
A BILL FOR AN ACT

RELATING TO CROWDFUNDING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to establish a
2 limited intrastate crowdfunding exemption for businesses based
3 in Hawaii to connect with investors located in Hawaii, through
4 equity crowdfunding via third-party internet portals.

5 SECTION 2. Act 229, Session Laws of Hawaii 2006, is
6 amended by adding a new section to read as follows:

7 "There is established an intrastate crowdfunding
8 initiative, which may be referred to as the "Hawaii Invests
9 Local Exemption Act," amending the Uniform Securities Act of
10 2002 to exempt limited equity investments from comprehensive
11 regulatory structures required of securities exchanges within
12 the State."

13 SECTION 3. Chapter 485A is amended by adding a new part to
14 be appropriately designated and to read as follows:

15 "485A- **Hawaii Invests Local Exemption Act.** (a) Except as
16 otherwise provided in this act, an offer or sale of a security
17 by an issuer is exempt from the requirements of sections 485A-



1 301 to 485A-305 and 485A-504, if the offer or sale meets all of
2 the following requirements:

3 (1) The issuer of the security is an entity that is
4 incorporated or organized under the laws of this state
5 and is authorized to do business in this state.

6 (2) The transaction meets the requirements for the federal
7 exemption for intrastate offerings under section
8 3(a)(11) of the Securities Act of 1933 (15 U.S.C.
9 77c(a)(11)), and pursuant to Rule 147 (17 C.F.R.
10 230.147), including, but not limited to, the
11 requirements for determining whether an offeree or
12 purchaser is a resident of this state. All of the
13 following apply concerning these requirements:

14 (A) Each of the following is prima facie evidence
15 that an individual is a resident of this state:

16 (i) A valid operator's license, chauffeur's
17 license, or official personal identification
18 card issued by this state.

19 (ii) A current Hawaii voter registration.

20 (iii) A signed affidavit, as provided by the
21 commissioner, that indicates that the



1 purchaser owns and occupies property in this
2 state as his or her principal residence.

3 (iv) Any other record or documents issued by this
4 state that establishes that the purchaser's
5 principal residence is in this state.

6 (B) The provisions of Rule 147, (17 CFR 230.147) of
7 the Securities Act of 1933, apply in determining
8 the residency of an issuer or purchaser that is a
9 corporation, partnership, trust, or other form of
10 business organization.

11 (C) If a purchaser of a security that is exempt under
12 this section resells that security within nine
13 months after the closing of the particular
14 offering in which the purchaser obtained that
15 security to a person that is not a resident of
16 this state, the original investment agreement
17 between the issuer and the purchaser is void. If
18 an agreement to purchase, or the purchase of, a
19 security is void under this subparagraph, the
20 issuer may recover damages from the
21 misrepresenting offeree or purchaser. These



1 damages include, but are not limited to, the
2 issuer's expenses in resolving the
3 misrepresentation. However, damages described in
4 this subparagraph shall not exceed the amount of
5 the person's investment in the security.

6 (3) The sum of all cash and other consideration to be
7 received for all sales of the security in reliance on
8 this exemption does not exceed \$1,000,000, less the
9 aggregate amount received for all sales of securities
10 by the issuer within the 12 months before the first
11 offer or sale made in reliance on this exemption, if
12 the issuer has not made available to each prospective
13 purchaser and the commissioner audited financial
14 statements or reviewed financial statements for the
15 issuer's most recently completed fiscal year, prepared
16 by a certified public accountant, in accordance with
17 the statements on auditing standards of the American
18 institute of certified public accountants or the
19 statements on standards for accounting and review
20 services of the American institute of certified public
21 accountants, as applicable.



1 (4) The issuer has not accepted more than \$5,000.00 from
2 any single purchaser unless the purchaser is an
3 accredited investor as defined by Rule 501, regulation
4 D, (17 CFR 230.501) of the Securities Act of 1933. The
5 issuer may rely on confirmation that the purchaser is
6 an accredited investor from a licensed broker-dealer
7 or another third party in making a determination that
8 the purchaser is an accredited investor.

9 (5) At least ten days before an offer of securities is
10 made in reliance on this exemption or the use of any
11 publicly available website in connection with an
12 offering of securities in reliance on this exemption,
13 the issuer files a notice with the commissioner, in
14 writing or in electronic form as specified by the
15 commissioner, that contains all of the following:

16 (A) A notice of claim of exemption from registration,
17 specifying that the issuer intends to conduct an
18 offering in reliance on this exemption,
19 accompanied by the filing fee specified in this
20 section.



