MISSISSIPPI LEGISLATURE

By: Senator(s) Doty, Burton, Butler, Hill, Jackson (11th)

REGULAR SESSION 2017

To: Business and Financial Institutions; Finance

SENATE BILL NO. 2911
(As Sent to Governor)

AN ACT TO CREATE NEW SECTION 75-71-413, MISSISSIPPI CODE OF 1972, UNDER THE MISSISSIPPI SECURITIES ACT TO PROVIDE ADDITIONAL POST-REGISTRATION REQUIREMENTS FOR CERTAIN BROKER-DEALERS AND INVESTMENT ADVISERS TO PREVENT THE EXPLOITATION OF VULNERABLE PERSONS; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. The following shall be codified as Section 75-71-413, Mississippi Code of 1972:

75-71-413. (a) A broker-dealer registered or required to be registered under this chapter or an investment adviser registered or required to be registered under this chapter that is required to file a report with the Department of Human Services under the Mississippi Vulnerable Persons Act, Section 43-47-1 et seq., shall immediately forward a copy of the report to the administrator and may notify any third party reasonably associated with the customer of the suspected financial exploitation, or any other party permitted by state or federal laws or regulations, the rules of a self-regulatory organization or by customer agreement.
(b) If the broker-dealer registered or required to be registered under this chapter or the investment adviser registered or required to be registered under this chapter reasonably believes that a requested transaction may result in financial exploitation of its customer, that person may delay a transaction not to exceed fifteen (15) business days. If the transaction is delayed, the person shall, within two (2) business days, notify the administrator and all parties authorized to transact business on or to view the account subject to the delay. The broker-dealer or investment adviser shall immediately initiate an internal review of the suspected or attempted financial exploitation of the customer. The broker-dealer or investment advisor shall provide the administrator and the Department of Human Services with an update on the investigation upon request.

(c) Any delay of a transaction as authorized by this section will expire upon the sooner of:

(1) A determination by the broker-dealer or investment adviser, and the administrator, that the transaction will not result in financial exploitation of the eligible adult; or

(2) Fifteen (15) business days, unless the administrator requests that the broker-dealer or investment adviser extend the delay, in which case the delay shall be extended for an additional ten (10) days unless otherwise extended or terminated in accordance with paragraph (3).
(3) The Administrator or the Department of Human Services may petition a court of competent jurisdiction to enter an order extending or terminating the delay of the transaction.

(d) Disclosures and notifications of transaction delays shall not be made to any third party who is suspected of financial exploitation or other abuse.

(e) A person that makes disclosures or delays transactions under this section shall be immune from any administrative or civil liability that might otherwise arise from compliance with this section or activity authorized by this section.

(f) A person who fails to comply with subsection (a) of this section shall be subject to Section 43-47-7(1)(c) of the Mississippi Vulnerable Persons Act.

SECTION 2. This act shall take effect and be in force from and after July 1, 2017.