

HOUSE REPUBLICAN STAFF ANALYSIS

Bill:	House File 648 (Formerly HSB 213)	House Committee:	PASSED on March 3 (17-3)
Committee:	Judiciary	House Floor:	PASSED on March 22 (95-0)
Floor Manager:	Rep. C. Thomson	Senate Floor:	PASSED on April 19 (50-0)
Date:	May 1, 2023	Governor:	
Staff:	Amanda Wille (1-5230)		

Investment Advisors- Expungement

- HF 648 allows an investment advisor to request information in the Financial Industry Regulatory Authority be expunged.
- Fiscal Note- The insurance division is requesting a new Compliance Officer 2 position that will cost between \$84,000 and \$125,000 to the General Fund in FY 2024.

Section by Section Analysis

Section 1 – Uniform Securities Act Blue Sky Law- Investment Advisors and Adviser Representatives- Expungement of Certain Information (502.511)

An investment advisor doing business in Iowa under Iowa's blue-sky law may petition the court to have information in the Financial Industry Regulatory Authority (FINRA) expunged.

The court may grant the expungement if;

- The petitioner was not involved in the event that resulted in the creation of the record
- The information is erroneous, impossible to be true, or defamatory
- A decision in proceedings found the petitioner did not act in a matter described in record or
- The court determines that equitable principles require such relief

If the court grants relief all information in the record and copies shall be destroyed.

Amendment Analysis

H-1272- Senate Amendment

Ensures the information and all references to the information in other records is expunged as well.

Requires the investment advisor or their representative to be a citizen of the state when the information was first included in the record or when the petition to expunge the information was filed in district court.

Strikes the word "defamatory" and replaces it with "false"

Strikes the requirement that all records and copies be destroyed if the court grants relief.

H-1305 to H-1272-Dunwell

Makes corrective changes to the senate amendment.

The investment advisor does not have to be a citizen of the state they just need to be doing business in the state, or their investment adviser representative filing the petition to expunge the information was a resident when the information was first included in the record or the petition was filed in district court.

Clarifies the information has to arise out of a dispute involving the client and the investment advisor or investment adviser representative.