



ONE YEAR LATER: FINRA RULES 2165 AND 4512

FINRA RULE 4512

NEW YORK, FEBRUARY 2019

TRUSTED CONTACT

Trusted Contact Authorization Form

- To be used in certain circumstances:
 - If customer cannot be reached
 - If firm has concerns about health status or well being of customer
 - If firm believes customer may be a victim of fraud/exploitation.
- Allows firms to share NPPI

Trusted Contact Authorization Form

 Lincoln Financial Network

Account Number(s): _____

By my signature below, I authorize Lincoln Financial Network ("LFN") and its affiliates to share my nonpublic personal information* held by LFN to the named Authorized Individual identified below.

I authorize this information to be shared with the Authorized Individual at the discretion of LFN. This authorization includes, but is not limited to, any of the undersigned client's information regarding securities, insurance, bank related, financial planning or other financial products or services offered by or through LFN or any financial information the undersigned may have provided to LFN.

I understand that LFN may contact the named Authorized Individual if there are questions/concerns about my whereabouts or health status (i.e., if LFN becomes concerned that I might no longer be able to handle my financial affairs) or in the event that LFN becomes concerned that I may be a victim of fraud or exploitation.

LFN suggests that the named Authorized Individual not be someone authorized to transact business on the account or who is already otherwise able to receive the information described above.

Name of Trusted Contact Person:	Relationship:
Daytime Phone:	Email:
Evening Phone:	City and State:
Street Address:	

Check here if this Trusted Contact Authorization supersedes a previous Contact Authorization: ☐

I understand that there is no requirement that LFN reach out to my contact person and that I may withdraw this Trusted Contact Authorization at any time by notifying LFN in writing at the address shown on my account statement. By signing below, I and my heirs, hold LFN harmless if we either act, or fail to act, on your stated preferences based upon our own best judgement.

Client Signature: _____

Printed Name: _____

Date: _____

* "Nonpublic personal information" includes, but is not limited to: financial account information and balances, recommendation for purchase of a security or insurance product, and as defined in Title V of the Federal Financial Services Modernization Act of 1999 as amended, or as defined by any other federal or state law, personally identifiable financial information (i) provided by a consumer to a financial institution, (ii) resulting from any transaction with the consumer or any service performed for the consumer, or (iii) otherwise obtained by the financial institution.

Lincoln Financial Network is the marketing name for the retail sales and financial planning affiliates, Lincoln Financial Securities Corporation and Lincoln Financial Advisors Corporation, both dually registered broker-dealer and investment adviser entities.

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Amendments to Rule 4512

- Requires firms to attempt to collect trusted contacts for new and existing clients.
- Requires firms to attempt to regularly update that information.
- Includes an exemption for institutional accounts.
- Effective February 5, 2018.

Full text of the rule:

http://finra.complinet.com/en/display/display_main.html?rbid=2403&record_id=17537

Can use trusted contact name for:

- Confirming customer's current contact information
- Health status
- Identify any legal guardian, executor, trustee or holder of a power of attorney
- Or otherwise permitted under the rule

Full text of the rule:

http://finra.complinet.com/en/display/display_main.html?rbid=2403&record_id=17537

October
2015

Regulatory Notice 15-37: FINRA seeks comment on proposed adoption of FINRA Rule 2165 to permit qualified persons of firms to place temporary holds on disbursements of funds or securities from the accounts of specified customers where there is a reasonable belief of financial exploitation of these customers.

<http://www.finra.org/industry/notices/15-37>

October
2016

SR-FINRA-2016-039: FINRA files with the Securities and Exchange Commission a proposed rule change to adopt FINRA Rule 2165.

Federal Register Notice: http://www.finra.org/sites/default/files/rule_filing_file/SR-FINRA-2016-039-federal-register-notice.pdf

January
2017

FINRA files a response to comments on Rules 4512 and 2165:

http://documents.sifma.org/State_Gov_Relations/StatE_News/2014/FINRA_Response_to_Comments/

March
2017

Regulatory Notice 17-11: Securities and Exchange Commission approves adoption of Rule 2165.

<http://www.finra.org/sites/default/files/Regulatory-Notice-17-11.pdf>

February
2018

Amendments to FINRA Rule 4512, on Customer Account Information, goes into effect.

http://finra.complinet.com/en/display/display_main.html?rbid=2403&element_id=9958

FINRA Request for Comment

October 2015

Regulatory Notice 15-37: FINRA seeks comment on proposed adoption of FINRA Rule 2165 to permit qualified persons of firms to place temporary holds on disbursements of funds or securities from the accounts of specified customers where there is a reasonable belief of financial exploitation of these customers.

<http://www.finra.org/industry/notices/15-37>

SIFMA Files Comments

December 2015

SIFMA files comments on FINRA Regulatory Notice 15-37: http://www.finra.org/sites/default/files/15-37_SIFMA_comment.pdf

FINRA Responds to Comments

January 2017

FINRA files a response to comments on Rules 4512 and 2165:

[http://documents.sifma.org/State Gov Relations/StatE News/2014/FINRA Response to Comments/](http://documents.sifma.org/State_Gov_Relations/StatE_News/2014/FINRA_Response_to_Comments/)

Interagency Guidance

Agencies provide guidance on privacy laws and reporting financial abuse of seniors:

[http://documents.sifma.org/State Gov Relations/StatE News/2014/interagency_guidance/](http://documents.sifma.org/State_Gov_Relations/StatE_News/2014/interagency_guidance/)



Q. Does Rule 4512 require that a customer provide the trusted-contact information?



Q. When is a member required to seek to obtain the trusted-contact information for accounts in existence prior to the effective date of the amendments to Rule 4512 (“existing accounts”)? When is a member required to update the trusted-contact information?

Additional FINRA Rules and Resources



Senior Investors Webpage

- www.finra.org/industry/senior-investors
- Contains information on Rules, Notices, Guidance, News Releases, Investor Education and Examinations

FINRA-Identified Rules Relevant to Senior Investors

- **Regulatory Notice 16-12:** Guidance on Firm Responsibilities for Sales of Pension Income Stream Products
- **Regulatory Notice 11-52:** Obligations Regarding Supervision of Registered Persons Using Senior Designations
- **Regulatory Notice 07-43:** Obligations Regarding Senior Investors and Highlighting Industry Practices to Serve Senior Customers

Available FINRA Guidance Topics

- 2165/4512 FAQs and Podcasts on Senior Designations, FINRA's 2015 Exam Priorities, Protecting Senior Investors and Considerations for Working with Seniors.

