STAND. COM. REP. NO. 3753

Honolulu, Hawaii

JUL 0 2 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,

Kal Mach

KARL RHOADS, Chair

The Senate Thirtieth Legislature State of Hawai'i

Record of Votes Committee on Judiciary JDC

Bill / Resolution No.:*	Committee Referral:			Date:	
HB 2317 HD2501	CPH.	JDe		06/30	12020
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR	R) Nay	Excused
RHOADS, Karl (C)					
KEOHOKALOLE, Jarrett (VC)					
GABBARD, Mike					
KIM, Donna Mercado					
FEVELLA, Kurt					
TOTAL		4			1
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

^{*}Only one measure per Record of Votes