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

Date: Thursday, March 29, 2012

Time: 2:35 pm

Conference Room: 325

**TESTIMONY ON SENATE BILL NO. 2759, S.D. 1  
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 the Senate Draft 1 version of this administrative bill, which contains formatting and technical corrections.

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.

To make the corrections as set forth above, we ask that this committee pass this bill in its Senate Draft 1 form that is currently before this committee. Thank you for the opportunity to testify.