

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 delay a transaction on, or a  
6           disbursement of funds or securities from, certain  
7           accounts if such dealer, adviser, or person believes  
8           that financial exploitation of a specified adult has  
9           occurred, is occurring, has been attempted, or will be  
10          attempted and if such dealer, adviser, or person  
11          complies with specified requirements; providing for  
12          expiration of such delay after a specified timeframe;  
13          authorizing such dealers, advisers, and persons to  
14          extend the duration of such delay under certain  
15          circumstances; authorizing an agency or court of  
16          competent jurisdiction to shorten or extend the  
17          duration of such delay; authorizing such dealers,  
18          advisers, and persons to provide certain records to  
19          the Department of Children and Families or law  
20          enforcement agencies upon request; requiring such  
21          dealers, advisers, and persons to make certain records  
22          available to the Office of Financial Regulation upon  
23          request; authorizing the department to inform  
24          reporting parties of certain information; providing  
25          that such dealers, advisers, and persons are presumed

26 to be acting in good faith and are immune from civil  
 27 or administrative liability for certain actions;  
 28 specifying minimum training requirements for such  
 29 dealers, advisers, and persons; requiring such  
 30 dealers, advisers, and persons to maintain a written  
 31 record of compliance with training requirements;  
 32 providing construction; providing an effective date.  
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34 Be It Enacted by the Legislature of the State of Florida:  
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36 Section 1. Section 517.34, Florida Statutes, is created to  
 37 read:

38 517.34 Protection of specified adults.-

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

40 (a) "Exploitation" has the same meaning as provided in s.  
 41 415.102.

42 (b) "Law enforcement agency" means an agency or political  
 43 subdivision of this state or of the United States whose primary  
 44 responsibility is the prevention and detection of crime or the  
 45 enforcement of the penal laws of this state or the United States  
 46 and whose agents and officers are empowered by law to conduct  
 47 criminal investigations or to make arrests.

48 (c) "Records" has the same meaning as provided in s.  
 49 415.102.

50 (d) "Specified adult" means a natural person 65 years of

51 age or older or a vulnerable adult as defined in s. 415.102.

52 (e) "Trusted contact" means a natural person 18 years of  
53 age or older whom the account owner has expressly identified in  
54 writing as a person who may be contacted about the account.

55 (2) A dealer, investment adviser, or associated person may  
56 delay a transaction on, or a disbursement of funds or securities  
57 from, an account of a specified adult or an account for which a  
58 specified adult is a beneficiary or beneficial owner if the  
59 dealer, investment adviser, or associated person believes in  
60 good faith that financial exploitation of the specified adult  
61 has occurred, is occurring, has been attempted, or will be  
62 attempted in connection with the transaction or disbursement, as  
63 follows:

64 (a) The dealer's, investment adviser's, or associated  
65 person's good faith belief may be based on the facts and  
66 circumstances observed in such dealer's, investment adviser's,  
67 or associated person's business relationship with the specified  
68 adult.

69 (b) If the specified adult is a vulnerable adult as  
70 defined in s. 415.102, the dealer, investment adviser, or  
71 associated person must immediately notify the Department of  
72 Children and Families, via its central abuse hotline, of the  
73 suspected exploitation pursuant to chapter 415.

74 (c)1. Within 3 business days after the date on which the  
75 delay was first placed, the dealer, investment adviser, or

76 associated person must notify in writing, which may be provided  
77 electronically, all parties authorized to transact business on  
78 the account and any trusted contact on the account, using the  
79 contact information provided for the account, unless the dealer,  
80 investment adviser, or associated person believes in good faith  
81 that any such party engaged or is engaging in the suspected  
82 exploitation of the specified adult.

83 2. The notice provided pursuant to this paragraph must  
84 include, at a minimum, a description of the transaction or  
85 disbursement, a statement that a delay was placed on such  
86 transaction or disbursement pursuant to this section, the basis  
87 for the good faith belief regarding financial exploitation of  
88 the specified adult, and an explanation of the delay process.

89 (3) A delay on a transaction or disbursement under  
90 subsection (2) expires 15 business days after the date on which  
91 the delay was first placed. However, a dealer, investment  
92 adviser, or associated person may extend the delay for up to 10  
93 additional business days if its review of the available facts  
94 and circumstances continues to support its good faith belief  
95 that exploitation of the specified adult has occurred, is  
96 occurring, has been attempted, or will be attempted. The length  
97 of the delay may be shortened or extended at any time by an  
98 agency or court of competent jurisdiction.

99 (4) A dealer, investment adviser, or associated person may  
100 provide access to or copies of any records that are relevant to

101 the suspected exploitation of a specified adult to the  
102 Department of Children and Families or a law enforcement agency  
103 at their request. These records may include records of prior  
104 transactions in addition to the transactions comprising the  
105 suspected exploitation. A dealer, investment adviser, or  
106 associated person subject to the jurisdiction of the office must  
107 make available to the office, upon request, all records relating  
108 to a delay or report made by the dealer, investment adviser, or  
109 associated person pursuant to this section.

110 (5) Notwithstanding any law to the contrary, the  
111 Department of Children and Families may inform the reporting  
112 party on the status of an investigation initiated under this  
113 section and any final disposition.

114 (6) A dealer, investment adviser, or associated person who  
115 delays a transaction or disbursement pursuant to this section,  
116 who provides records to an agency of competent jurisdiction  
117 pursuant to this section, or who participates in a judicial or  
118 arbitration proceeding resulting therefrom is presumed to be  
119 acting in good faith and, unless lack of good faith is shown by  
120 clear and convincing evidence, is immune from any civil or  
121 administrative liability that otherwise might be incurred or  
122 imposed. This subsection does not supersede or diminish any  
123 immunity in chapter 415.

124 (7) A dealer, investment adviser, or associated person  
125 relying on this section must develop and comply with training

126 policies or programs reasonably designed to educate employees on  
127 issues pertaining to financial exploitation of specified adults.  
128 Before placing a delay on a transaction or disbursement pursuant  
129 to this section, the dealer, investment adviser, or associated  
130 person must receive a minimum of 1 hour of such training. The  
131 training policies and programs must provide for the dealer,  
132 investment adviser, or associated person to receive a minimum of  
133 1 hour of such training every 3 calendar years after the year in  
134 which the initial training requirement is met. The dealer,  
135 investment adviser, or associated person must maintain a written  
136 record of compliance with this subsection.

137 (8) This section does not create new rights or obligations  
138 of a dealer, investment adviser, or associated person under  
139 other applicable laws or rules. In addition, this section does  
140 not limit the right of a dealer, investment adviser, or  
141 associated person to otherwise refuse or place a delay on a  
142 transaction or disbursement under other applicable laws or rules  
143 or under an applicable customer agreement.

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