

Honolulu, Hawaii

JUL 02 2020

RE: H.B. No. 2317
H.D. 2
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B.
No. 2317, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO SECURITIES,"

begs leave to report as follows:

The purpose and intent of this measure is to protect elders and vulnerable adults from financial exploitation in relation to securities.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Department of Human Services, Securities Industry Association of Hawaii, Securities Industry and Financial Markets Association, and one individual. Your Committee received comments on this measure from the Office of Information Practices and National Association of Insurance and Financial Advisors Hawaii.

Your Committee finds that Americans lose approximately \$2.9 billion annually in media-reported cases of financial exploitation. Furthermore, it is estimated that only one out of every forty-four instances of financial abuse is reported to the authorities. Your Committee further finds that the financial exploitation of the elderly and vulnerable adults has steadily increased during the COVID-19 pandemic. Your Committee additionally finds that the financial consequences for those who



fall victim to financial exploitations are often devastating and irreparable, and can include loss of independence, a reduced quality of life, and even death. This measure will strengthen efforts to address financial exploitation and to help protect elders and vulnerable adults in Hawaii.

Your Committee has amended this measure by making the report of a qualified person to the securities commissioner mandatory in the event that the qualified person believes that financial exploitation of an elder or vulnerable adult may have occurred.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2317, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2317, H.D. 2, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



KARL RHOADS, Chair



Record of Votes
Committee on Judiciary
JDC

*Only one measure per Record of Votes