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16 2. Health professional or mental health professional other
17 than one listed in subparagraph 1.;

18 3. Practitioner who relies solely on spiritual means for
19 healing;

20 4. Nursing home staff; assisted living facility staff;
21 adult day care center staff; adult family-care home staff;
22 social worker; or other professional adult care, residential, or
23 institutional staff;

24 5. State, county, or municipal criminal justice employee
25 or law enforcement officer;

26 6. Employee of the Department of Business and Professional
27 Regulation conducting inspections of public lodging
28 establishments under s. 509.032;

29 7. Florida advocacy council or Disability Rights Florida
30 member or a representative of the State Long-Term Care Ombudsman
31 Program; ~~or~~

32 8. Bank, savings and loan, or credit union officer,
33 trustee, or employee; or

34 9. Dealer, investment adviser, or associated person under
35 chapter 517,

36
37 who knows, or has reasonable cause to suspect, that a vulnerable
38 adult has been or is being abused, neglected, or exploited shall
39 immediately report such knowledge or suspicion to the central
40 abuse hotline.

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41 Section 2. Section 517.34, Florida Statutes, is created to
42 read:

43 517.34 Protection of specified adults.-

44 (1) As used in this section, the term:

45 (a)1. "Exploitation" means:

46 a. With respect to a person who stands in a position of
47 trust and confidence with a specified adult, such person
48 knowingly, by deception or intimidation, obtains or uses, or
49 endeavors to obtain or use, the specified adult's funds, assets,
50 or property with the intent to temporarily or permanently
51 deprive the specified adult of the use, benefit, or possession
52 of the funds, assets, or property for the benefit of someone
53 other than the specified adult; or

54 b. With respect to a person who knows or should know that
55 a specified adult lacks the capacity to consent, such person
56 obtains or uses, or endeavors to obtain or use, the specified
57 adult's funds, assets, or property with the intent to
58 temporarily or permanently deprive the specified adult of the
59 use, benefit, or possession of the funds, assets, or property
60 for the benefit of someone other than the specified adult.

61 2. "Exploitation" may include, but is not limited to:

62 a. A breach of a fiduciary relationship, such as the
63 misuse of a power of attorney or the abuse of guardianship
64 duties, resulting in the unauthorized appropriation, sale, or
65 transfer of property;

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66 b. An unauthorized taking of personal assets;

67 c. Misappropriation, misuse, or transfer of moneys
68 belonging to a specified adult from a personal or joint account;
69 or

70 d. Intentional or negligent failure to effectively use a
71 specified adult's income and assets for the necessities required
72 for that person's support and maintenance.

73 (b) "Law enforcement agency" means an agency or political
74 subdivision of this state or of the United States whose primary
75 responsibility is the prevention and detection of crime or the
76 enforcement of the penal laws of this state or the United States
77 and whose agents and officers are empowered by law to conduct
78 criminal investigations or to make arrests.

79 (c) "Specified adult" means a natural person 65 years of
80 age or older or a vulnerable adult as defined in s. 415.102.

81 (d) "Trusted contact" means a natural person 18 years of
82 age or older whom the account owner has expressly identified in
83 writing as a person who may be contacted about the account.

84 (2) A dealer, investment adviser, or associated person may
85 delay a transaction on, or a disbursement of funds or securities
86 from, an account of a specified adult or an account for which a
87 specified adult is a beneficiary or beneficial owner if the
88 dealer, investment adviser, or associated person reasonably
89 believes that exploitation of the specified adult has occurred,

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90 is occurring, has been attempted, or will be attempted in
91 connection with the transaction or disbursement.

92 (a) The dealer's, investment adviser's, or associated
93 person's reasonable belief may be based on the facts and
94 circumstances observed in such dealer's, investment adviser's,
95 or associated person's business relationship with the specified
96 adult.

97 (b)1. A dealer or investment adviser must notify the
98 office, on a quarterly basis and on a form prescribed by
99 commission rule, of every delay placed by the dealer, investment
100 adviser, or an associated person. The notice may not directly or
101 indirectly identify the customer name, account number, parties
102 authorized to transact business on the account, or any trusted
103 contact on the account. The notice must include:

104 a. The name and the branch office address of the firm
105 placing the delay on the transaction or disbursement.

106 b. A general description of the reason why the dealer,
107 investment adviser, or associated person placed the delay on the
108 transaction or disbursement.

109 c. The length of the delay on the transaction or
110 disbursement and whether the transaction or disbursement was
111 ultimately executed.

112 2. On or before October 1 of each year, the office must
113 submit a report to the Governor, the President of the Senate,
114 and the Speaker of the House of Representatives summarizing the

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115 information provided to the office by dealers, investment
116 advisers, and associated persons under subparagraph 1. during
117 the prior fiscal year. This subparagraph expires October 1,
118 2023.

