



Comment: Rules and Issues Relating to Senior Investors

In theory, this is a great idea and senior investors do indeed need protection; however, the rule is not practical in the real world or enforceable in any way shape or form.

During the past two years, I have reached out to our firm's Senior Protection Department filled with highly paid executives with fancy titles and degrees only to receive legal canned responses and no action. My favorite canned response is "Thank you for bringing this to our attention.... Our firm is dedicated to protecting our clients.....Please continue to monitor account and keep a detailed record of all communication and interaction with client (interested parties) until you are provided with further instructions." However, weeks go by, and no further communication is received, and no action is ever taken. On the rare occasion that a distribution is held, it is only temporary, and funds are later released after the required hold time has expired.

Of the record, in speaking to one of the attorneys in the Senior Protection Department, I was informed that no city, county or state agency will step forward to provide any assistance on a suspected or alleged "financial exploitation" case. That unless there is true case of stolen property or actual fraud that has occurred, they will not get involved. And if there is a true case of stolen property, the person or firm making the alleged case, would have to file a police report. Then of course you add jurisdiction and intra state to the mix and it complicates things even more.

Since local law enforcement and local social services agencies will not get involved, the only way that I see this rule to survive or have any value to it is for FINRA to step up and become the law enforcement agency; however, you don't have this jurisdiction either.

The reality is that estate planning laws and industry practices need to change. You read a POA document today and it has just as many disclaimers in it as a prospectus does. The "agent" cannot be held liable yada yada yada.

If local law enforcement will not get involved and local social services (which is supposed to be protecting seniors) will not get involved, how can you (FINRA) hold us liable and accountant able?

Regulatory Notice 19-27

FINRA Requests Comment on Rules and Issues Relating to Senior Investors

Comment Period Expires: October 8, 2019

Notice

Comments

Summary

FINRA is conducting a retrospective review to assess the effectiveness and efficiency of its rules and administrative processes that help protect senior investors from financial exploitation. The protection of senior investors is a top priority for FINRA. As such, FINRA is interested in whether additional tools, guidance or changes to FINRA rules or administrative processes are appropriate to further address suspected financial exploitation and other circumstances of financial vulnerability for senior investors.

This Notice outlines the general retrospective rule review process, summarizes the rules and administrative processes that most directly apply to financial exploitation of senior investors, and seeks responses to a number of questions related to addressing financial exploitation.

Questions regarding this Notice should be directed to:

- James S. Wrona, Vice President and Associate General Counsel, Office of General Counsel (OGC), at (202) 728-8270;
- Jeanette Wingler, Associate General Counsel, OGC, at (202) 728-8013;
- Lori Walsh, Deputy Chief Economist, Office of the Chief Economist (OCE), at (202) 728-8323; or
- Dror Y. Kenett, Economist, OCE, at (202) 728-8208.

Action Requested

FINRA encourages all interested parties to comment. Comments must be received by October 8, 2019.

Comments must be submitted through one of the following methods:

- Emailing comments to pubcom@finra.org; or
- Mailing comments in hard copy to:

Jennifer Piorko Mitchell
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 20006-1506

To help FINRA process comments more efficiently, persons should use only one method to comment.