



NEIL ABERCROMBIE
GOVERNOR

BRIAN SCHATZ
LT. GOVERNOR

**STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

335 MERCHANT STREET, ROOM 310
P.O. Box 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
Fax Number: 586-2856
www.hawaii.gov/dcca

KEALI'I S. LOPEZ
DIRECTOR

**TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
THE TWENTY-SIXTH LEGISLATURE
REGULAR SESSION OF 2012**

Date: Monday, February 6, 2012
Time: 2:00 pm
Conference Room: 325

**TESTIMONY ON HOUSE BILL NO. 2497
RELATING TO SECURITIES**

TO THE HONORABLE ROBERT N. HERKES, CHAIR, AND RYAN I. YAMANE, VICE-CHAIR, AND MEMBERS OF THE COMMITTEE:

Thank you for the opportunity to testify. My name is Tung Chan, Commissioner of Securities and the head of the Business Registration Division of the Department of Commerce and Consumer Affairs (Department). The Department strongly supports this administrative bill.

The securities chapter of the Hawaii Revised Statutes contains errors, ambiguities, and inconsistencies due to recent changes in the law and drafting errors. This bill corrects these errors, ambiguities, and inconsistencies.

The bill makes corrections in the following areas:

1. This bill amends the time to file a notice with the Commissioner to claim an exemption to be "no later than fifteen days" after the first sale instead of "within fifteen days after" the first sale. This change makes the language consistent with other notice filing language throughout the chapter.

2. This bill corrects several drafting errors where internal references were wrongly cited. It also corrects a citation to the Investment Adviser Act of 1940 that was and is often confused with the Investment Company Act of 1940.

Thank you for the opportunity to testify.