

Honolulu, Hawaii

April 7, 2006

RE: S.B. No. 743
S.D. 2
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 743, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE UNIFORM SECURITIES ACT,"

begs leave to report as follows:

The purpose of this bill is to repeal Hawaii's current uniform securities law and adopt the Uniform Securities Act of 2002 (USA) in its place.

The Commission to Promote Uniform Legislation, AARP Hawaii, and Hawaii Bankers Association testified in support of this bill. The Investment Company Institute supported this measure in part. The Department of Commerce and Consumer Affairs supported this bill with amendments. The American Council of Life Insurers and Securities Industry Association opposed this measure. The National Association of Insurance and Financial Advisors opposed this bill in part. The Office of Information Practices offered comments.

Your Committee has amended this measure by:

- (1) Reducing the civil penalties for violations of the USA from \$100,000 to \$50,000 per violation;
- (2) Specifying that a withdrawal of registration of a broker-dealer, agent, investment adviser, and investment

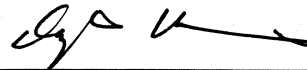


adviser becomes effective 60 days after the filing of the application to withdraw rather than 90 days;

- (3) Allowing the Commissioner of Securities to institute a revocation or suspension proceeding within one year after the withdrawal became effective rather than within two years; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 743, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 743, S.D. 2, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



DWIGHT TAKAMINE, Chair



State of Hawaii
House of Representatives
The Twenty-third Legislature

HSCR 1657

Record of Votes of the Committee on Finance

Bill/Resolution No.: SB 743, SD2, HD1		Date: <div style="font-size: 1.5em; text-align: center;">4.6.06</div>		
Committee Referral: CPC/JUD, FIN		<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.		
The recommendation is to: <input type="checkbox"/> Pass, unamended <input checked="" type="checkbox"/> Pass, with amendments <input type="checkbox"/> Hold <input type="checkbox"/> Pass, with amendments, for recommittal for further consideration				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKAMINE, Dwight Y. (C)	✓			
2. KAWAKAMI, Bertha C. (VC)	✓			
3. CARROLL, Mele	✓			
4. CHONG, Pono	✓			
5. EVANS, Cindy	✓			
6. LEE, Marilyn B.	✓			
7. MAGAOAY, Michael Y.	✓			
8. NAKASONE, Bob	✓			
9. NISHIMOTO, Scott Y.	✓			
10. TANAKA, Kameo	✓			
11. TSUJI, Clift	✓			
12. WAKAI, Glenn	✓			
13. YAMANE, Ryan I.	✓			
14. YAMASHITA, Kyle T.	✓			
15. MEYER, Colleen Rose	✓			
16. MOSES, Mark S.	✓			
17. PINE, Kymberly				✓
18. STEVENS, Anne V.	✓			
TOTAL	17			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <div style="text-align: center; font-size: 1.5em; font-family: cursive;">Bertha C. Kawakami</div>				
Distribution: Original (White) – Committee Duplicate (Yellow) – HMSO Duplicate (Pink) – Clerk's Office				