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**Market Actions (D) Working Group:** A group of regulators chosen for their market conduct expertise to act as a forum and resource for states on issues suitable for collaboration.

**Market Analysis:** The process by which a state reviews data and information to determine whether specific areas of regulatory concern are occurring in the marketplace.

**Non-Participating State**

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## **D. Multistate Examination Process**

This section contains the steps to determine the need for, and how to best conduct a multistate market conduct examination. For purposes of this discussion, the proposed deliverable is assumed to have been met/achieved before moving on to the next section.

### **1. Document the Need for an Examination**

The state Collaborative Action Designee (CAD) will work with the Market Analysis Chief (MAC)

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Deliverable:

A listing of all potentially affected states and description of the issues of concern, including magnitude. A clear understanding of the role of the domiciliary state and which state will lead the examination.

**4. Initiate Collaborative Examination**

The CAD of the Lead State, whether the initiating state or domiciliary state (if different) will still want to use the Market Actions (D) Working Group forum to provide information on the action and solicit other potentially impacted states.

Steps:

- a. Notify the Market Actions (D) Working Group of the intended collaborative action. Include at least the following:
  - A brief description of the issue;
  - A list of possibly affected states;

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## **E. Conclusion of Collaborative Enforcement Actions**

When a collaborative effort produces findings for which a regulatory penalty or sanction is contemplated, such action should be memorialized in a written consent order, voluntary settlement agreement or similarly titled settlement document. States may contemplate a collaborative enforcement action at the same time as a pending civil court action concerning similar issues, such as a class action lawsuit. Such an enforcement action may or may not occur simultaneously with a settlement of the civil action. Negotiations for coordinated regulatory and civil settlement should be the responsibility of the Lead State(s).

In the event a collaborative effort is challenged, or Lead States cannot reach a settlement, they should develop a resolution strategy. Lead States should outline their strategy and recommendations to ensure violations are appropriately addressed in the correct jurisdictions. Examiners from Participating States must be made available for follow-up proceedings, if required. Expenses associated with the appearance of any examiners at a proceeding arising out of the examination must be borne by the states conducting the action.

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