

STAND. COM. REP. NO. 1576

Honolulu, Hawaii

APR 09 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 Judiciary, to which was referred H.B. No. 940, H.D. 2, S.D. 1, 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, Maui Police Department, Securities Industry and Financial Markets Association, National Association of Insurance and Financial Advisors Hawaii, Securities Industry Association of Hawaii, and one individual. Your Committee received comments on this measure from the Department of Human Services.

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. Your Committee further finds that 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 Hawaii's elders and vulnerable adults.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 940, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary,



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KARL RHOADS, Chair



