

**434.320 Insolvent broker to accept no money or securities for margin from customer ignorant of broker's insolvency.**

- (1) Any broker who, knowing that he is insolvent, accepts or receives or consents to receiving from a customer ignorant of the broker's insolvency, deposits of money, stocks, bonds, securities, or other things of value belonging to the customer, to be used as margin for the purchase of stocks, bonds, grain, produce or cotton, otherwise than in payment of or security for an existing indebtedness, and who thereby causes the customer to lose, in whole or in part, such money, stocks, bonds, securities, or other things of value, shall be guilty of a Class D felony.
- (2) "Broker," as used in KRS 434.320, 434.330, and 434.340, means any person engaged in the business of buying or selling stocks, bonds, grain, produce, or cotton, as agent or representative of other persons upon margins, and who charges commissions for his services.

**Effective:** July 14, 1992

**History:** Amended 1992 Ky. Acts ch. 463, sec. 48, effective July 14, 1992. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. secs. 1376kk-1, 1376kk-3.