

# Best Interest Compliance Team

## States with Good Samaritan Broker Laws

Twenty-eight states have passed laws that are substantially similar or identical to the Senior Model Act developed and approved by the North American Securities Administrators Association. The Senior Model Act serves as a model statute for states to adopt to target financial exploitation of seniors and to shield brokers and brokerage firms who act to assist those seniors from liability. The chart below tracks for each state the effective date of the law, which key provisions the state has adopted and any notable deviations or notes of interest. Hyperlinks to the laws are included in each state's name and in the citation to the law.

State	Date Effective	Mandatory Reporting	Notification	Delayed Disbursements	Immunity	Providing Records	Notes
<a href="#">Alabama</a>	July 1, 2016	X	X	X	X	X	Reporting must be made to Alabama Securities Commission and Alabama Department of Human Resources. <a href="#">Ala. Code § 8-6-170 to 179</a>
<a href="#">Alaska</a>	November 7, 2018	X	X	X	X	X	Notification shall be made no later than 5 days. <a href="#">Alaska Stat. Ann. § 45.56.430</a>
<a href="#">Arizona</a>	August 27, 2019		X	X	X	X	Qualified individuals “may” but are not required to report. <a href="#">Ariz. Rev. Stat. Ann. § 46-471 to 474</a>
<a href="#">Arkansas</a>	August 1, 2017		X	X	X	X	Qualified individuals “should” but are not required to report. <a href="#">Ark. Code Ann. § 23-42-309</a>
<a href="#">California</a>	January 1, 2020	X	X	X	X	X	Failing to report the financial abuse could subject the qualified individual to a fine of not greater than \$1,000, or not greater than \$5,000 for willful violations. The qualified individual's employer must pay the fine. <a href="#">Cal. Welf. &amp; Inst. Code § 15630.2</a>
<a href="#">Colorado</a>	July 1, 2017	X	X	X	X	X	The senior must be at least 70. <a href="#">Colo. Rev. Stat. Ann. § 11-51-1001 to 1007</a>

State	Date Effective	Mandatory Reporting	Notification	Delayed Disbursements	Immunity	Providing Records	Notes
<a href="#">Delaware</a>	November 30, 2018	X	X	X	X	X	Notification shall be made no later than 5 days. <a href="#">Del. Code Ann. tit. 6, § 73-103; § 73-307</a>
<a href="#">Florida</a>	Awaiting Governor's Signature- passed both chambers March 12, 2020	X	X	X	X	X	Upon placing a hold on a distribution, the qualified individual must file a form with certain enumerated questions.
<a href="#">Indiana</a>	April 24, 2017	X	X	X	X	X	<a href="#">Ind. Code Ann. § 23-19-4.1-1 to -11</a>
<a href="#">Kentucky</a>	April 10, 2018	X	X	X	X	X	<a href="#">Ky. Rev. Stat. Ann. § 365.245</a>
<a href="#">Louisiana</a>	January 1, 2017		X	X	X	X	Qualified individuals "may" but are not required to report. <a href="#">La. Stat. Ann. § 51:731 to 738</a>
<a href="#">Maine</a>	April 2, 2019	X	X	X	X	X	Reporting must be made to Department of Professional and Financial Regulation, Office of Securities and the Department of Health and Human Services <a href="#">Me. Rev. Stat. tit. 32, § 16801 to 16808</a>
<a href="#">Minnesota</a>	August 1, 2018		X	X	X	X	Qualified individuals "may" but are not required to report. <a href="#">Minn. Stat. Ann. § 45A.01 to A.07</a>
<a href="#">Mississippi</a>	July 1, 2017	X	X	X	X	X	<a href="#">Miss. Code. Ann. § 75-71-413</a>
<a href="#">Missouri</a>	August 28, 2015 (passed prior to Senior Model Act)		X	X	X	X	Does not apply to investment advisors. Qualified individuals "may" but are not required to report. Applies to individuals over sixty. <a href="#">Mo. Ann. Stat. § 409.600 to 630</a>
<a href="#">Montana</a>	March 22, 2017		X	X	X	X	Qualified individuals "may" but are not required to report. <a href="#">Mont. Code Ann. § 30-10-103; § 30-10-1003</a>
<a href="#">New Hampshire</a>	September 8, 2019		X	X	X	X	Qualified individuals "may" but are not required to report. Reporting must be made to the secretary of state. <a href="#">N.H. Rev. Stat. Ann. § 421-B:5-507-A</a>

