HCS HB 354 -- FINANCIAL PROTECTION (Plocher)

COMMITTEE OF ORIGIN: Standing Committee on Financial Institutions

This bill adds broker-dealers and investment advisors to the individuals covered under the Senior Savings Protection Act. Broker-dealers and investment advisors may notify the Department of Health and Senior Services, the Commissioner of Securities, or an immediate family member of his or her reasonable belief that financial exploitation of an vulnerable person has occurred. The department or Commissioner may provide information on the vulnerable person to the reporting individual upon request.

In the instance of a reasonable belief of financial exploitation, the bill allows a broker-dealer, investment advisor, or associated person to refuse a transaction from the account of the vulnerable person. To refuse a transaction or disbursement, the broker-dealer, investment advisor, or associated person must send written notice to the vulnerable person, along with contact information for the Investor Protection Hotline. Following the refusal of a transaction or disbursement, the Commissioner or department may enter an order to extend the refusal for the time necessary to protect the vulnerable person, but the agency issuing the order must review the circumstances every 30 days.

The bill specifies a representative of an investment advisor who complies with the Senior Savings Protection Act will be immune to civil liability under the Act.

An investment advisor must provide access to records relevant to the suspected financial exploitation to the department, the Commissioner, or law enforcement.

The Commissioner must update their training website to include resources to assist investment advisors and their representatives in the prevention and detection of financial exploitation.

This bill raises the maximum civil penalty under the Senior Savings Protection Act from $5,000 to $25,000 for each violation.

The bill requires the Commissioner to file an action or issue an order within five years against a person who violates provisions regarding the offer, sale, or purchase of a security. The Commissioner may impose a civil penalty up to $25,000 for each violation and may impose an additional penalty of $15,000 if the victim was an elderly or disabled person. The Commissioner must file an action within 20 years for other violations of the Missouri Securities Act.