1 (B) A copy of the disclosure statement to be provided
2 to prospective investors in connection with the
3 offering. The disclosure statement must contain
4 all of the following:

5 (i) A description of the issuer, including its
6 type of entity, the address and telephone
7 number of its principal office, its
8 formation history, its business plan, and
9 the intended use of the offering proceeds,
10 including any amounts to be paid, as
11 compensation or otherwise, to any owner,
12 executive officer, director, managing
13 member, or other person occupying a similar
14 status or performing similar functions on
15 behalf of the issuer.

16 (ii) The identity of each person that owns more
17 than 10% of the ownership interests of any
18 class of securities of the issuer.

19 (iii) The identity of the executive officers,
20 directors, and managing members of the
21 issuer, and any other individuals who occupy



1 similar status or perform similar functions
2 in the name of and on behalf of the issuer,
3 including their titles and their prior
4 experience.

5 (iv) The terms and conditions of the securities
6 being offered and of any outstanding
7 securities of the issuer, the minimum and
8 maximum amount of securities being offered,
9 if any, and either the percentage ownership
10 of the issuer represented by the offered
11 securities or the valuation of the issuer
12 implied by the price of the offered
13 securities.

14 (v) The identity of any person that the issuer
15 has or intends to retain to assist the
16 issuer in conducting the offering and sale
17 of the securities, including the owner of
18 any websites, if known, but excluding any
19 person acting solely as an accountant or
20 attorney and any employees whose primary job
21 responsibilities involve the operating



1 business of the issuer rather than assisting
2 the issuer in raising capital, and for each
3 person identified in response to this sub-
4 subparagraph, a description of the
5 consideration being paid to that person for
6 that assistance.

7 (vi) A description of any litigation or legal
8 proceedings involving the issuer or its
9 management.

10 (vii) The name and address of any website that
11 the issuer intends to use in connection with
12 the offering, including its uniform resource
13 locator or URL. If the issuer has not
14 engaged a website described in this sub-
15 subparagraph at the time the issuer files
16 the disclosure statement described in this
17 subparagraph with the commissioner under
18 this subdivision but subsequently does
19 engage a website for use in connection with
20 the offering, the issuer shall provide the
21 information described in this sub-



1 subparagraph to the commissioner by filing a
2 supplemental notice.

3 (C) An escrow agreement with a bank or other
4 depository institution located in this state, in
5 which the purchaser funds will be deposited, that
6 provides that all offering proceeds will be
7 released to the issuer only when the aggregate
8 capital raised from all purchasers is equal to or
9 greater than the minimum target offering amount
10 specified in the disclosure statement as
11 necessary to implement the business plan and that
12 all purchasers will receive a return of their
13 subscription funds if that target offering amount
14 is not raised by the time stated in the
15 disclosure statement. The bank or other
16 depository institution may contract with the
17 issuer to collect reasonable fees for its escrow
18 services regardless of whether the target
19 offering amount is reached.

20 (6) The issuer is not, either before or as a result of the
21 offering, an investment company, as defined in section



1 3 of the Investment Company Act of 1940 (15 U.S.C 80a-
2 3), or an entity that would be an investment company
3 but for the exclusions provided in subsection (c) of
4 that section, or subject to the reporting requirements
5 of section 13 or 15(d) of the Securities Exchange Act
6 of 1934 (15 U.S.C 78m and 78o(d)).

7 (7) The issuer informs each prospective purchaser that the
8 securities are not registered under federal or state
9 securities laws and that the securities are subject to
10 limitations on transfer or resale and displays the
11 following legend conspicuously on the cover page of
12 the disclosure statement:

13 "IN MAKING AN INVESTMENT DECISION, PURCHASERS MUST
14 RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE
15 TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS
16 INVOLVED. THESE SECURITIES HAVE **NOT** BEEN RECOMMENDED
17 BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR
18 REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING
19 AUTHORITIES HAVE **NOT** CONFIRMED THE ACCURACY OR
20 DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY
21 REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.



1 THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON
2 TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED
3 OR RESOLD EXCEPT AS PERMITTED BY SUBSECTION (E) OF
4 RULE 147 (17 CFR 230.147(E)), AS PROMULGATED UNDER THE
5 SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE
6 STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR
7 EXEMPTION THEREFROM. PURCHASERS SHOULD BE AWARE THAT
8 THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF
9 THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME."

