

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.

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28 Be It Enacted by the Legislature of the State of Florida:

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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.

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

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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.