§ 4523. Soliciting membership in unauthorized societies; penalties. (a) Any person, firm, association or corporation who or which shall solicit a member or members for, or in any way assist in procuring a member or members for, or collect payments or dues for or in connection with the membership of, any fraternal benefit society that is not licensed to do business in this state and that is not exempted under the provisions of section four thousand five hundred twenty-two of this article shall be guilty of a misdemeanor, and in addition, such person, firm, association or corporation shall be liable to a penalty of one hundred dollars for each person so solicited or so procured to become a member in such unauthorized society, and may in addition to either of the foregoing, be enjoined from doing any such unlawful acts, in the manner specified in section three hundred nine of the financial services law.

(b) The provisions of subsection (a) hereof shall not apply to the conduct of a designated representative acting under the authority of an unlicensed fraternal benefit society which was heretofore licensed to do business in this state and has obtained a certificate from the superintendent authorizing designated representatives to act for such society in the collection of payments or dues from members or perform any act incident to existing membership but not to solicit members or assist in procuring members. The application for such certificate shall be on such form or forms and supplements thereto, and shall contain such information, as the superintendent may prescribe. There shall be attached to such forms a statement by such society stating that such society has satisfied itself that the proposed designated representative is trustworthy and competent to act as such designated representative and that the society will appoint him to act as its designated representative. Such statement shall be subscribed by an officer of such society and affirmed by such officer as true under the penalties of perjury. The superintendent may revoke the superintendent's authorization of any designated representative after notice and hearing and on the grounds enumerated in subsection (a) of section two thousand one hundred ten of this chapter.