

# Union Calendar No. 684

115<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 6323

**[Report No. 115–886]**

To create an interdivisional taskforce at the Securities and Exchange  
Commission for senior investors.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 10, 2018

Mr. GOTTHEIMER (for himself, Mr. HOLLINGSWORTH, and Ms. SINEMA) introduced the following bill; which was referred to the Committee on Financial Services

AUGUST 3, 2018

Reported with an amendment, committed to the Committee of the Whole  
House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on July 10, 2018]

# **A BILL**

To create an interdivisional taskforce at the Securities and  
Exchange Commission for senior investors.

1       *Be it enacted by the Senate and House of Representa-*  
 2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       *This Act may be cited as the “National Senior Investor*  
 5       *Initiative Act of 2018” or the “Senior Security Act of*  
 6       *2018”.*

7       **SEC. 2. SENIOR INVESTOR TASKFORCE.**

8       *Section 4 of the Securities Exchange Act of 1934 (15*  
 9       *U.S.C. 78d) is amended by adding at the end the following:*

10       “(k) *SENIOR INVESTOR TASKFORCE.*—

11               “(1) *ESTABLISHMENT.*—*There is established*  
 12       *within the Commission the Senior Investor Taskforce*  
 13       *(in this subsection referred to as the ‘Taskforce’).*

14               “(2) *DIRECTOR OF THE TASKFORCE.*—*The head*  
 15       *of the Taskforce shall be the Director, who shall—*

16                       “(A) *report directly to the Chairman; and*

17                       “(B) *be appointed by the Chairman, in con-*  
 18       *sultation with the Commission, from among in-*  
 19       *dividuals—*

20                               “(i) *currently employed by the Com-*  
 21       *mission or from outside of the Commission;*  
 22       *and*

23                               “(ii) *having experience in advocating*  
 24       *for the interests of senior investors.*

1           “(3) *STAFFING.—The Chairman shall ensure*  
2     *that—*

3                 “(A) *the Taskforce is staffed sufficiently to*  
4                 *carry out fully the requirements of this sub-*  
5                 *section; and*

6                 “(B) *such staff shall include individuals*  
7                 *from the Division of Enforcement, Office of Com-*  
8                 *pliance Inspections and Examinations, and Of-*  
9                 *fice of Investor Education and Advocacy.*

10           “(4) *MINIMIZING DUPLICATION OF EFFORTS.—In*  
11           *organizing and staffing the Taskforce, the Chairman*  
12           *shall take such actions as may be necessary to mini-*  
13           *mize the duplication of efforts within the divisions*  
14           *and offices described under paragraph (3)(B) and*  
15           *any other divisions, offices, or taskforces of the Com-*  
16           *mission.*

17           “(5) *FUNCTIONS OF THE TASKFORCE.—The*  
18           *Taskforce shall—*

19                 “(A) *identify challenges that senior inves-*  
20                 *tors encounter, including problems associated*  
21                 *with financial exploitation and cognitive decline;*

22                 “(B) *identify areas in which senior inves-*  
23                 *tors would benefit from changes in the regula-*  
24                 *tions of the Commission or the rules of self-regu-*  
25                 *latory organizations;*

1           “(C) coordinate, as appropriate, with other  
2           offices within the Commission, other taskforces  
3           that may be established within the Commission,  
4           self-regulatory organizations, and the Elder Jus-  
5           tice Coordinating Council; and

6           “(D) consult, as appropriate, with State se-  
7           curities and law enforcement authorities, State  
8           insurance regulators, and other Federal agencies.

9           “(6) *REPORT.*—The Taskforce, in coordination,  
10          as appropriate, with the Office of the Investor Advo-  
11          cate and self-regulatory organizations, and in con-  
12          sultation, as appropriate, with State securities and  
13          law enforcement authorities, State insurance regu-  
14          lators, and Federal agencies, shall issue a report every  
15          2 years to the Committee on Banking, Housing, and  
16          Urban Affairs of the Senate and the Committee on  
17          Financial Services of the House of Representatives,  
18          the first of which shall not be issued until after the  
19          report described in section 3 of the National Senior  
20          Investor Initiative Act of 2018 has been issued and  
21          considered by the Taskforce, containing—

22               “(A) appropriate statistical information  
23               and full and substantive analysis;

1           “(B) a summary of recent trends and inno-  
2           vations that have impacted the investment land-  
3           scape for senior investors;

4           “(C) a summary of regulatory initiatives  
5           that have concentrated on senior investors and  
6           industry practices related to senior investors;

7           “(D) key observations, best practices, and  
8           areas needing improvement, involving senior in-  
9           vestors identified during examinations, enforce-  
10          ment actions, and investor education outreach;

11          “(E) a summary of the most serious issues  
12          encountered by senior investors, including issues  
13          involving financial products and services;

14          “(F) an analysis with regard to existing  
15          policies and procedures of brokers, dealers, in-  
16          vestment advisers, and other market participants  
17          related to senior investors and senior investor-re-  
18          lated topics and whether these policies and proce-  
19          dures need to be further developed or refined;

20          “(G) recommendations for such changes to  
21          the regulations, guidance, and orders of the Com-  
22          mission and self-regulatory organizations and  
23          such legislative actions as may be appropriate to  
24          resolve problems encountered by senior investors;  
25          and

1                   “(H) any other information, as determined  
2                   appropriate by the Director of the Taskforce.

3                   “(7) *SUNSET.*—*The Taskforce shall terminate*  
4                   *after the end of the 10-year period beginning on the*  
5                   *date of the enactment of this subsection, but may be*  
6                   *reestablished by the Chairman.*

7                   “(8) *SENIOR INVESTOR DEFINED.*—*For purposes*  
8                   *of this subsection, the term ‘senior investor’ means an*  
9                   *investor over the age of 65.’.*

10 **SEC. 3. GAO STUDY.**

11                   (a) *IN GENERAL.*—*Not later than 1 year after the date*  
12                   *of enactment of this Act, the Comptroller General of the*  
13                   *United States shall submit to Congress and the Senior In-*  
14                   *vestor Taskforce the results of a study on the economic costs*  
15                   *of the financial exploitation of senior citizens.*

16                   (b) *CONTENTS.*—*The study required under subsection*  
17                   (a) *shall include information with respect to—*

18                   (1) *costs—*

19                   (A) *associated with losses by victims that*  
20                   *were incurred as a result of the financial exploi-*  
21                   *tation of senior citizens;*

22                   (B) *incurred by State and Federal agencies,*  
23                   *law enforcement and investigatory agencies, pub-*  
24                   *lic benefit programs, public health programs,*

1           *and other public programs as a result of the fi-*  
2           *nancial exploitation of senior citizens; and*

3                     *(C) incurred by the private sector as a re-*  
4           *sult of the financial exploitation of senior citi-*  
5           *zens; and*

6           *(2) any other relevant costs that—*

7                     *(A) result from the financial exploitation of*  
8           *senior citizens; and*

9                     *(B) the Comptroller General determines are*  
10          *necessary and appropriate to include in order to*  
11          *provide Congress and the public with a full and*  
12          *accurate understanding of the economic costs re-*  
13          *sulting from the financial exploitation of senior*  
14          *citizens in the United States.*

15          *(c) SENIOR CITIZEN DEFINED.—For purposes of this*  
16          *section, the term “senior citizen” means an individual over*  
17          *the age of 65.*





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