

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

To: Business and Financial  
Institutions; Finance

SENATE BILL NO. 2911  
(As Sent to Governor)

1 AN ACT TO CREATE NEW SECTION 75-71-413, MISSISSIPPI CODE OF  
2 1972, UNDER THE MISSISSIPPI SECURITIES ACT TO PROVIDE ADDITIONAL  
3 POST-REGISTRATION REQUIREMENTS FOR CERTAIN BROKER-DEALERS AND  
4 INVESTMENT ADVISERS TO PREVENT THE EXPLOITATION OF VULNERABLE  
5 PERSONS; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** The following shall be codified as Section  
8 75-71-413, Mississippi Code of 1972:

9 75-71-413. (a) A broker-dealer registered or required to be  
10 registered under this chapter or an investment adviser registered  
11 or required to be registered under this chapter that is required  
12 to file a report with the Department of Human Services under the  
13 Mississippi Vulnerable Persons Act, Section 43-47-1 et seq., shall  
14 immediately forward a copy of the report to the administrator and  
15 may notify any third party reasonably associated with the customer  
16 of the suspected financial exploitation, or any other party  
17 permitted by state or federal laws or regulations, the rules of a  
18 self-regulatory organization or by customer agreement.



19 (b) If the broker-dealer registered or required to be  
20 registered under this chapter or the investment adviser registered  
21 or required to be registered under this chapter reasonably  
22 believes that a requested transaction may result in financial  
23 exploitation of its customer, that person may delay a transaction  
24 not to exceed fifteen (15) business days. If the transaction is  
25 delayed, the person shall, within two (2) business days, notify  
26 the administrator and all parties authorized to transact business  
27 on or to view the account subject to the delay. The broker-dealer  
28 or investment adviser shall immediately initiate an internal  
29 review of the suspected or attempted financial exploitation of the  
30 customer. The broker-dealer or investment advisor shall provide  
31 the administrator and the Department of Human Services with an  
32 update on the investigation upon request.

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

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

38 (2) Fifteen (15) business days, unless the  
39 administrator requests that the broker-dealer or investment  
40 adviser extend the delay, in which case the delay shall be  
41 extended for an additional ten (10) days unless otherwise extended  
42 or terminated in accordance with paragraph (3).



43                   (3) The Administrator or the Department of Human  
44 Services may petition a court of competent jurisdiction to enter  
45 an order extending or terminating the delay of the transaction.

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

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

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

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

