



- 1 (A) Obtain control through deception, intimidation,  
2 or undue influence over the elder's or vulnerable  
3 adult's money, assets, or property to deprive the  
4 elder or vulnerable adult of the ownership, use,  
5 benefit, or possession of his or her money,  
6 assets, or property; or
- 7 (B) Convert money, assets, or property of the elder  
8 or vulnerable adult to deprive the elder or  
9 vulnerable adult of the ownership, use, benefit,  
10 or possession of his or her money, assets, or  
11 property.

12 "Qualified person" means any agent, broker-dealer,  
13 investment adviser representative, investment adviser, or person  
14 who serves in a supervisory or compliance capacity for a broker-  
15 dealer or an investment adviser.

16 "Reasonably associated individual" means any person known  
17 to the qualified person to be reasonably associated with the  
18 account.

19 "Vulnerable adult" means a person eighteen years of age or  
20 older who, because of mental, developmental, or physical  
21 impairment, is unable to:



- 1           (1) Communicate or make responsible decisions to manage
- 2                   the person's own care or resources;
- 3           (2) Carry out or arrange for essential activities of daily
- 4                   living; or
- 5           (3) Protect oneself from abuse, as defined in section 346-
- 6                   222.

7           **§485A-B Governmental disclosures.** If a qualified person  
8 reasonably believes that financial exploitation of an elder or  
9 vulnerable adult may have occurred, may have been attempted, or  
10 is being attempted, the qualified person shall promptly notify  
11 the commissioner.

12           **§485A-C Immunity for governmental disclosures.** A  
13 qualified person who, in good faith and exercising reasonable  
14 care, makes a disclosure of information pursuant to section  
15 485A-B shall be immune from administrative or civil liability  
16 that might otherwise arise from the disclosure or for any  
17 failure to notify the customer of the disclosure.

18           **§485A-D Third-party disclosures.** If a qualified person  
19 reasonably believes that financial exploitation of an elder or  
20 vulnerable adult may have occurred, may have been attempted, or  
21 is being attempted, a qualified person may notify a reasonably



1 associated individual or any third party previously designated  
2 by the elder or vulnerable adult. Disclosure may not be made to  
3 any reasonably associated individual or previously designated  
4 third party that is suspected of financial exploitation or other  
5 abuse of the elder or vulnerable adult.

6 **§485A-E Immunity for third-party disclosures.** A qualified  
7 person who, in good faith and exercising reasonable care,  
8 complies with section 485A-D shall be immune from any  
9 administrative or civil liability that might otherwise arise  
10 from the disclosure.

11 **§485A-F Delaying disbursements or transactions.** (a) A  
12 broker-dealer or investment adviser may delay a disbursement  
13 from, or other transaction on, an account of an elder or  
14 vulnerable adult or an account on which an elder or vulnerable  
15 adult is a beneficiary if:

16 (1) The qualified person reasonably believes, after  
17 initiating an internal review of the requested  
18 disbursement or transaction and the suspected  
19 financial exploitation, that the requested  
20 disbursement or transaction may result in financial  
21 exploitation of an elder or vulnerable adult; and



- 1           (2) The broker-dealer or investment adviser:
- 2                (A) Immediately, but in no event more than two
- 3                    business days after the date on which the broker-
- 4                    dealer or investment adviser first delayed the
- 5                    disbursement of the funds or other transaction:
- 6                       (i) Provides written notification of the delay
- 7                       and the reason for the delay to all parties
- 8                       authorized to transact business on the
- 9                       account, unless any such party is reasonably
- 10                      believed to have engaged in suspected or
- 11                      attempted financial exploitation of the
- 12                      elder or vulnerable adult; and
- 13                       (ii) Notifies the commissioner; and
- 14                (B) Continues its internal review of the suspected or
- 15                    attempted financial exploitation of the elder or
- 16                    vulnerable adult, as necessary, and provides
- 17                    status updates to the commissioner upon request.
- 18                (b) Any delay of a disbursement or transaction as
- 19                authorized by this section shall expire upon the sooner of:
- 20                    (1) A determination by the broker-dealer or investment
- 21                    adviser that the disbursement or transaction will not



1 result in financial exploitation of the elder or  
2 vulnerable adult; or  
3 (2) Fifteen business days after the date on which the  
4 broker-dealer or investment adviser first delayed  
5 disbursement of the funds or other transaction, unless  
6 the commissioner requests that the broker-dealer or  
7 investment adviser extend the delay, in which case the  
8 delay shall expire no more than twenty-five business  
9 days after the date on which the broker-dealer or  
10 investment adviser first delayed disbursement of the  
11 funds or other transaction, unless sooner terminated  
12 or further extended by the commissioner or by an order  
13 of a court of competent jurisdiction.

14 (c) A court of competent jurisdiction may enter an order  
15 extending the delay of the disbursement of funds or other  
16 transaction or may order other protective relief based on the  
17 petition of the commissioner, the broker-dealer or investment  
18 adviser that initiated the delay under this section, or other  
19 interested party.

20 **§485A-G Immunity for delaying disbursements or**  
21 **transactions.** A broker-dealer, investment adviser, or qualified



1 person that, in good faith and exercising reasonable care,  
2 complies with section 485A-F shall be immune from any  
3 administrative or civil liability that might otherwise arise  
4 from a delay in disbursement or other transaction in accordance  
5 with this section.

6       **§485A-H Records.** A broker-dealer or investment adviser  
7 shall provide access to or copies of records that are relevant  
8 to the suspected or attempted financial exploitation of an elder  
9 or vulnerable adult to the commissioner, agencies charged with  
10 administering state adult protective services laws, or law  
11 enforcement, either as part of a referral to the commissioner,  
12 agency, or law enforcement, or upon request of the commissioner,  
13 agency, or law enforcement pursuant to an investigation. The  
14 records may include historical records as well as records  
15 relating to the most recent transaction or transactions that may  
16 comprise financial exploitation of an elder or vulnerable adult.  
17 All records made available under this section shall not be  
18 considered a government record as defined in section 92F-13.

19       Nothing in this section shall limit or otherwise impede the  
20 authority of the commissioner to access or examine the books and



1 records of broker-dealers and investment advisers as otherwise  
2 provided by law.

3       **§485A-I Multiple duties to report.** Compliance with this  
4 section shall not discharge the duty to report suspected abuse  
5 under any other section."

6       SECTION 2. In codifying the new sections added to chapter  
7 485A, Hawaii Revised Statutes, by section 1 of this Act, the  
8 revisor of statutes shall substitute appropriate section numbers  
9 for the letters used in designating and referring to the new  
10 sections in this Act.

11       SECTION 3. This Act shall take effect upon its approval.





**Report Title:**

Uniform Securities Act; Elders; Vulnerable Adults; Financial  
Exploitation; Chapter 485A

**Description:**

Protects elders and vulnerable adults from financial  
exploitation in relation to securities. (SD1)

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not legislation or evidence of legislative intent.*

