

STAND. COM. REP. NO. 1090

Honolulu, Hawaii

MAR 24 2021

RE: H.B. No. 940  
H.D. 2  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 940, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO SECURITIES,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Mandate reporting of suspected financial exploitation of elders and vulnerable adults in relation to securities;
- (2) Provide immunity for good faith reporting; and
- (3) Authorize the delay of disbursements and transactions in situations of suspected financial exploitation.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Department of Human Services, AARP Hawai'i, NAIFA Hawaii, Securities Industry and Financial Markets Association, Securities Industry Association of Hawaii, and one individual.

Your Committee finds that financial exploitation of elders is the fastest growing form of elder abuse and can result in devastating consequences for victims, including fear, loss of independence, reduced quality of life, and even death. This



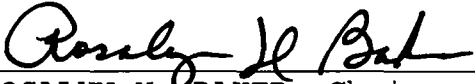
measure is based on a securities model act from 2016 that has since been enacted in more than two-dozen states across the country and addresses existing privacy rules and concerns about potential legal exposure and liability that may make it difficult for securities professionals to contact regulators and other government authorities to report suspected financial exploitation. This measure enables financial institutions and the State to work together in preventing, identifying, and addressing cases of financial abuse to combat this growing threat to vulnerable residents.

Your Committee has amended this measure by:

- (1) Making it effective upon its approval; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 940, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 940, H.D. 2, S.D. 1, and be referred to your Committee on Judiciary.


Respectfully submitted on  
behalf of the members of the  
Committee on Commerce and  
Consumer Protection,

  
\_\_\_\_\_  
ROSALYN H. BAKER, Chair



The Senate  
Thirty-First Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:* <b>HB 940 HD2</b>	Committee Referral: <b>CPN, IDC</b>	Date: <b>03.17.2021</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
CHANG, Stanley (VC)	/			
MISALUCHA, Bennette E.	/			
NISHIHARA, Clarence K.	/			
RIVIERE, Gil	/			
SAN BUENAVENTURA, Joy A.	/			
FEVELLA, Kurt	/			
<b>TOTAL</b>	<b>7</b>	-	-	-
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original                      Yellow                      Pink                      Goldenrod File with Committee Report   Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes