

1 adult's money, assets, or property to deprive the
2 elder or vulnerable adult of the ownership, use,
3 benefit, or possession of the elder's or
4 vulnerable adult's money, assets, or property; or
5 (B) Convert money, assets, or property of the elder
6 or vulnerable adult to deprive the elder or
7 vulnerable adult of the ownership, use, benefit,
8 or possession of the elder's or vulnerable
9 adult's money, assets, or property.

10 "Qualified person" means any agent, broker-dealer,
11 investment adviser representative, investment adviser, or person
12 who serves in a supervisory or compliance capacity for a broker-
13 dealer or an investment adviser.

14 "Reasonably associated individual" means any person known
15 to the qualified person to be reasonably associated with the
16 elder, vulnerable adult, or account.

17 "Vulnerable adult" means a person eighteen years of age or
18 older who, because of mental, developmental, or physical
19 impairment, is unable to:

20 (1) Communicate or make responsible decisions to manage
21 the person's own care or resources;



1 (2) Carry out or arrange for essential activities of daily
2 living; or

3 (3) Protect oneself from abuse.

4 **§485A-B Governmental disclosures.** If a qualified person
5 reasonably believes that financial exploitation of an elder or a
6 vulnerable adult may have occurred, may have been attempted, or
7 is being attempted, the qualified person shall promptly notify
8 the commissioner.

9 **§485A-C Immunity for governmental disclosures.** A
10 qualified person who, in good faith and exercising reasonable
11 care, makes a disclosure of information pursuant to
12 section 485A-B shall be immune from administrative or civil
13 liability that might otherwise arise from the disclosure or for
14 any failure to notify the commissioner of the disclosure.

15 **§485A-D Third-party disclosures.** If a qualified person
16 reasonably believes that financial exploitation of an elder or a
17 vulnerable adult may have occurred, may have been attempted, or
18 is being attempted, a qualified person may notify a reasonably
19 associated individual or any third party previously designated
20 by the elder or vulnerable adult. Disclosure shall not be made
21 to any reasonably associated individual or previously designated



1 third party who is suspected of financial exploitation or other
2 abuse of the elder or vulnerable adult.

3 **§485A-E Immunity for third-party disclosures.** A qualified
4 person who, in good faith and exercising reasonable care, makes
5 a disclosure of information pursuant to section 485A-D shall be
6 immune from any administrative or civil liability that might
7 otherwise arise from the disclosure.

8 **§485A-F Delaying disbursements or transactions.** (a) A
9 broker-dealer or an investment adviser may delay a disbursement
10 from, or a transaction in connection with, an account of an
11 elder or a vulnerable adult or an account on which an elder or a
12 vulnerable adult is a beneficiary if:

13 (1) The qualified person reasonably believes, after
14 initiating an internal review of the requested
15 disbursement or transaction and the suspected
16 financial exploitation, that the requested
17 disbursement or transaction may result in financial
18 exploitation of the elder or vulnerable adult; and

19 (2) The broker-dealer or investment adviser:

20 (A) Immediately, but in no event more than two
21 business days after the requested disbursement or



1 transaction is delayed, provides written
2 notification of the delay and the reason for the
3 delay to all parties authorized to transact
4 business on the account, unless any party is
5 reasonably believed to have engaged in suspected
6 or attempted financial exploitation of the elder
7 or vulnerable adult;

8 (B) Immediately, but in no event more than two
9 business days after the requested disbursement or
10 transaction is delayed, notifies the
11 commissioner; and

12 (C) Continues its internal review of the suspected or
13 attempted financial exploitation of the elder or
14 vulnerable adult, as necessary, and provides
15 status updates to the commissioner upon request.

16 (b) Any delay of a requested disbursement or transaction
17 as authorized by this section shall expire upon the sooner of:

18 (1) A determination by the broker-dealer or investment
19 adviser that the requested disbursement or transaction
20 will not result in financial exploitation of the elder
21 or vulnerable adult; or



1 (2) Fifteen business days after the date on which the
 2 broker-dealer or investment adviser first delayed the
 3 requested disbursement or transaction, unless the
 4 commissioner requests that the broker-dealer or
 5 investment adviser extend the delay, in which case the
 6 delay shall expire no later than twenty-five business
 7 days after the date on which the broker-dealer or
 8 investment adviser first delayed the requested
 9 disbursement or transaction, unless sooner terminated
 10 or further extended by the commissioner or by an order
 11 of a court of competent jurisdiction.

12 (c) A court of competent jurisdiction may enter an order
 13 extending the delay of the requested disbursement or
 14 transaction, or may order other protective relief based on the
 15 petition of the commissioner, the broker-dealer or investment
 16 adviser who initiated the delay under this section, or other
 17 interested party.

18 **§485A-G Immunity for delaying disbursements or**
 19 **transactions.** A qualified person who, in good faith and
 20 exercising reasonable care, complies with section 485A-F shall
 21 be immune from any administrative or civil liability that might



1 otherwise arise from a delay of a requested disbursement or
2 transaction in accordance with that section.

3 **§485A-H Records.** A broker-dealer or an investment adviser
4 shall provide access to or copies of records that are relevant
5 to the suspected or attempted financial exploitation of an elder
6 or a vulnerable adult to the commissioner or law enforcement,
7 either as part of a referral to the commissioner or law
8 enforcement, or upon request of the commissioner or law
9 enforcement pursuant to an investigation. The records may
10 include historical records as well as records relating to the
11 most recent transaction or transactions that may comprise
12 financial exploitation of an elder or a vulnerable adult. All
13 records made available under this section shall be exempt from
14 disclosure under chapter 92F.

15 Nothing in this section shall limit or otherwise impede the
16 authority of the commissioner to access or examine the books and
17 records of broker-dealers and investment advisers as otherwise
18 provided by law.

19 **§485A-I Multiple duties to report.** Compliance with this
20 part shall not discharge the duty to report suspected abuse
21 under any other law."



1 SECTION 2. In codifying the new sections added by
2 section 1 of this Act, the revisor of statutes shall substitute
3 appropriate section numbers for the letters used in designating
4 the new sections in this Act.

5 SECTION 3. This Act shall take effect on July 1, 3021.



H.B. NO. 940 H.D. 2

Report Title:

Uniform Securities Act; Elder; Vulnerable Adult; Financial Exploitation; Broker-Dealers; Investment Advisors

Description:

Mandates reporting of suspected financial exploitation of elders and vulnerable adults in relation to securities. Provides immunity for good faith reporting. Authorizes the delay of disbursements and transactions in situations of suspected financial exploitation. Effective 7/1/3021. (HD2)

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