

STAND. COM. REP. NO.

1052

Honolulu, Hawaii

APR 05 2011

RE: S.C.R. No. 134
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.C.R. No. 134 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE CONVENING OF A WORKING GROUP TO INVESTIGATE THE CREATION OF A LOCALLY-FOCUSED, HAWAII-BASED STOCK EXCHANGE,"

begs leave to report as follows:

The purpose and intent of this measure is to request that a working group be convened to investigate the creation of a locally-focused, Hawaii-based stock exchange.

Your Committee received testimony in support of this measure from Maui Venture Consulting, LLC; Archinoetics; Commonwealth Group, Inc.; Hawaii Venture Capital Association; and five private individuals.

Your Committee finds that there are substantial funds held by persons in this State that may be available to support and sustain capital investment for competent enterprises operating in a wide-array of industries. However, your Committee also finds that potential investors and enterprises have difficulty finding each other and establishing sufficient trust to enable meaningful investment relationships. Your Committee further finds that a locally based stock exchange would create a regulatory system that promotes local investment in local businesses by establishing standards for investors and listed enterprises to ensure transparency and foster confidence in the investment process.

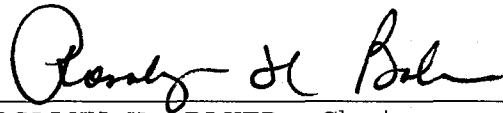


Your Committee finds that a working group to investigate this issue is appropriate because the local exchange proposed for investigation by this measure is an innovative concept that involves the participation of a diverse group of actors with varied interests, including private enterprises, investors, and state and federal government regulators. Your Committee notes that similar entities have been proposed in the past but have not succeeded. Your Committee finally finds that a thorough investigation of the unique needs of Hawaii's market, the requirements of federal law, and the sufficiency of the State's regulatory structures to support a local exchange are necessary to ensure that the creation of a local exchange will serve the State's interests in fostering economic growth and diversification.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 134, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 134, S.D. 1.

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

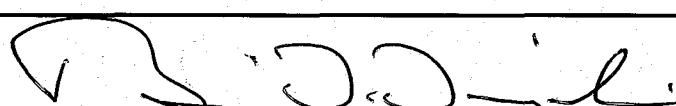


ROSALYN H. BAKER, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
SCR 134	CPN	3-29-11		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
GALUTERIA, Brickwood	✓			✓ (10)
GREEN, M.D., Josh				✓
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama	✓			
SLOM, Sam				✓
TOTAL	5	0	0	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted		<input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes