

# HB 1715

## HD1

<b>Measure Title:</b>	RELATING TO THE INVESTOR EDUCATION PROGRAM.
<b>Report Title:</b>	Office of the Securities Commissioner; Investor Education Program; Kupuna; Appropriation (\$)
<b>Description:</b>	Appropriates funds for educational outreach targeted at kupuna, based on DCCA's existing investor education programs. Effective July 1, 2014. (HB1715 HD1)
<b>Companion:</b>	<u><a href="#">SB2345</a></u>
<b>Package:</b>	Joint Majority Package
<b>Current Referral:</b>	HMS/CPN, WAM
<b>Introducer(s):</b>	SOUKI, AQUINO, AWANA, BELATTI, BROWER, CABANILLA, CACHOLA, CARROLL, CHOY, CREAGAN, CULLEN, EVANS, HANOHANO, HAR, ICHIYAMA, ING, KAWAKAMI, KOBAYASHI, C. LEE, LOWEN, LUKE, MCKELVEY, MIZUNO, MORIKAWA, NAKASHIMA, NISHIMOTO, OHNO, ONISHI, OSHIRO, RHOADS, SAIKI, SAY, TAKAI, TAKAYAMA, TAKUMI, TOKIOKA, TSUJI, WOODSON, WOOLEY, YAMANE, YAMASHITA



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TO THE SENATE COMMITTEES ON  
HUMAN SERVICES AND  
COMMERCE AND CONSUMER PROTECTION

TWENTY-SEVENTH STATE LEGISLATURE  
REGULAR SESSION, 2014

TUESDAY, MARCH 18, 2014  
1:15 P.M.

TESTIMONY ON HOUSE BILL NO. 1715, H.D. 1  
RELATING TO THE INVESTOR EDUCATION PROGRAM

TO THE HONORABLE SUZANNE CHUN OAKLAND  
AND ROSALYN H. BAKER, CHAIRS,  
AND TO THE HONORABLE JOSH GREEN  
AND BRIAN T. TANIGUCHI, VICE CHAIRS,  
AND MEMBERS OF THE COMMITTEES:

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to testify on House Bill No. 1715, H.D. 1 ("House Draft 1") Relating to the Investor Education Program. My name is Keali'i Lopez, Director of the Department. The Department offers the following testimony in support of the intent of the bill.

House Draft 1 proposes to support and protect Hawaii's kupuna by appropriating funds to the office of the securities commissioner for the continued

operation of the office's investor education program targeted to Hawaii's kupuna particularly in the areas of indexed annuities, life-settlement annuities, variable annuities, and Ponzi schemes.

As the bill notes, the Department has taken a proactive approach to preventing fraud against the State's citizens through the department's investor education program, which offers free educational presentations and materials for all investors. In particular, the program provides education and outreach to the State's kupuna, including information on how to make wise choices when investing and how to detect financial fraud. In this electronic age where financial fraud can occur through telephone and internet scams, and even without our knowledge through cyber theft of our personal financial information, the Department recognizes the ongoing, if not growing, need to educate and inform consumers of such threats, and strongly supports educational programs that will help to protect and empower Hawaii's seniors against financial fraud and scams.

With regard to the specific language and scope of the bill, the Department notes that although the title of the bill is "Relating to the Investor Education Program," the Department's educational outreach includes a much broader range of topics including identity theft, door to door sales, telemarketing, lottery scams, direct mail marketing, insurance fraud, "rock wall" scams, and the like. While the Department welcomes support of its Investor Education Program, it would be appropriate to include a wider spectrum of topics to more fully address the problems facing our kupuna.

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The Department notes that in the companion measure, Senate Bill No. 2345, S.D. 1, this joint committee appropriated \$50,000 and expanded the scope of the appropriation to include investor and other related financial programs to allow the Department more flexibility in educating Hawaii's kupuna about fraudulent investment schemes. The Department respectfully requests consideration of a similar expansion of the scope of the appropriation for House Draft 1.

Thank you for this opportunity to testify on House Bill No. 1715, H.D. 1. I will be happy to answer any questions that the members of the Committee may have.