Marcia E. Asquith  
Office of the Corporate Secretary  
FINRA  
1735 K Street, NW  
Washington, DC 20006-1506

November 30, 2015

Re: Regulatory Notice 15-37; Proposed Rules Relating to Financial Exploitation of Seniors and Other Vulnerable Adults

Dear Ms. Asquith,

The Alzheimer’s Association appreciates the opportunity to comment on FINRA’s proposed rules addressing the financial exploitation of seniors and other vulnerable adults.

The Alzheimer’s Association is the world’s leading voluntary health organization in Alzheimer’s care, support, and research. Today, there are more than 5 million Americans living with Alzheimer’s disease, including an estimated 200,000 people under the age of 65. Individuals affected by Alzheimer’s experience impaired judgment and progressive cognitive decline, making them susceptible to financial exploitation. As more baby boomers reach the age of greater risk of developing Alzheimer’s, it can be expected that millions of them will spend their retirement years either living with the disease or caring for someone who has it. Protecting their financial future must be a priority.

The Alzheimer’s Association supports legislative and regulatory efforts to protect people with Alzheimer’s disease from financial exploitation. Through our chapters across the country, we will be working to see such protections enacted in all states. The proposed rules by FINRA are an important contribution to this cause. Thus, we offer the following comments to Regulatory Notice 15-37.

Specific Comments

Proposed amendments to FINRA Rule 4512 (Customer Account Information)

The Alzheimer’s Association appreciates FINRA’s proposal to identify a trusted contact person, but believes the proposed amendment can be strengthened with earlier identification of trusted contacts, required notification of the designation, and a broader approach in engaging with these individuals.

Early identification of trusted contacts ensures clients are able to name a person for this role before cognition declines. Advancing age is the biggest known risk factor for developing Alzheimer’s disease; thus, older existing customers may already be experiencing cognitive deficits by the time firms request a trusted contact name through routine and customary business. We suggest FINRA amend its proposal to encourage firms to request this information from all its existing clients within 12 months of the amendment’s effective date.

We also suggest FINRA require firms notify individuals in writing when they are named as trusted contacts and when their designation changes because account holders have named new trusted contacts. Currently, the proposed amendment makes the underlying assumption that a trusted contact will engage in conversation with a
Lastly, we suggest FINRA further clarify some of its processes outlined under §(b) and §(c). Specifically:

- The window of time allowed to take action under §(b)(1)(B) should be reduced to 24 hours. This is in line with most guidance for mandatory reporters of abuse. FINRA should also clarify how individuals will be notified, including external authorities such as APS.

- It is not clear how a firm would identify an “immediate family member” in the event the named trusted contact cannot be reached under §(b)(1)(B)(ii).
The provisions for a delay of disbursement expiration [§(b)(2)] or extension [§(b)(3)] should be clarified. Because firms may not recognize cognitive change or be trained in detection of cognitive impairment, it is not clear under what expertise or authority a temporary hold on disbursements would expire or continue, or under what mechanism a case involving delayed disbursement would reach a court, even though these provisions indicate a court may terminate such a delay.

Under §(c), firms should also be required to document referral to external authorities such as APS and the final outcome of the temporary holds they place.

Thank you for the opportunity to comment. The Alzheimer’s Association would welcome a chance to serve as a resource to FINRA as it refines its rules and considers other issues facing individuals living with Alzheimer’s and other dementias. Please contact Hye Kim, Sr. Associate Director, Policy Development, at 312-335-5809 or hkim@alz.org if you have questions or if we can be of additional assistance.

Sincerely,

Robert Egge
Executive Vice President, Government Affairs