State	Date Effective	Mandatory Reporting	Notification	Delayed Disbursements	Immunity	Providing Records	Notes
<a href="#">New Jersey</a>	April 13, 2020	X	X	X	X	X	<a href="#">N.J. Stat. Ann. § 49:3-84 to -89</a>
<a href="#">New Mexico</a>	July 1, 2017	X	X	X	X	X	<a href="#">N.M. Stat. Ann. § 58-13D-1 to D-8</a>
<a href="#">North Dakota</a>	April 7, 2017	X	X	X	X	X	<a href="#">N.D. Cent. Code Ann. § 10-04-08.5</a>
<a href="#">Rhode Island</a>	July 15, 2019	X	X	X	X	X	Applies to individuals over sixty. <a href="#">R.I. Gen. Laws Ann. § 7-11.2-1-6</a>
<a href="#">Oregon</a>	June 19, 2017	X	X	X	X	X	Each failure to report shall subject the qualified individual to a \$1,000 fine. Notification must be made to the Department of Consumer and Business Services. <a href="#">Or. Rev. Stat. Ann. § 59.480 to 59.505</a>
<a href="#">Tennessee</a>	May 23, 2017		X	X	X	X	Qualified individuals “may” but are not required to report. <a href="#">Tenn. Code Ann. § 48-1-127</a>
<a href="#">Texas</a>	September 1, 2019	X	X	X	X	X	This applies to employees of financial institutions, and requires them to first report the suspected abuse to the financial institution. After a further review, it is the financial institution’s responsibility to determine whether to further report it. <a href="#">Tex. Fin. Code Ann. § 281.001 to § 281.006</a>
<a href="#">Utah</a>	May 8, 2018	X	X	X	X	X	<a href="#">Utah Code Ann. § 61-1-201 to 206</a>
<a href="#">Vermont</a>	May 12, 2017	X	X	X	X	X	Immunity only extends to actions taken by the Department of Financial Regulation. <a href="#">4-4 Vt. Code R. § 8</a>
<a href="#">Virginia</a>	July 1, 2019	X	X	X	X	X	There is a \$500 penalty for a first time failure to report and up to \$1,000 fine for a second failure. <a href="#">Va. Code Ann. § 63.2-1606</a>
<a href="#">West Virginia</a>	June 7, 2020	X	X	X	X	X	<a href="#">W. Va. Code Ann. § 32-2-601 to 610</a>

## Best Interest Compliance Team

Our national Best Interest Compliance Team assists clients with the evolving and overlapping federal and state regulations related to the standard of care for broker-dealers, investment advisers, and insurance companies, agents and brokers.

The interdisciplinary group of more than 20 lawyers consists of attorneys from the firm's Investment Management, ERISA, SEC and Regulatory Enforcement Defense, Litigation/FINRA Arbitration, and Insurance Regulatory and Transactional practice areas. The team includes attorneys who were former financial services in-house counsel, legislative professionals, compliance supervisors and/or regulators.

We actively assist investment managers, broker-dealers, registered investment advisers, retirement plan/IRA service providers and insurance companies with the challenges resulting from the ever-changing regulations of the SEC, FINRA, the Department of Labor and state agencies related to fiduciary requirements and best interest duties.

