

SB 2345

Measure Title:	RELATING TO THE INVESTOR EDUCATION PROGRAM.
Report Title:	Office of the Securities Commission; Investor Education Program; Kupuna; Appropriation (\$)
Description:	Appropriates funds for the continued operation of the investor education program, targeted to kupuna, within the department of commerce and consumer affairs office of the securities commissioner.
Companion:	<u>HB1715</u>
Package:	Joint Majority Package
Current Referral:	HMS/CPN, WAM
Introducer(s):	KIM, BAKER, CHUN OAKLAND, DELA CRUZ, ENGLISH, ESPERO, GABBARD, GALUTERIA, GREEN, HEE, IGE, IHARA, KAHELE, KEITH-AGARAN, KIDANI, KOUCHI, NISHIHARA, RUDERMAN, SHIMABUKURO, SOLOMON, TANIGUCHI, L. THIELEN, TOKUDA, WAKAI



NEIL ABERCROMBIE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

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PRESENTATION OF
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

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

TWENTY-SEVENTH STATE LEGISLATURE
REGULAR SESSION, 2014

TUESDAY, FEBRUARY 11, 2014
1:15 P.M.

REVISED TESTIMONY ON SENATE BILL NO. 2345
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 Senate Bill No. 2345, 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.

Senate Bill No. 2345 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.

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 the House Committee on Consumer Protection & Commerce narrowed the scope of the companion measure, H.B 1715, in the Committee's House Draft 1 by clarifying that the appropriation is for educational outreach targeted at kupuna, based on a model similar to the Department's existing investor education programs, particularly in the areas of indexed annuities, life-settlement annuities, variable annuities, and Ponzi schemes.

While the Department welcomes the funding and legislative mandate to continue serving and educating Hawaii's kupuna, the Department is concerned that the scope of the language in the House Draft 1 may limit the Department's flexibility in educating Hawaii's seniors of fraudulent investment schemes. The

Department requests that if the Senate is so inclined to clarify the scope of the educational program, then provide that the funding be used for educational outreach targeted at kupuna in the areas of indexed annuities, life-settlement annuities, variable annuities, and Ponzi and other investment schemes.

Thank you for this opportunity to testify on Senate Bill No. 2345. I will be happy to answer any questions that the members of the Committee may have.



Hawaii Floriculture and Nursery Association

Testimony for the Twenty Seventh Legislature, 2014
State of Hawaii

A bill for an act
SB 2345 RELATING TO THE INVESTOR EDUCATION PROGRAM.

Oppose SB 2345

My name is Eric S. Tanouye and I am the President for the Hawaii Floriculture and Nursery Association. HFNA is a statewide umbrella organization with approximately 300 members. Our membership is made up with breeders, hybridizers, propagators, growers, shippers, wholesalers, retailers, educators, and the allied industry, which supports our efforts in agriculture.

We **Oppose** SB2345 Relating to the Investor Education Program. The priority on the current state of agriculture should not be that of land acquisition but instead should focus on keeping farmers on the land. There is a current need for help with labor, transportation, water, invasive species, etc and should not be limited to food but for all agriculture.

We **OPPOSE** this bill and ask you to consider other measures that can better help all of Hawaii's Agriculture. If you have any questions at this time, I would be happy to discuss them and can be reached by phone at 808-959-3535 ext 22, cell 960-1433 and email eric@greenpointnursery.com.

Supporting Agriculture and Hawaii,

Eric S. Tanouye
President
Hawaii Floriculture and Nursery Association

**SUPPORTING TESTIMONY ON SENATE BILL 2345
RELATING TO THE INVESTOR EDUCATION PROGRAM**

TO THE SENATE COMMITTEE ON
COMMERCE AND CONSUMER PROTECTION

TWENTY-SEVENTH STATE LEGISLATURE
REGULAR SESSION, 2014

TUESDAY, FEBRUARY 11, 2014

1:15 PM

CONFERENCE ROOM 016

TO THE HONORABLE SENATOR ROSALYN H. BAKER, CHAIR,
THE HONORABLE SENATOR JOSH GREEN, VICE CHAIR, AND
MEMBERS OF THE COMMITTEE:

My name is Apolei Kahai Bargamento and I am one of the many Kupuna in Hawaii nei who needs to be well-informed and educated on identity theft, investment fraud, scams, health care fraud, etc., so we could speak up and engage intelligently in such related causes that concern us. I was not aware, however, that the Department of Commerce and Consumer Affairs offers such a needed educational program. I belong to one of the Hawaiian Civic Clubs in Hawaii and have yet to hear a kupuna mention an "Investor Education Program" sponsored by the State Department.

Several years ago, I too encountered a scam in progress when my car was stolen. My check book was found in my car and the thief used it to purchase an electronic equipment. However,

I had already contacted the bank who took the responsibility of closing my account. As a result, the check was not honored.

However, my office phone number was printed on my check. I later received a strange call at my office requesting my bank route number. The rest is history.

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February 11, 2013
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It is amazing how attuned we can become to making a difference when we have a little timely information. However, we can't choose to make a difference when we don't know what's going on around us in the first place. Solid, reliable information helping us make wise decisions, may help save us or simply helping others become better informed. We all live in local communities- our neighborhoods often pose a different set of challenges and opportunities than those posed by the world at large.

Being informed about events in each of these communities can sometimes be a challenge in itself. But it is a challenge even the busiest among us cannot ignore. We can become informed by seeking out a variety of trustworthy, reputable, and responsible news sources whose stories prove to be consistently reliable. We also need to consider what motivates the organization producing the news.

For the aforementioned reasons, I support the free investor education presentation and materials offered to the State kupuna within the Department of Commerce and Consumer Affairs Office of the Securities Commissioner. There is appropriated the sum of \$50,000 or so much thereof as may be necessary for fiscal year 2014-2015 for the continued operation of the investor education program targeted to Hawaii's kupuna.

Apolei Kahai Bargamento February 10, 2014