



Government of the District of Columbia
Department of Insurance, Securities and Banking

**Protecting Your
Financial Interests**

Protecting Clients Against Elder Financial Abuse during a Vulnerable Stage of Their Lives

January 27, 2012



What is DISB?

- **DISB Mission**

“To protect District of Columbia residents from financial fraud and abuse by providing fair and efficient supervision of financial-service entities, as well as contribute to a strong business environment and attract reputable businesses to the District of Columbia through fair and equitable financial services regulation.”

- **Leadership**

DISB is led by Commissioner William P. White.

- **Agency Contact Information**

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Who is DISB?

- **Deputy Commissioner Chester McPherson**

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- **Deputy Commissioner Margaret Schruender**

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- **Associate Commissioner for Securities Theodore “Tony” Miles**

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Associated Regulations and Bulletins

D.C. Senior Designation Regulation

<http://www.dcregs.dc.gov/Gateway/RuleHome.aspx?RuleNumber=26-B169>

DISB Mandatory Reporting Bulletin

<http://disb.dc.gov/dsr/frames.asp?doc=/dsr/lib/dsr/pdf/BULLETIN - 11-BB-29-11 16.pdf>





DO's and DON'Ts of Advising Adults with Diminished Capacity





Roadmap for Investment Advisors

- DO: Report Suspected Elder Financial Abuse - [DISB Mandatory Reporting Bulletin](#)
- DON'Ts: What to avoid when working with clients who may have diminished capacity
- Best Practices: Suggestions for how to act in the clients' best interest





DO: Report Financial Abuse

WARNING SIGNS OF EXPLOITATION/DIMINISHED CAPACITY

- ❖ Erratic or unusual banking transactions
- ❖ Sudden or unexpected changes to accounts or basic documents
- ❖ Odd interactions between client and caregiver/other accompanying individuals
- ❖ Unusual behavior/appearance of client





DON'Ts: What to Avoid

- DON'T take advantage of older persons by offering them products that they are unable to understand or that are unsuitable
- DON'T seek to obtain business by holding yourself out as specially trained or certified to serve seniors unless that is actually the case, i.e. the training involves substance and not marketing
- DON'T conduct a “free lunch seminar” without advertising that it is intended to solicit business and is not purely educational
- DON'T switch an older person out of suitable investments unless it is necessary and in the best interest of the client





Best Practices: DO's

- DO keep in constant contact with senior investors
- DO conduct training for employees on servicing senior clients
- DO have a centralized system for oversight and compliance and include provisions on this in your compliance manual AND INCLUDE PROVISIONS ON THIS IN YOUR COMPLIANCE MANUAL
- DO review marketing materials aimed at seniors to ensure compliance with requirements





Best Practices: DO's

- DO take preventative measures by preparing a contingency plan with the senior early, before he/she shows signs of diminished capacity
- DO bring legal, tax and estate professionals into the process discussions
- DO advise the senior to bring a trusted family member early on to be the point person just in case
- DO provide all information in Plain English

