



158696

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/13/2020	.	
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The Committee on Judiciary (Broxson) recommended the following:

Senate Amendment (with title amendment)

Delete lines 109 - 170
and insert:
financial exploitation, and to provide securities dealers,
investment advisers, and associated persons immunity from
liability for taking actions as authorized herein. The
Legislature intends to balance the rights of specified adults to
direct and control their assets, funds, and investments and
exercise their constitutional rights consistent with due process
with the need to provide securities dealers, investment



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12 advisers, and associated persons the ability to place narrow,
13 time-limited restrictions on these rights in an effort to
14 decrease specified adults' risk of loss due to abuse, neglect,
15 or financial exploitation.

16 (3) A dealer or investment adviser may delay a disbursement
17 or transaction of funds or securities from an account of a
18 specified adult or an account for which a specified adult is a
19 beneficiary or beneficial owner if all of the following apply:

20 (a) The dealer or investment adviser reasonably believes
21 that financial exploitation of the specified adult has occurred,
22 is occurring, has been attempted, or will be attempted in
23 connection with the disbursement or transaction.

24 (b) Not later than 3 business days after the date on which
25 the delay was first placed, the dealer or investment adviser
26 notifies in writing all parties authorized to transact business
27 on the account and any trusted contact on the account, using the
28 contact information provided for the account, with the exception
29 of any party the dealer or investment adviser reasonably
30 believes has engaged in, is engaging in, has attempted to engage
31 in, or will attempt to engage in the suspected financial
32 exploitation of the specified adult. The notice, which may be
33 provided electronically, must provide the reason for the delay.

34 (c) Not later than 3 business days after the date on which
35 the delay was first placed, the dealer or investment adviser
36 notifies the office of the delay electronically on a form
37 prescribed by commission rule. The form must be consistent with
38 the purposes of this section and may include only the following
39 information:

40 1. The date the notification is submitted to the office.



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- 41 2. The date on which the delay was first placed.
- 42 3. The following information about the specified adult:
- 43 a. Gender.
- 44 b. Age.
- 45 c. Zip code of residence address.
- 46 4. The following information about the dealer or investment
- 47 adviser who placed the delay:
- 48 a. Name.
- 49 b. Title.
- 50 c. Firm name.
- 51 d. Business address.
- 52 5. A section with the following questions for which the
- 53 only allowable responses are "Yes" or "No":
- 54 a. Is financial exploitation of a specified adult suspected
- 55 in connection with a transaction or disbursement?
- 56 b. Are funds currently at risk of being lost?
- 57
- 58 The form must contain substantially the following statement in
- 59 conspicuous type: "The office may take disciplinary action
- 60 against any person making a knowing and willful
- 61 misrepresentation on this form."
- 62 (d) The dealer or investment adviser immediately initiates
- 63 an internal review of the facts and circumstances that caused
- 64 the dealer or investment adviser to reasonably believe that the
- 65 financial exploitation of the specified adult has occurred, is
- 66 occurring, has been attempted, or will be attempted.
- 67 (4) A delay on a disbursement or transaction under
- 68 subsection (3) expires 15 business days after the date on which
- 69 the delay was first placed. However, the dealer or investment



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70 adviser may extend the delay for up to 10 additional business
71 days if the dealer's or investment adviser's review of the
72 available facts and circumstances continues to support such
73 dealer's or investment adviser's reasonable belief that
74 financial exploitation of the specified adult has occurred, is
75 occurring, has been attempted, or will be attempted. A dealer or
76 investment adviser that extends a delay shall notify the office
77 on a form prescribed by commission rule not later than 3
78 business days after the date on which the extension was applied.
79 The notice must identify the dealer or investment adviser that
80 extended the delay and the date on which the delay was
81 originally made. The length of the delay may be shortened or
82 extended at any time by a court of competent jurisdiction. This
83 subsection does not prevent a dealer or investment adviser from
84 terminating a delay after communication with the parties
85 authorized to transact business on the account and any trusted
86 contact on the account.

87 (5) A dealer or investment adviser must make available to
88 the office, upon request, all records relating to a delay placed

89
90 ===== T I T L E A M E N D M E N T =====

91 And the title is amended as follows:

92 Between lines 17 and 18

93 insert:

94 specifying required information in the form for such
95 notice;