

Good morning,

Attached are the comments from the Philadelphia Financial Exploitation Task Force. As a multi-disciplinary body who have been working on financial exploitation issues for 10 years, we welcome the opportunity to comment.

Thanks for the opportunity and all the excellent work that FINRA has done in this space.

We look forward to working with FINRA moving forward.

Comments to FINRA

The Philadelphia Financial Exploitation Prevention Task Force met on September 19th to discuss FINRA's request for comment on its senior investor rules (FINRA Regulatory Notice 19-27 FINRA Requests Comment on Rules and Issues Relating to Senior Investors). We would like to thank FINRA for their great work on this issue and for the opportunity to submit comments. Here are our comments:

Extension of Temporary Holds on Disbursements.

The Task Force finds that APS, state regulators and law enforcement typically need more time to conduct thorough investigations. As many of these agencies are understaffed and now are receiving more reports than ever before, we therefore suggest 60 days and the ability to extend the hold if there is enough evidence or the need to continue the investigation has been established. Many of APS agencies differ in not only their resources to conduct investigations but in how they prioritize financial investigations.

The Task Force also notes the diversity in APS programs and difficulty in obtaining an extension of a temporary hold from an APS agency or a court. The Task Force recommends that FINRA partner with NAPSA to bring awareness and solutions to this problem as NAPSA has developed a new protocol and forms that addresses this matter.

Expanding Protection

The Task Force believes the hold should be extended to matters beyond disbursements. This would include any transactions that may negatively impact the senior. For example, this could be selling a security and depositing the proceeds in a cash account (in anticipation of a subsequent disbursement) where there may be tax consequences, penalties, fees, etc. for selling that particular security.

The Task Force notes that self-neglect reports constitute the largest category of reports made to APS, and that individuals who self-neglect often lack the ability to protect their assets due to a mental or physical disability. FINRA rule 2165 appears to limit holds on disbursements to instances of suspected exploitation. The Task Force asks that the rule be expanded to include reporting and temporary holds on disbursements when a firm is concerned about customers managing their own assets as opposed to only when there is financial exploitation by a third party.

Trusted Contacts

The response rate is very low for trusted contacts. The Task Force recommends that efforts be made to determine the cause and possible solutions that would increase this rate. There may be other industries that could help inform this issue.

Role of Adviser

The Task Force does not believe that an adviser should be permitted to serve as a POA, trustee, executor or be a beneficiary on a client's account/estate. There are too many problems and conflicts of interest. If they are an Investment Adviser Representative (IAR) it is already considered a conflict and is prohibited

Application of Hold Rules

The Task Force would like to see the hold rules apply to investment companies (e.g. mutual funds). Currently, the SEC has made " suggestions" but nothing stronger. Oftentimes, investment companies are the custodian of the actual assets and there is nothing to be done to hold the actual assets if the client goes to them directly circumventing the broker-dealer.

Thank you for the opportunity to comment and we look forward to working with you in the future as you finalize the FINRA rule.

Joe Snyder, Chair

Philadelphia Financial Exploitation Prevention Task Force