10 (8) The issuer requires each purchaser to certify in
11 writing, and to include as part of that certification
12 his or her signature, and his or her initials next to
13 each paragraph of the certification, as follows:
14 "I understand and acknowledge that: I am investing in
15 a high-risk, speculative business venture. I may lose
16 all of my investment, and I can afford the loss of my
17 investment. This offering has not been reviewed or
18 approved by any state or federal securities commission
19 or other regulatory authority and that no regulatory
20 authority has confirmed the accuracy or determined the
21 adequacy of any disclosure made to me relating to this



1 offering. The securities I am acquiring in this
2 offering are illiquid, that the securities are subject
3 to possible dilution, that there is no ready market
4 for the sale of those securities, that it may be
5 difficult or impossible for me to sell or otherwise
6 dispose of this investment, and that, accordingly, I
7 may be required to hold this investment indefinitely.
8 I may be subject to tax on my share of the taxable
9 income and losses of the issuer, whether or not I have
10 sold or otherwise disposed of my investment or
11 received any dividends or other distributions from the
12 issuer. By entering into this transaction with the
13 issuer, I am affirmatively representing myself as
14 being a Hawaii resident at the time that this contract
15 is formed, and if this representation is subsequently
16 shown to be false, the contract is void. If I resell
17 any of the securities I am acquiring in this offering
18 to a person that is not a Hawaii resident, within nine
19 months after the closing of the offering, my contract
20 with the issuer for the purchase of these securities
21 is void."



1 (9) If the offer and sale of securities under this section
2 is made through an internet website, all of the
3 following requirements are met:

4 (A) Before any offer of an investment opportunity to
5 residents of this state through the use of a
6 website, the issuer provides to the website and
7 to the commissioner evidence that the issuer is
8 organized under the laws of this state and that
9 it is authorized to do business in this state.

10 (B) The issuer obtains from each purchaser of a
11 security under this section evidence that the
12 purchaser is a resident of this state and, if
13 applicable, an accredited investor.

14 (C) The website operator files a written notice with
15 the commissioner that includes the website
16 operator's name, business address, and contact
17 information and states that it is authorized to
18 do business in this state and is being utilized
19 to offer and sell securities under this
20 exemption. Beginning twelve months after the date
21 of the written notice, a website operator that



1 has filed a written notice under this
2 subparagraph shall annually notify the
3 commissioner in writing of any changes in the
4 information provided to the commissioner under
5 this subparagraph.

6 (D) The issuer and the website keep and maintain
7 records of the offers and sales of securities
8 made through the website and provide ready access
9 to the records to the commissioner on request.
10 The commissioner may access, inspect, and review
11 any website described in this subdivision and its
12 records.

13 (10) All payments for the purchase of securities are
14 directed to and held by the bank or depository
15 institution subject to the provisions of subdivision
16 (a) (5) (C).

17 (11) Offers or sales of a security are not made through an
18 internet website unless the website has filed the
19 written notice required under subdivision (a) (9) (C)
20 with the commissioner.



- 1 (12) The issuer does not pay, directly or indirectly, any
2 commission or remuneration to an executive officer,
3 director, managing member, or other individual who has
4 a similar status or performs similar functions in the
5 name of and on behalf of the issuer for offering or
6 selling the securities unless he or she is registered
7 as a broker-dealer, investment adviser, or investment
8 adviser representative under part II. An executive
9 officer, director, managing member, or other
10 individual who has a similar status or performs
11 similar functions in the name of and on behalf of the
12 issuer is exempt from the registration requirements
13 under part II if he or she does not receive, directly
14 or indirectly, any commission or remuneration for
15 offering or selling securities of the issuer that are
16 exempt from registration under this section.
- 17 (13) The issuer provides a copy of the disclosure statement
18 provided to the commissioner under subdivision
19 (a) (5) (B) to each prospective purchaser at the time
20 the offer of securities is made to the prospective
21 purchaser. In addition to the information described in



1 subdivision a) (5) (B), the disclosure statement
2 provided to the commissioner and to prospective
3 purchasers shall include additional information
4 material to the offering, including, where
5 appropriate, a discussion of significant factors that
6 make the offering speculative or risky. This
7 discussion must be concise and organized logically and
8 should not present risks that could apply to any
9 issuer or any offering.

10 (14) The term of the offering does not exceed twelve months
11 after the date of the first offer.

12 (b) If the offer and sale of a security of an issuer is
13 exempt under this section, the issuer shall provide a quarterly
14 report to the issuer's purchasers until none of the securities
15 issued under this section are outstanding. All of the following
16 apply to the quarterly report described in this subsection:

17 (1) The issuer shall provide the report free of charge to
18 the purchasers.

19 (2) An issuer may satisfy the report requirement under this
20 subsection by making the information available on an
21 internet website if the information is made available



1 within forty-five days after the end of each fiscal
2 quarter and remains available until the next quarterly
3 report is issued.

4 (3) The issuer shall file each report with the commissioner
5 and must provide a written copy of the report to any
6 purchaser on request.

7 (4) The report must include all of the following:

8 (A) The compensation received by each director and
9 executive officer of the issuer, including cash
10 compensation earned since the previous report and
11 on an annual basis and any bonuses, stock
12 options, other rights to receive securities of
13 the issuer or any affiliate of the issuer, or
14 other compensation received.

