

STAND. COM. REP. NO.

880

Honolulu, Hawaii

MAR 05 , 2021

RE: H.B. No. 940  
H.D. 2

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred H.B. No. 940, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO SECURITIES,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Mandate the reporting of suspected financial exploitation of elders and vulnerable adults in relation to securities by broker-dealers and investment advisors;
- (2) Provide immunity for good faith reporting; and
- (3) Authorize the delay of disbursements or transactions in situations of suspected financial exploitation.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Maui Police Department, Securities Industry Association of Hawaii, Securities Industry and Financial Markets Association, and NAIFA Hawaii. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that financial exploitation is considered the fastest growing form of elder abuse, and the

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financial consequences for those who fall victim to financial exploitation are often devastating and irreparable. This measure will better protect Hawaii's elders and vulnerable adults from financial exploitation.

Your Committee has amended this measure by:

- (1) Deleting the reference to section 346-222, Hawaii Revised Statutes, from the definition of "vulnerable adult";
- (2) Deleting references to the Department of Human Services as a recipient of records that are relevant to the suspected or attempted financial exploitation of an elder or a vulnerable adult;
- (3) Changing the effective date to July 1, 3021, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 940, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 940, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary &  
Hawaiian Affairs,



MARK M. NAKASHIMA, Chair



