

LATE TESTIMONY



First American Title Company

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March 12, 2012

Via Email to CPCtestimony@Capitol.hawaii.gov

Committee on Consumer Protection & Commerce
The Honorable Robert N. Herkes, Chair
Committee on Judiciary
The Honorable Gilbert S.C. Keith-Agaran, Chair
House of Representatives, the Twenty-Sixth Legislature, State of Hawaii
Hawaii State Capitol
415 South Beretania Street, Room 229
Honolulu, Hawaii 96813

**Re: Senate Bill 2760 Relating to Escrow Depositories
Hearing: Monday, March 12, 2012, 9:00 a.m.**

Dear Representatives Herkes, Representative Keith-Agaran, Members of the Committee on Consumer Protection & Commerce, and Members of the Committee on Judiciary:

We respectfully submit this testimony regarding Senate Bill 2760 on behalf of First American Title Company, Inc. ("First American"). First American is a Hawaii corporation with employees in nine branches throughout the State of Hawaii, including five branches on Oahu, two on Maui, and two on the Big Island. First American has been conducting escrow operations in Hawaii since the 1960s.

First American generally supports the intent of this bill and the Division of Financial Institution's attempt to provide greater consumer protection, but suggest that some of the financial and penalty provisions as currently proposed are too onerous. However, we understand that the Commissioner of Financial Institutions, is proposing alternative language which addresses much of First American's concerns relating to financial requirements and we are committed, along with members of the Hawaii Escrow Association, to working with Commissioner Catalani and the Division on language which will accomplish our shared goal of providing sound consumer protection in a reasonable manner.

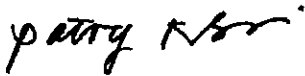
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With respect to the standard for imposition of administrative penalties in Section 449-4 (Section 3 of SB 2760), First American opposes the deletion of the word "willfully". It would be too harsh and unfair to impose fines of up to \$10,000 without some showing of willful or reckless behavior or fault. We understand that the Commissioner Catalani is proposing alternative language setting forth more criteria. We respectfully suggest that the proposed language is still too harsh and creates too much uncertainty in light of the realities of our business, in that it could result in a \$10,000 penalty for inadvertent or unintentional violations, or violations that occur with no fault on the part of the escrow depository.

Thank you for your consideration.

Respectfully submitted,



Patsy K. Saiki
Senior Vice President
First American Title Company, Inc.