

**House Study Bill 213 - Introduced**

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE  
ON JUDICIARY BILL BY  
CHAIRPERSON HOLT)

**A BILL FOR**

1 An Act providing for the expungement of information regarding  
2 investment advisers and investment adviser representatives  
3 authorized to do business in this state.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 502.511 Investment advisers and  
2 investment adviser representatives — expungement of certain  
3 reported information.

4 1. An investment adviser authorized to do business in this  
5 state under this chapter, including as provided in section  
6 502.403, or an investment adviser representative authorized  
7 to do business in this state under this chapter, including as  
8 provided in section 502.404, may petition the district court  
9 sitting in equity to expunge information in a record controlled  
10 by the financial industry regulatory authority.

11 2. The commissioner of insurance shall be the respondent  
12 in the proceeding. If the record described in subsection 1  
13 includes confidential information that was part of a judicially  
14 enforceable arbitration decision, the party to the arbitration  
15 proceeding who reported the information to the financial  
16 industry regulatory authority shall also be a respondent in the  
17 proceeding.

18 3. The district court may grant relief by ordering the  
19 expungement of the information in the record described in  
20 subsection 1, if all of the following apply:

21 a. The information makes an allegation about the investment  
22 adviser or investment adviser representative.

23 b. The information has been publicly disclosed.

24 c. Any of the following apply:

25 (1) The petitioner was not involved in the event that  
26 resulted in the creation of the record.

27 (2) The information in the record is erroneous or impossible  
28 to be true.

29 (3) The information in the record is defamatory.

30 d. A decision in an administrative, judicial, or arbitration  
31 proceeding found that the petitioner did not act in a manner  
32 described by the record.

33 e. The court determines that equitable principles require  
34 that such relief be granted.

35 4. If a court grants relief under this section, the

1 information in the record and any copies of the record shall  
2 be destroyed.

3 5. Notwithstanding section 614.1, a petition may be filed  
4 and relief granted as provided in this section at any time.

5 EXPLANATION

6 The inclusion of this explanation does not constitute agreement with  
7 the explanation's substance by the members of the general assembly.

8 This bill provides that a person who is an investment  
9 adviser, or an investment adviser representative, authorized  
10 to do business in this state under Iowa's blue sky law,  
11 including by satisfying certain registration requirements under  
12 Code section 502.403 or 502.404, may petition the district  
13 court sitting in equity for relief in the form of ordering  
14 the expungement of information in a record controlled by  
15 the financial industry regulatory authority (FINRA). The  
16 respondents in the case must include the commissioner of  
17 insurance and any party to a judicially enforceable arbitration  
18 proceeding who reported the information to FINRA. The district  
19 court may grant the relief by ordering the expungement of  
20 the information under certain conditions, including: the  
21 petitioner was not involved in the event that resulted in  
22 the creation of the record; the information is erroneous,  
23 impossible to be true, or defamatory; a decision in an  
24 administrative, judicial, or arbitration proceeding found  
25 that the petitioner was not liable for acting in a manner  
26 described in the record; or the court determines that equitable  
27 principles require such relief. The statute of limitations or  
28 the doctrine of laches does not apply.