

Broker-Dealer or Investment Adviser Transaction or Disbursement Holds

Bad actors often use transfers from retirement or investment accounts to try to exploit older adults. Some states have passed laws that allow – or in some cases require – broker-dealers or investment advisers to hold disbursements or transactions if they suspect (or someone reports) that financial exploitation might be happening. These laws usually only apply to transactions or disbursements involving older adults or adults who may be otherwise deemed to need additional protection. In some states, law enforcement or other state agencies can also request a hold if they suspect financial exploitation.

The chart below summarizes relevant state laws for broker-dealers and investment advisers as of October 2024, including:

- (1) which statute or regulation addresses holds;
- (2) whether transaction or disbursement holds or account freezes are allowed or required;
- (3) which entities are covered by the statute or regulation;
- (4) whether the hold or freeze applies to disbursements, transactions, or both;
- (5) the basis for the hold and any steps required before or after initiating the hold;
- (6) the customer population protected by the statute or regulation;
- (7) how long the hold is, and whether extensions are possible;
- (8) whether the statute or regulation includes a training provision; and
- (9) whether the law includes a provision that allows or requires the broker-dealers or investment advisers to contact a trusted third party to alert them to the potential exploitation.

This document does not contain legal advice. It represents a best effort to highlight information about state laws as of October 2024. For complete and up to date information about each state law, you should check the relevant state statute.

Broker-Dealer or Investment Adviser Transaction or Disbursement Holds

State	State Statute	Transaction Hold and/or Account Freeze (Required, Allowed)	Financial Institutions Covered *	Applicability of Hold (Disbursement or transaction)	Basis for Hold **	Protected Population	Initial Hold Time & Possibility to Extend	Training Provision	Financial Institutions Permitted / Required to Contact Trusted Third Party
Alabama	Ala. Code § 8-6-170 et seq.	Allowed	Broker-dealer or investment adviser	Disbursement	Reasonably believes; internal review	65 or older or protected person as defined by statute	15 business days; extension possible upon request of relevant government entity	No	Yes
Alaska	Alaska Stat. § 45.56.430	Allowed	Broker-dealer or investment adviser	Disbursement	Reasonably believes; internal review	60 or older or vulnerable adult as defined by statute	15 business days; extension possible upon request of relevant government entity	No	Yes
Arizona	Arizona Rev. Stat. § 46-471 et seq.	Allowed	Broker-dealer or investment adviser	Disbursement or transaction	Reasonably believes; internal review	65 or older or vulnerable adult as defined by statute	15 business days; extension possible upon request of relevant government entity	No	Yes
Arkansas	Ark. Code Ann. § 23-42-309	Allowed	Broker-dealer or investment adviser	Disbursement or transaction	Reasonably believes; internal review	65 or older or otherwise vulnerable adult as defined by statute	15 business days; extension possible upon request of relevant government entity	No	Yes
California	Cal. Welf. & Inst. Code § 15630.2	Allowed	Broker-dealer or investment adviser	Disbursement or transaction	Reasonable belief; internal review	65 or older or dependent adult as defined by statute	15 business days; extension possible upon request of relevant government entity	No	Yes
Colorado	Colo. Rev. Stat. § 11-51-1002 et seq.	Allowed	Broker-dealer or investment adviser	Disbursement	Reasonably believes; internal review	70 or older or person susceptible to mistreatment or self-neglect as provided by statute	15 business days; extension possible upon request of relevant government entity	No	Yes

* Most state hold laws also apply to agents of broker-dealers or investment advisers.

** In all states, broker-dealers or investment advisers must provide notice to parties to the transaction or disbursement and/or relevant government agencies. State hold laws requiring broker-dealers or investment advisers to tell parties authorized to transact business on an account about an implemented hold typically do not apply to parties suspected of engaging in or attempting the exploitation.

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Connecticut	Conn. Gen. Stat. § 36b-14(f)	Allowed	Broker-dealer or investment adviser	Disbursement or transaction	Reasonably believes	60 or older	15 business days; extension possible by relevant government entity	Yes	Yes
Delaware	Del. Code Ann. tit. 6 § 73-307	Allowed	Broker-dealer or investment adviser	Disbursement	Reasonably believes; internal review	62 or older or vulnerable adult as defined by statute	10 business days; extension possible, including upon request of relevant government entity	No	Yes
Florida	Fla. Stat. § 517.34	Allowed	Securities dealers or investment adviser	Disbursement or transaction	Reasonably believes; internal review	65 or older or vulnerable adult as defined by statute	15 business days; extension possible	Yes	Yes
Georgia	Ga. Code Ann. § 10-5-100 et seq.	Allowed	Broker-dealer or investment adviser	Disbursement or transaction	Reasonably believes; internal review	65 or older or incapacitated adult	15 business days; extension possible upon request of relevant government entity	No	Yes
Hawaii	Haw. Rev. Stat. § 485A-801 et seq.	Allowed	Broker-dealer or investment adviser	Disbursement or transaction	Reasonably believes; internal review	62 or older or vulnerable adult as defined by statute	15 business days; extension possible upon request of relevant government entity	No	Yes
Indiana	Ind. Code Ann. § 23-19-4.1-1 et seq.	Allowed	Broker-dealer or investment adviser	Disbursement	Reason to believe	65 or older or otherwise financially vulnerable adult as defined by statute	15 business days; extension possible	Yes	Yes