Our experience with fiduciary and best interest compliance and reporting obligations includes strengthening supervisory procedures and internal controls. In addition, our lawyers draft agreements, disclosure documents and Written Supervisory Procedures to assist with the implementation of new standards of care, and supervision of those standards. We also advise clients on the development of products and services that are consistent with ERISA's fiduciary standards and prohibited transaction restrictions, including retirement income investments and guaranties.

We represent clients involved in investigations and enforcement matters before agencies such as the SEC, the Department of Labor, the IRS, FINRA and other self-regulatory or state agencies. Our lawyers also provide independent assessments of risk management and supervisory frameworks, and overall compliance policies and procedures related to conflicts of interest, breaches of fiduciary duty and securities law violations. In addition, our lawyers represent broker-dealers, investment advisers, insurance companies and other financial services entities in litigation and arbitration matters on standards of care and conflicts of interest.

Through articles, webinars, audio casts and white papers, our Best Interest Compliance Team also provides investment advisers, brokers, insurance representatives and others with counsel and information to stay ahead of directives from the SEC, FINRA, the Department of Labor and other regulatory agencies.

## Team Members

### [Bruce L. Ashton](#)

Partner – Los Angeles

### [Douglas J. Heffernan](#)

Partner – Minneapolis

### [James G. Lundy](#)

Partner – Chicago

### [Joan M. Neri](#)

Counsel – Florham Park

### [David W. Porteous](#)

Partner – Chicago

### [Matthew R. Silver](#)

Counsel - Philadelphia

### [Jeffrey R. Blumberg](#)

Partner – Chicago

### [Jamie L. Helman](#)

Associate – Florham Park

### [Jason S. Luter](#)

Partner – Dallas

### [K. Elise Norcini](#)

Associate - Chicago

### [Andrew C. Raby](#)

Partner – Chicago

### [Michael A. Valerio](#)

Partner – Hartford

### [Bradford P. Campbell](#)

Partner – Washington D.C.

### [Megan E. Hladilek](#)

Partner – Minneapolis

### [Robert J. Mancuso](#)

Partner – New York

### [Timothy J. O'Driscoll](#)

Partner – Philadelphia

### [Fred Reish](#)

Partner – Los Angeles

### [Joshua J. Waldbeser](#)

Partner – Chicago

### [Joshua B. Deringer](#)

Partner – New York

### [Kimberly A. Jones](#)

Partner – Chicago

### [James G. Martignon](#)

Counsel - Chicago

### [Betsy A. Olson](#)

Associate – Los Angeles

### [Diego J. Rosado](#)

Associate – Florham Park

### [David L. Williams](#)

Partner – Chicago

### [Page D. Fleeger](#)

Partner – Minneapolis

### [James F. Jorden](#)

Partner – Washington D.C.

### [Glenn Merten](#)

Partner – Washington D.C.

### [Gregory J. Ossi](#)

Partner – Washington D.C.

### [Tracey Salmon-Smith](#)

Partner – Florham Park

### [Sandra Dawn Grannum](#)

Partner – Florham Park

### [Stephen J. Jorden](#)

Partner – Hartford

### [Matthew M. Morrissey](#)

Associate - Chicago

### [Waldemar J. Pflepsen Jr.](#)

Senior Counsel – Washington D.C.

### [Edward J. Scarillo Jr.](#)

Associate – Florham Park

© Faegre Drinker Biddle & Reath LLP 2020 All rights reserved. The law and analysis contained in this chart are general in nature and do not constitute a legal opinion that may be relied on by third parties. Readers should consult their own legal counsel for information on how these issues apply to their individual circumstances and to determine if there have been any relevant developments since the date of this chart.

faegredrinker.com

CALIFORNIA | COLORADO | CONNECTICUT | DELAWARE | ILLINOIS | INDIANA | NEW JERSEY | NEW YORK | PENNSYLVANIA | TEXAS | WASHINGTON D.C.  
BEIJING | SHANGHAI | LONDON

Faegre Drinker Biddle & Reath LLP.