

§16806. Delaying disbursements

A broker-dealer or investment adviser may delay disbursements in accordance with this section. [PL 2019, c. 17, §1 (NEW).]

1. Disbursement delay authorized. A broker-dealer or investment adviser may delay a disbursement from an account of an eligible adult or an account on which an eligible adult is a beneficiary if the broker-dealer or investment adviser or a qualified individual reasonably believes, after initiating an internal review of the requested disbursement and the suspected financial exploitation, that the requested disbursement may result in financial exploitation of the eligible adult. If a broker-dealer or investment adviser delays a disbursement under this subsection, the broker-dealer or investment adviser shall:

A. Within 2 business days after the requested disbursement, provide written notification of the delay and the reason for the delay to all parties authorized to transact business on the account, except that notification may not be provided to a 3rd party reasonably believed to have engaged in suspected or attempted financial exploitation of the eligible adult; [PL 2019, c. 17, §1 (NEW).]

B. Within 2 business days after the requested disbursement, notify the Department of Health and Human Services and the administrator; and [PL 2019, c. 17, §1 (NEW).]

C. Continue the broker-dealer's or investment adviser's internal review of the suspected or attempted financial exploitation of the eligible adult, as necessary, and report the results of the internal review to the Department of Health and Human Services and the administrator within 7 business days after the requested disbursement. [PL 2019, c. 17, §1 (NEW).]

[PL 2019, c. 17, §1 (NEW).]

2. Expiration. A delay of a disbursement as authorized by this section expires upon the sooner of:

A. A determination by the broker-dealer or investment adviser that the disbursement will not result in financial exploitation of the eligible adult; or [PL 2019, c. 17, §1 (NEW).]

B. Fifteen business days after the date on which the broker-dealer or investment adviser first delayed disbursement of the funds unless the Department of Health and Human Services or the administrator requests that the broker-dealer or investment adviser extend the delay, in which case the delay expires no more than 25 business days after the date on which the broker-dealer or investment adviser first delayed disbursement of the funds unless terminated earlier by the Department of Health and Human Services or the administrator or by an order of a court of competent jurisdiction. [PL 2019, c. 17, §1 (NEW).]

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3. Judicial order. A court of competent jurisdiction may enter an order extending the delay of the disbursement of funds or may order other protective relief based on a petition from the Department of Health and Human Services or the administrator or from the broker-dealer or the investment adviser that initiated the delay under this section or from another interested party.

[PL 2019, c. 17, §1 (NEW).]

SECTION HISTORY

PL 2019, c. 17, §1 (NEW).

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