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Iowa	Iowa Code Ann. § 502.801 et seq.	Allowed	Broker-dealer or investment adviser	Disbursement or transaction	Reasonably believes; internal review	65 or older or dependent adult as defined by statute	15 business days; extension possible upon request of relevant government entity	Yes	Yes
Kansas	2023 Bill Text KS H.B. 2562	Allowed	Broker-dealr or investment adviser	Disbursement or transaction	Reasonably believes; internal review	60 or older or dependent adult as defined by statute	15 business days; extension possible upon request of relevant government entity	No	Yes
Kentucky	Ky. Rev. Stat. Ann. § 365.245	Allowed	Broker-dealer or investment adviser	Disbursement or transaction	Reasonably believes	65 or older or adult with mental or physical impairment that renders them unable to protect their own interest as defined by statute	15 business days; extension possible	No	Yes
Louisiana	La. Rev. Stat. Ann. § 51:731 et seq.	Allowed	Dealer or investment adviser	Disbursement	Reasonably believes; internal review	60 or older or person subject to Adult Protective Services Act	15 business days; extension possible upon request of relevant government entity	No	Yes
Maine	Me. Rev. Stat. tit. 32 § 16801 et seq.	Allowed	Broker-dealer or investment adviser	Disbursement	Reasonably believes; internal review	65 or older or individual protected under Adult Protective Services Act.	15 business days; extension possible upon request of relevant government entity	No	Yes
Maryland	Md. Code Ann. Corps & Assn's § 11-307	Allowed	Broker-dealer or investment adviser	Disbursement	Reasonably believes; internal review	65 or older or vulnerable adult as defined by statute	15 business days; extension possible upon request of relevant government entity	No	Yes

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Michigan	Mich. Comp. Laws Serv. § 451.2531	Allowed	Broker-dealer or investment adviser	Disbursement or transaction	Suspects or detects	Vulnerable adult (includes impairment due to advanced age)	15 business days; extension possible, including upon request of relevant government entity	No	Yes
Minnesota	Minn. Stat. § 45A.01 et seq.	(1) Allowed (self-initiated) (2) Required if requested by law enforcement or other relevant government agency	Broker-dealer or investment adviser	Disbursement or transaction	Reasonably believes; internal review	65 or older or vulnerable adults as defined by statute	15 business days; extension possible	No	Yes
Mississippi	Miss. Code Ann. § 75-71-413	Allowed	Broker-dealer or investment adviser	Transaction	Reasonably believes; internal review	Customer	15 business days; extension possible upon request of relevant government entity	No	Yes
Missouri	Mo. Rev. Stat. § 409.600 et seq.	Allowed	Broker-dealer or investment adviser	Disbursement or transaction	Reasonably believes	60 or older or adults with disability as defined by statute	10 business days; extension possible upon order of relevant government entity	Yes	Yes
Montana	Mont. Code Ann. § 30-10-340 et seq.	Allowed	Broker-dealer or investment adviser	Disbursement	Reasonably believes; internal review	60 or older or an otherwise vulnerable adult as defined by statute	15 business days; extension possible upon request of relevant government entity	No	Yes
Nebraska	Neb. Rev. Stat. Ann. § 8-2904 et seq.	Allowed	Broker-dealer or investment adviser	Disbursement or transaction	Reasonably believes; internal review	65 or older or a vulnerable adult as defined by statute	15 business days; extension possible upon request of relevant government entity	No	Yes

