

6546

Sponsor(s): Senators Prentice and Benton

Brief Description: Establishing confidentiality for certain compliance review documents of nonbank financial services companies.

**SB 6546 - DIGEST**

Finds and declares that efforts by nonbank financial service providers to comply voluntarily with state and federal statutory and regulatory requirements are vital to the public interest; and that possible discovery and use in civil litigation of work produced in connection with voluntary compliance efforts has an undesirable chilling effect on the use, scope, and effectiveness of voluntary compliance efforts by nonbank financial service providers.

Declares that compliance review documents are confidential and are not discoverable or admissible as evidence in any civil action.

Provides that compliance review personnel shall not be required to testify at deposition or trial in any civil action concerning the contents of or matters addressed in any compliance review or any compliance review documents, nor as to the actions or activities undertaken by or at the direction of the licensee in connection with a compliance review.

Does not limit, waive, or abrogate the scope or nature of any other statutory or common law privilege of this state or the United States, including the attorney-client privilege.

Provides that any licensee that makes a disclosure: (1) To any law enforcement agency of a possible violation of any law or regulation; or

(2) In response to a request for records from any law enforcement agency, and any director, officer, or employee of such a licensee, is not liable to any person under any law or regulation for the disclosure or for any failure to notify the customer, customers, or any other person of the disclosure.