

502.806 Disbursements or transactions — delay.

1. If a broker-dealer, investment adviser, or qualified individual reasonably believes a disbursement or transaction will likely result in or contribute to the financial exploitation of an eligible adult, the broker-dealer, investment adviser, or qualified individual shall initiate an internal review of the requested disbursement or transaction.

2. A broker-dealer or investment adviser may delay a disbursement or transaction from an eligible adult's account or an account on which an eligible adult is a beneficiary if all of the following apply:

a. The broker-dealer, investment adviser, or qualified individual reasonably believes, after initiating the internal review referenced in [subsection 1](#), that the requested disbursement or transaction will likely result in or contribute to the financial exploitation of an eligible adult.

b. Immediately, but in no event more than two business days after the disbursement or transaction is delayed, the broker-dealer or investment adviser provides written notification of the delay and the reason for the delay to all persons authorized to transact business on the account. Broker-dealers, investment advisers, and qualified individuals shall not notify a person authorized to transact business on the account if the broker-dealer, investment adviser, or qualified individual reasonably believes the person has committed financial exploitation, attempted financial exploitation, or other abuse of the eligible adult.

c. Immediately, but in no event more than two business days after the disbursement or transaction is delayed, the broker-dealer or investment adviser notifies the administrator of the delay and provides to the administrator the reason for the delay, including the results of the internal review referenced in [subsection 1](#).

d. The broker-dealer or investment adviser continues the internal review of the suspected or attempted financial exploitation of the eligible adult, as necessary, and provides the administrator with updates upon request.

3. Any delay of a disbursement or transaction authorized by [this section](#) will expire upon the first to occur of any of the following:

a. A determination by the broker-dealer or investment adviser that the disbursement or transaction will not result in or contribute to financial exploitation of the eligible adult.

b. Fifteen business days after the date on which the broker-dealer or investment adviser first delayed disbursement of the funds or transaction, unless the administrator requests the broker-dealer or investment adviser to extend the delay, in which case the delay shall expire no more than twenty-five business days after the date on which the broker-dealer or investment adviser first delayed the disbursement of the funds or the transaction.

4. Notwithstanding [subsection 3](#), upon the petition of the administrator, the broker-dealer or investment adviser who initiated the delay pursuant to [this section](#), or another interested party, a court of competent jurisdiction may enter an order terminating, extending, or modifying the delay of the disbursement or transaction and may order other protective relief.

5. The administrator may adopt rules regarding the form and manner of the notifications under [this section](#).

[2021 Acts, ch 137, §8](#)

Referred to in [§502.807](#)