

CHAPTER 45A

FINANCIAL EXPLOITATION PROTECTIONS FOR OLDER OR VULNERABLE ADULTS

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45A.01 DEFINITIONS.

Subdivision 1. **Scope and application.** For purposes of this chapter, the terms in this section have the meanings given them.

Subd. 2. **Broker-dealer.** "Broker-dealer" has the meaning given in section 80A.41.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subd. 4. **Common entry point.** "Common entry point" has the meaning given in section 626.5572, subdivision 5.

Subd. 5. **Eligible adult.** "Eligible adult" means:

- (1) a person 65 years of age or older; or
- (2) a person subject to section 626.5572, subdivision 21.

Subd. 6. **Financial exploitation.** "Financial exploitation" means:

- (1) the wrongful or unauthorized taking, withholding, appropriation, expenditure, or use of money, assets, or property of an eligible adult; or
- (2) an act or omission taken by a person, including through the use of a power of attorney, guardianship, trustee, or conservatorship of an eligible adult, to:
 - (i) obtain control, through deception, intimidation, or undue influence, over the eligible adult's money, assets, or property to deprive the eligible adult of the ownership, use, benefit, or possession of the eligible adult's money, assets, or property; or
 - (ii) convert money, assets, or property of the eligible adult to deprive the eligible adult of the ownership, use, benefit, or possession of the eligible adult's money, assets, or property.

Subd. 7. **Investment adviser.** "Investment adviser" has the meaning given in section 80A.41(16), except for section 80A.41(16)(E). Investment adviser includes a federal covered investment adviser, as defined under section 80A.41(7).

Subd. 8. **Lead investigative agency.** "Lead investigative agency" has the meaning given in section 626.5572, subdivision 13.

History: 2018 c 161 s 1; 2019 c 59 s 1

45A.02 GOVERNMENTAL DISCLOSURES.

If a broker-dealer or investment adviser reasonably believes that financial exploitation of an eligible adult may have occurred, may have been attempted, or is being attempted, the broker-dealer or investment adviser may promptly notify the commissioner and the common entry point.

History: 2018 c 161 s 2

45A.03 IMMUNITY FOR GOVERNMENTAL DISCLOSURES.

A broker-dealer or investment adviser who, in good faith, makes a disclosure of information pursuant to section 45A.02, cooperates with a civil or criminal investigation of financial exploitation of an eligible adult, or testifies about alleged financial exploitation of an eligible adult in a judicial or administrative proceeding is immune from administrative or civil liability that might otherwise arise from the disclosure or testimony or for failure to notify the customer of the disclosure or testimony.

History: 2018 c 161 s 3

45A.04 THIRD-PARTY DISCLOSURES.

If a broker-dealer or investment adviser reasonably believes that financial exploitation of an eligible adult may have occurred, may have been attempted, or is being attempted, a broker-dealer or investment adviser may notify a third party reasonably associated with the eligible adult or any other person permitted under state or federal law or rule, rules of a self-regulating organization, or customer agreement. Disclosure may not be made to a third party that is suspected of financial exploitation or other abuse of the eligible adult.

History: 2018 c 161 s 4

45A.05 IMMUNITY FOR THIRD-PARTY DISCLOSURES.

A broker-dealer or investment adviser who, in good faith, complies with section 45A.04 is immune from administrative or civil liability that might otherwise arise from the disclosure.

History: 2018 c 161 s 5

45A.06 DELAYING DISBURSEMENTS.

(a) A broker-dealer or investment adviser shall delay a disbursement from or place a hold on a transaction involving an account of an eligible adult or an account on which an eligible adult is a beneficiary if the commissioner of commerce, law enforcement agency, or prosecuting attorney's office provides information to the broker-dealer or investment adviser demonstrating that it is reasonable to believe that financial exploitation of an eligible adult may have occurred, may have been attempted, or is being attempted. A broker-dealer or investment adviser may delay a disbursement from or place a hold on a transaction involving an account of an eligible adult or an account on which an eligible adult is a beneficiary if:

(1) the broker-dealer or investment adviser reasonably believes, after initiating an internal review of the requested disbursement or transaction and the suspected financial exploitation, that the requested disbursement or transaction may result in financial exploitation of an eligible adult; and

(2) the broker-dealer or investment adviser:

(i) immediately, but in no event more than two business days after the delayed disbursement or transaction, provides written notification of the delay or hold and the reason for the delay or hold to all parties authorized

to transact business on the account, unless the party is reasonably believed to have engaged in suspected or attempted financial exploitation of the eligible adult;

(ii) immediately, but in no event more than two business days after the delayed disbursement or transaction, notifies the commissioner and the common entry point; and

(iii) provides documentation and updates of any internal review conducted by the broker-dealer or investment adviser upon request of the commissioner, lead investigative agency, law enforcement agency, or prosecuting attorney's office.

(b) A delay of a disbursement or hold on a transaction as authorized by this section expires upon the sooner of:

(1) the broker-dealer or investment adviser reasonably believes that the disbursement or transaction will not result in financial exploitation of the eligible adult if the broker-dealer or investment adviser initiated the delay of disbursement or hold on the transaction;

(2) a determination by the commissioner, law enforcement agency, lead investigative agency, or prosecuting attorney's office that the disbursement or transaction will not result in financial exploitation of the eligible adult; or

(3) 15 business days after the date on which the broker-dealer or investment adviser first delayed disbursement of the funds or held the transaction, unless the commissioner, law enforcement agency, lead investigative agency, or prosecuting attorney's office requests that the broker-dealer or investment adviser extends the delay or hold, in which case the delay or hold expires no more than 25 business days after the date on which the broker-dealer or investment adviser first delayed disbursement or placed the hold on the transaction.

(c) An eligible adult or other interested person as defined in section 524.5-102 may appeal to the commissioner for the termination of the delay of the disbursement of funds or hold on the transaction. The commissioner shall issue a decision within five business days of receiving the appeal. A decision of the commissioner may be reviewed consistent with the contested case proceeding procedure provided in chapter 14.

(d) Provided that a broker-dealer's or investment adviser's internal review of the suspected or attempted financial exploitation of the eligible adult supports the broker-dealer's or investment adviser's reasonable belief that financial exploitation of the eligible adult has occurred, has been attempted, or is being attempted, the temporary delay or hold may be extended by the broker-dealer or investment adviser for no longer than ten business days following the date authorized by paragraph (b), clause (3), unless otherwise terminated or extended by the commissioner, law enforcement agency, lead investigative agency, or prosecuting attorney's office or an order of a court.

History: 2018 c 161 s 6; 2018 c 213 s 9

45A.07 IMMUNITY FOR DELAYING DISBURSEMENTS.

A broker-dealer or investment adviser that, in good faith, complies with section 45A.06 or the commissioner of commerce, law enforcement agency, or prosecuting attorney's office is immune from administrative or civil liability that might otherwise arise from the delay in a disbursement or placing a hold on a transaction in accordance with this chapter.

History: 2018 c 161 s 7