

UNIFORM SECURITIES ACT (2002) (EXCERPT)
Act 551 of 2008

451.2535 Access to compliance procedures; financial exploitation of vulnerable adults; limited authorization to extend delay; written report and notification; disclosure of identity; prohibition; exception; freedom of information act.

Sec. 535. (1) A broker-dealer or investment adviser that takes action under this article shall provide to the administrator or an agency of competent jurisdiction access to or copies of any written procedures it adopts, maintains, and implements that are reasonably designed to achieve compliance with this article, including, but not limited to, procedures related to the identification, escalation, and reporting of matters related to the financial exploitation of vulnerable adults.

(2) Only an individual who serves in a supervisory, compliance, legal, or senior or vulnerable investor protection capacity for the broker-dealer or investment adviser is eligible for identification as an individual authorized to place, terminate, or extend a delay on behalf of the broker-dealer or investment adviser under this article.

(3) A report of suspected or detected covered financial exploitation made by a broker-dealer or investment adviser must include the name of the individual believed to be the victim, a description of the suspected or detected covered financial exploitation, and a designated contact for notices required under subsection (4). If a report is made by telephone, the law enforcement agency or adult protective services that receives the report must make a written report of the information provided in the telephonic report.

(4) Not more than 15 business days after it receives a report of suspected or detected covered financial exploitation from a broker-dealer or investment adviser under this section, the law enforcement agency or adult protective services that received the report must provide written notification to the designated contact of the broker-dealer or investment adviser that clearly indicates whether the reported incident is under investigation or has been referred to a law enforcement agency for investigation. As soon as practicable after the investigation, the law enforcement agency or adult protective services shall notify the broker-dealer or investment adviser of the disposition of the reported incident.

(5) Not more than 15 business days after it receives a report of suspected or detected covered financial exploitation from a broker-dealer or investment adviser under this section, the law enforcement agency or adult protective services must notify the office of a county prosecutor. Notice must be made in a manner prescribed by the attorney general and must include, at a minimum, a copy of each report submitted to or committed to written form by the law enforcement agency or adult protective services and the response to the report by the law enforcement agency or adult protective services and any action taken by the law enforcement agency or adult protective services based on the report.

(6) If a broker-dealer or investment adviser that attempts to make a report of suspected or detected covered financial exploitation under this section is unable to communicate with law enforcement or adult protective services to make the report, or if a law enforcement agency or adult protective services that receives a report under this act fails to provide notification to the broker-dealer or investment adviser under subsection (4), the broker-dealer or investment adviser may notify the office of a county prosecutor. Notification under this subsection must be made in a manner prescribed by the attorney general.

(7) A law enforcement agency, adult protective services, or county prosecutor shall not disclose the identity of an individual or broker-dealer or investment adviser that makes a report of suspected or detected covered financial exploitation without the consent of the individual or the broker-dealer or investment adviser. However, this subsection does not prohibit a disclosure that is made by adult protective services to a law enforcement agency or by a law enforcement agency or adult protective services to a county prosecutor as required under subsection (5), or a disclosure required in a civil or criminal proceeding. A law enforcement agency, adult protective services, or county prosecutor shall not disclose the identity, or personal or account information, of an individual that is the subject of a report of suspected or detected covered financial exploitation without that individual's consent, except as required under subsection (5) or as required in a civil or criminal proceeding.

(8) The identity of an individual or broker-dealer or investment adviser that makes a report of suspected or detected covered financial exploitation under this section is exempt from disclosure under section 13(1)(b)(iv) or (d) of the freedom of information act, 1976 PA 442, MCL 15.243. The identity of an individual that is the suspected or confirmed victim of covered financial exploitation or his or her personal account information is exempt from disclosure under section 13(1)(a), (b)(iii), or (d) of the freedom of information act, 1976 PA 442, MCL 15.243. This subsection does not limit the applicability of any other exceptions to disclosure under section 13 of the freedom of information act, 1976 PA 442, MCL 15.243, to all or any part of a report made under this act.

History: Add. 2023, Act 306, Eff. Mar. 13, 2024.