued by the commissioner under this section may request an emergency hearing. The request for hearing shall be filed

with the commissioner within twenty (20) days of service of the emergency order.

- (6) Upon receipt of a timely written request for an emergency hearing, an emergency hearing shall be conducted as set forth in KRS 13B.125.
- (7) An emergency order issued under this section shall remain in effect until it is stayed, withdrawn, or superseded by an order of the commissioner or until it is terminated by a court order.

Effective: June 27, 2019

History: Created 2019 Ky. Acts ch. 120, sec. 19, effective June 27, 2019.