

304.3-720 One-year period for beta test -- Extension by commissioner -- Terms and conditions -- Early termination -- Cease and desist order -- Appeal.

- (1) The time period for a beta test shall be one (1) year. The time period may be extended by the commissioner in the notice of acceptance for a period that is not longer than one (1) year if a request is made in accordance with KRS 304.3-705(1)(e).
- (2) During the beta test, the participant and any clients of the participant shall:
 - (a) Comply with all terms and conditions set forth in the limited no-action letter; and
 - (b) Provide the department with all documents, data, and information requested by the commissioner.
- (3) (a) For any violation of the terms or conditions set forth in the limited letter, the commissioner may:
 1. Issue an order terminating the beta test and the safe harbor of the limited letter before the time period set forth in the limited letter has expired; and
 2. Impose a fine of not more than two thousand dollars (\$2,000) per violation.
 - (b) The commissioner may also issue an order under paragraph (a)1. of this subsection if, following receipt of information or complaints, the commissioner determines the beta test is causing consumer harm.
- (4) (a) The commissioner may issue an order requiring a client to cease and desist any activity violating the terms or conditions set forth in the limited letter.
 - (b) The issuance of a cease and desist order to one (1) client shall not otherwise impact the ability of the participant or any other clients to continue activities relating to the innovation in a manner compliant with the requirements of the limited letter.
- (5) A participant or client may request a hearing on any order issued under this section pursuant to KRS 304.2-310.

Effective: June 27, 2019

History: Created 2019 Ky. Acts ch. 147, sec. 5, effective June 27, 2019.