

STAND. COM. REP. NO.

512

Honolulu, Hawaii

Feb 16, 2007

RE: H.B. No. 1306

H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1306 entitled:

"A BILL FOR AN ACT RELATING TO ENHANCED PENALTIES FOR SECURITIES VIOLATIONS COMMITTED AGAINST ELDERS,"

begs leave to report as follows:

The purpose of this bill is to protect Hawaii's senior citizens by establishing enhanced administrative and civil penalties for securities violations committed against elders.

The Business Registration Division of the Department of Commerce and Consumer Affairs testified in support of this bill. AARP Hawaii supported the intent of this measure. The Hawaii Bankers Association and Escrow Association of Hawaii opposed this bill.

Your Committee finds that investment fraud committed against elders is of particular concern in that this demographic holds savings and investment assets that frequently attract con artists. In some cases, elders can be susceptible to investment fraud due to incapacities. This bill affords senior citizens greater protections by providing additional monetary penalties for committing securities violations against persons 62 years of age or older.

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Your Committee has amended this measure by providing that the new administrative and civil penalties do not apply to registered securities dealers for failing to reasonably supervise others committing securities violations.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1306, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1306, H.D. 1, and be referred to the Committee on Judiciary.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



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ROBERT N. HERKES, Chair