119 (c)1. Within 3 business days after the date on which the
120 delay was first placed, the dealer, investment adviser, or
121 associated person must notify in writing, which may be provided
122 electronically, all parties authorized to transact business on
123 the account and any trusted contact on the account, using the
124 contact information provided for the account, unless the dealer,
125 investment adviser, or associated person reasonably believes
126 that any such party engaged or is engaging in the suspected
127 exploitation of the specified adult.

128 2. The notice provided pursuant to this paragraph must
129 include, at a minimum, a description of the transaction or
130 disbursement, a statement that a delay was placed on such
131 transaction or disbursement pursuant to this section, the basis
132 for the reasonable belief regarding exploitation of the
133 specified adult, and an explanation of the delay process.

134 (3) A delay on a transaction or disbursement under
135 subsection (2) expires 15 business days after the date on which
136 the delay was first placed. The length of the delay may be
137 shortened or extended at any time by an agency or court of
138 competent jurisdiction. This subsection does not prevent a
139 dealer, investment adviser, or associated person from

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140 terminating a delay after communication with parties authorized
141 to transact business on the account and any trusted contact on
142 the account.

143 (4) A dealer, investment adviser, or associated person
144 subject to the jurisdiction of the office must make available to
145 the office, upon request, all records relating to a delay or
146 report made by the dealer, investment adviser, or associated
147 person pursuant to this section.

148 (6) A dealer, investment adviser, or associated person who
149 delays a transaction or disbursement pursuant to this section,
150 who provides records to an agency of competent jurisdiction
151 pursuant to this section, or who participates in a judicial or
152 arbitration proceeding resulting therefrom is presumed to be
153 acting based upon a reasonable belief and is immune from any
154 civil or administrative liability that otherwise might be
155 incurred or imposed, unless lack of such reasonable belief is
156 shown by clear and convincing evidence. This subsection does not
157 supersede or diminish any immunity in chapter 415.

158 (7) Before placing a delay on a transaction or
159 disbursement pursuant to this section, a dealer or investment
160 adviser must develop training policies or programs designed to
161 educate associated persons on issues pertaining to exploitation
162 and must conduct training of all associated persons accordingly.
163 The training policies or programs must provide for all
164 associated persons to initially receive a minimum of 1 hour of

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165 such training and must provide for all associated persons to
166 receive a minimum of 1 hour of such training every 2 years
167 thereafter. Such training must include components relating to
168 recognition of indicators of exploitation, recognition of
169 indicators of a vulnerable adult, the manner in which suspected
170 exploitation must be reported to supervisory personnel and to
171 the appropriate regulatory and law enforcement agencies, and
172 steps that may be taken to prevent exploitation. The dealer or
173 investment adviser must maintain a written record of compliance
174 with this subsection.

175 (8) This section does not create new rights or obligations
176 of a dealer, investment adviser, or associated person under
177 other applicable laws or rules. In addition, this section does
178 not limit the right of a dealer, investment adviser, or
179 associated person to otherwise refuse or place a delay on a
180 transaction or disbursement under other applicable laws or rules
181 or under an applicable customer agreement.

182 (9) Absent a reasonable belief of exploitation as provided
183 in this section, this section does not alter a dealer's,
184 investment adviser's, or associated person's obligation to
185 comply with instructions from a client to close an account or
186 transfer an account to another dealer, investment adviser, or
187 associated person.

188 Section 3. This act shall take effect July 1, 2018.
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T I T L E A M E N D M E N T

Remove everything before the enacting clause and insert:
An act relating to protection for vulnerable
investors; amending s. 415.1034, F.S.; requiring
securities dealers, investment advisers, and
associated persons to immediately report knowledge or
suspicion of abuse, neglect, or exploitation of
vulnerable adults to the Department of Children and
Families' central abuse hotline; creating s. 517.34,
F.S.; defining terms; authorizing dealers, investment
advisers, and associated persons to delay certain
transactions or disbursements if such persons
reasonably believe certain exploitation of a specified
adult has occurred, is occurring, has been attempted,
or will be attempted; providing the basis for such
reasonable belief; requiring a dealer or investment
adviser to provide the Office of Financial Regulation
a specified notice at certain timeframes; requiring
the Financial Services Commission to adopt a form by
rule; requiring the office to submit an annual report
to the Governor and Legislature; providing for
expiration; specifying notification requirements for
dealers, investment advisers, and associated persons

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215 placing delays on transactions or disbursements;
216 specifying the expiration of such delays; providing
217 that such delays may be shortened or extended by an
218 agency or court of competent jurisdiction; providing
219 that delays may be terminated by dealers, investment
220 advisers, or associated persons under certain
221 circumstances; specifying when certain records must be
222 shared with the Office of Financial Regulation;
223 providing immunity from civil and administrative
224 liability to dealers, investment advisers, and
225 associated persons for certain actions based on a
226 reasonable belief; specifying requirements for dealers
227 and investment advisers in training their associated
228 persons; providing construction; providing an
229 effective date.