

# **Federal Securities Law Reporter, 1934 Securities Exchange Act Sec. 15(b)(4), [15 USC 78o(b)(4)] [Censure, Limitations on Activities, Suspension, or Revocation of Registration]**

no person shall be deemed to have failed reasonably to supervise any other person, if—

## **15(b)(4)(E)(i)**

there have been established procedures, and a system for applying such procedures, which would reasonably be expected to prevent and detect, insofar as practicable, any such violation by such other person, and

## **15(b)(4)(E)(ii)**

such person has reasonably discharged the duties and obligations incumbent upon him by reason of such procedures and system without reasonable cause to believe that such procedures and system were not being complied with.

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