

By Senator Stargel

22-00777B-18

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1                   A bill to be entitled  
2           An act relating to protection for vulnerable  
3           investors; creating s. 517.34, F.S.; defining terms;  
4           authorizing securities dealers, investment advisers,  
5           and associated persons to place temporary holds on  
6           transactions regarding certain accounts if the dealer,  
7           investment adviser, or associated person believes in  
8           good faith that exploitation of specified adults has  
9           occurred, is occurring, or has been attempted in  
10          connection with the transactions and if the dealer,  
11          investment adviser, or associated person complies with  
12          specified requirements; providing that such holds  
13          expire after a specified timeframe; authorizing  
14          dealers, investment advisers, and associated persons  
15          to extend holds under certain circumstances for up to  
16          a specified timeframe; providing that the length of  
17          holds may be shortened or extended by certain courts  
18          or agencies; authorizing dealers, investment advisers,  
19          and associated persons to provide certain records to  
20          the Department of Children and Families or law  
21          enforcement agencies upon request; authorizing the  
22          department to inform reporting parties of certain  
23          information; providing that dealers, investment  
24          advisers, and associated persons are immune from  
25          liability for certain actions; providing construction;  
26          providing an effective date.

27  
28   Be It Enacted by the Legislature of the State of Florida:  
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22-00777B-18

2018662\_\_

30 Section 1. Section 517.34, Florida Statutes, is created to  
31 read:

32 517.34 Protection of specified adults.-

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

34 (a) "Exploitation" has the same meaning as provided in s.  
35 415.102.

36 (b) "Law enforcement agency" means an agency of this state  
37 or a political subdivision of this state or of the United States  
38 whose primary responsibility is the prevention and detection of  
39 crime or the enforcement of the penal laws of this state or the  
40 United States, and whose agents and officers are empowered by  
41 law to conduct criminal investigations or to make arrests.

42 (c) "Records" has the same meaning as provided in s.  
43 415.102.

44 (d) "Specified adult" means a natural person who is 65  
45 years of age or older or a vulnerable adult as defined in s.  
46 415.102.

47 (2) A dealer, an investment adviser, or an associated  
48 person may place a temporary hold on a transaction regarding the  
49 account of a specified adult or an account for which a specified  
50 adult is a beneficiary or beneficial owner if the dealer,  
51 investment adviser, or associated person believes in good faith  
52 that exploitation of the specified adult has occurred, is  
53 occurring, or has been attempted in connection with the  
54 transaction, as follows:

55 (a) Consistent with the requirements of chapter 415, the  
56 dealer, investment adviser, or associated person must  
57 immediately notify the Department of Children and Families, via  
58 its central abuse hotline, of the suspected exploitation.

22-00777B-18

2018662\_\_

59 (b) Within 3 business days after placing a temporary hold  
60 on a transaction, the dealer, investment adviser, or associated  
61 person must orally or in writing attempt to notify all parties  
62 authorized to transact business on the account using the contact  
63 information provided for the account, unless the dealer,  
64 investment adviser, or associated person believes in good faith  
65 that any such party engaged or is engaging in the suspected  
66 exploitation of the specified adult.

67 (3) A temporary hold under subsection (2) expires 15  
68 business days after the date on which the hold was placed.  
69 However, the dealer, investment adviser, or associated person  
70 may extend the hold for up to 10 additional business days if its  
71 review of the available facts and circumstances continues to  
72 support its good faith belief that exploitation of the specified  
73 adult has occurred, is occurring, or has been attempted. The  
74 length of the hold may be shortened or extended at any time by  
75 an order of a court of competent jurisdiction or by a written  
76 directive from an agency of competent jurisdiction that directs  
77 such reduction or extension, including, but not limited to, the  
78 Department of Children and Families pursuant to its authority  
79 under chapter 415.

80 (4) A dealer, an investment adviser, or an associated  
81 person may provide access to or copies of any records that are  
82 relevant to the suspected exploitation of a specified adult to  
83 the Department of Children and Families or a law enforcement  
84 agency at their request. These records may include records of  
85 prior transactions in addition to the transactions comprising  
86 the suspected exploitation.

87 (5) Notwithstanding any law to the contrary, the Department

22-00777B-18

2018662\_\_

88 of Children and Families may inform the reporting party on the  
89 status of an investigation initiated under this section and any  
90 final disposition.

91 (6) Notwithstanding any law to the contrary, a dealer, an  
92 investment adviser, or an associated person is immune from any  
93 civil, criminal, or administrative liability for actions taken  
94 in accordance with this section. This section may not be  
95 construed to form a basis for any civil, criminal, or  
96 administrative liability against a dealer, an investment  
97 adviser, or an associated person.

98 (7) This section may not be construed to create new rights  
99 or obligations of a dealer, an investment adviser, or an  
100 associated person under other applicable laws or rules. In  
101 addition, this section does not limit the right of a dealer, an  
102 investment adviser, or an associated person to otherwise refuse  
103 or place a hold on a transaction under other applicable laws or  
104 rules or under an applicable customer agreement.

105 Section 2. This act shall take effect July 1, 2018.