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New Hampshire	N.H. Rev. Stat. Ann. § 421-B:5-507A	Allowed	Broker-dealer or investment adviser	Disbursement	Reasonably believes; internal review	65 or older or a vulnerable adult as defined by statute	15 business days; extension possible upon request of relevant government entity	No	Yes
New Jersey	N.J. Stat. Ann. § 52:27D-407	Allowed	Broker-dealer or investment adviser	Disbursement or transaction	Reasonably believes; internal review	65 or older or a person subject to the Adult Protective Services Act	15 business days; extension possible upon request of relevant government entity	No	Yes
New Mexico	N.M. Stat. Ann. § 58-13D-1 et seq.	Allowed	Broker-dealer or investment adviser	Disbursement or transaction	Reasonably believes; internal review	65 or older or an incapacitated person as defined by statute	15 business days; extension possible upon request of relevant government entity	Yes	Yes
North Dakota	N.D. Cent. Code § 10-04-08.5.	Allowed	Broker-dealer or investment adviser	Disbursement or transaction	Reasonably believes; internal review	65 or older or a vulnerable adult as defined by statute	15 business days; extension possible upon request of relevant government entity	No	Yes
Ohio	Ohio Rev. Code Ann. § 1707.49	Allowed	Dealer or investment adviser	Transaction	Reasonable cause to believe	60 or older or person eligible to receive protective services	15 business days; extension possible; including upon request by any investigating government entity	No	No
Oklahoma	Okla. Admin. Code §660:11-15-2.	Allowed	Broker-dealer or investment adviser	Disbursement or transaction	Reasonably believes; internal review	62 or older or an incapacitated or vulnerable adult as defined by statute	15 business days; extension possible	No	Yes

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Oregon	Or. Rev. Stat. Ann. § 59.480 et seq.	Allowed	Broker-dealer or state investment adviser	Disbursement	Reasonably believes; internal review	65 or older or otherwise vulnerable person as defined by statute	15 business days; extension possible upon request of relevant government entity	No	Yes
Rhode Island	R.I. Gen. Laws § 7-11.2-1 et seq.	Allowed	Broker-dealer	Disbursement	Reasonably believes	60 or older or adult with a physical or mental impairment that affects major life activities as defined by statute	10 business days	Yes	Yes
South Carolina	S.C. Code Ann. § 35-1-800 et seq.	Allowed	Broker-dealer or investment adviser	Disbursement or transaction	Reasonably believes; internal review	55 or older or a vulnerable adult as defined by statute	30 business days; extension possible upon request of relevant government entity	No	Yes
Tennessee	Tenn. Code Ann. § 48-1-127	Allowed	Broker-dealer or investment adviser	Disbursement	Reasonably believes; internal review	65 or older or adult with physical or mental dysfunction as defined by statute	15 business days; extension possible upon request of relevant government entity	No	Yes
Texas	Tex. Govt. Code § 4004.351 et seq.	(1) Allowed (self-initiated) (2) Required if requested by certain state agencies or law enforcement	Dealer or investment adviser	Transaction	Has cause to believe	65 or older or an otherwise vulnerable adult as defined by statute	10 business days; extension possible upon request of relevant government entity	No	Yes
Utah	Utah Code Ann. § 61-1-201 et seq.	Allowed	Broker-dealer or investment adviser	Disbursement or transaction	Suspects; internal review	65 or older or a vulnerable adult as defined by statute	15 business days; extension possible by relevant government entity	No	Yes

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Vermont	Vt. Code R. § 8-4	Allowed	Broker-dealer or investment adviser	Disbursement	Reasonably believes; internal review	65 or older or an adult with a mental or physical impairment that renders the individual unable to protect their own interests.	15 business days; extension possible upon request of relevant government entity	No	Yes
Virginia	Va. Code Ann. § 63.2-1606	Allowed	Investment company or investment adviser	Disbursement or transaction	Believes in good faith	60 or older or an incapacitated adult as defined by statute	30 business days; extension possible	No	Yes
Washington	Wash. Rev. Code § 74.34.215 et seq.	Allowed	Broker-dealer or investment adviser	Disbursement	Reasonably believes; investigation	60 or older with inability to care for self or otherwise vulnerable adult as defined by statute	10 business days; extension possible	Yes	No
West Virginia	W. Va. Code Ann. § 32-6-601 et seq.	Allowed	Broker-dealer or investment adviser	Disbursement or transaction	Reasonably believes; internal review	65 or older or a vulnerable adult as defined by statute	15 business days; extension possible upon request of relevant government entity	No	Yes
Wyoming	Wyo. Stat. Ann. § 13-1-701 et seq.	(1) Allowed (self-initiated) (2) Required if requested by relevant state agencies or law enforcement	Broker-dealer or investment adviser	Transaction	Has cause to believe	Vulnerable adult as defined by statute (includes inability to care for self due to advanced age)	5 business days; extension possible upon request of relevant government entity	No	Yes

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As of October 2024, the following states did not have any laws about transaction or disbursement holds for broker-dealers or investment advisers: District of Columbia, Idaho, Illinois, Massachusetts, Nevada, New York, North Carolina, Pennsylvania, South Dakota, and Wisconsin.

While not enacted, as of October 2024, the following states introduced legislation about transaction or disbursement holds for broker-dealers or investment providers: Illinois, Massachusetts, New York, and Pennsylvania.