15 (B) An analysis by management of the issuer of the
16 business operations and financial condition of
17 the issuer.

18 (c) The exemption provided in this section shall not be
19 used in conjunction with any other exemption under this article,
20 except offers and sales to controlling persons shall not count
21 toward the limitation in subsection (a) (3).



1 (d) The exemption described in this section does not apply
2 if an issuer or person that is affiliated with the issuer or
3 offering is subject to any disqualification established by the
4 commissioner by rule or contained in Rule 262 as promulgated
5 under the Securities Act of 1933 (17 CFR 230.262). However, this
6 subsection does not apply if both of the following are met:

7 (1) On a showing of good cause and without prejudice to any
8 other action by the commissioner, the commissioner
9 determines that it is not necessary under the
10 circumstances that an exemption be denied.

11 (2) The issuer establishes that it made factual inquiry
12 into whether any disqualification existed under this
13 subsection but did not know, and in the exercise of
14 reasonable care could not have known, that a
15 disqualification existed under this subsection. The
16 nature and scope of the requisite inquiry will vary
17 based on the circumstances of the issuer and the other
18 offering participants.

19 (e) The commissioner may adopt rules to implement the
20 provisions of this section and to protect purchasers that



1 purchase securities that are exempt from registration under this
2 section.

3 (f) The commissioner shall charge a nonrefundable filing
4 fee of \$100.00 for filing an exemption notice required under
5 subsection (a). The fees paid to the commissioner under this
6 subsection shall be used to pay the costs incurred in
7 administering and enforcing this act.

8 (g) A website through which an offer or sale of securities
9 under this section is made is not subject to the broker-dealer,
10 investment adviser, or investment adviser representative
11 registration requirements under part II if the website meets all
12 of the following conditions:

13 (1) It does not offer investment advice or recommendations.

14 (2) It does not solicit purchases, sales, or offers to buy
15 the securities offered or displayed on the website.

16 (3) It does not compensate employees, agents, or other
17 persons for the solicitation or based on the sale of
18 securities displayed or referenced on the website.

19 (4) It does not hold, manage, possess, or otherwise handle
20 purchaser funds or securities.



1 (5) It does not engage in any other activities that the
2 commissioner by rule determines are inappropriate for
3 an exemption from the registration requirements under
4 part II.

5 (h) A violation of this section, including a violation
6 concerning website operation, shall be a violation of part V.

7 (i) As used in this section, "controlling person" means an
8 officer, director, partner, or trustee, or another individual
9 who has similar status or performs similar functions, of or for
10 the issuer or to a person that owns 10% or more of the
11 outstanding shares of any class or classes of securities of the
12 issuer."

13 SECTION 4. New statutory material is underscored.

14 SECTION 5. This Act shall not be applied so as to impair
15 any contract existing as of the effective date of this Act in a
16 manner violate of either the Hawaii State constitution or
17 Article I, section 10, of the United States Constitution.

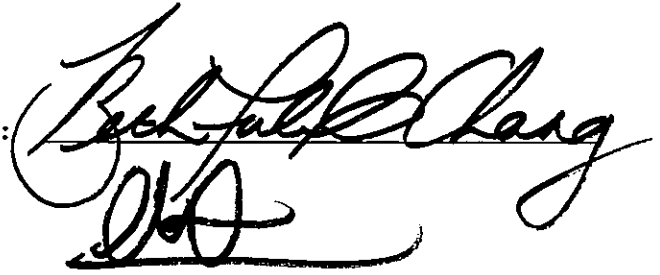
18 SECTION 6. This shall take effect on January 1, 2016.

19
20
21



H.B. NO. 1482

INTRODUCED BY:

A handwritten signature in black ink, appearing to read "Beck-Falk Chang". The signature is written in a cursive style with a large initial "B".

JAN 29 2015



H.B. NO. 1482

Report Title:

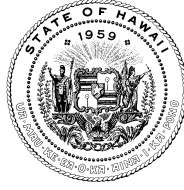
Crowdfunding; Hawaii Invests Local Exemption Act

Description:

Establishes a crowdfunding program for limited intrastate investments limited between Hawaii residents and Hawaii businesses, limited to no more than \$1,000,000 raised over a twelve month period, and no more than \$5,000 per investor. Disclaimer requirements. Effective January 1, 2016.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.





DAVID Y. IGE
GOVERNOR
SHAN S. TSUTSUI
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
cca.hawaii.gov

CATHERINE P. AWAKUNI COLÓN
DIRECTOR
JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

TO THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS
THE TWENTY-EIGHTH LEGISLATURE
REGULAR SESSION OF 2015

Date: Tuesday, February 10, 2015
Time: 9:00 a.m.
Conference Room: 312

LATE

**TESTIMONY ON HOUSE BILL NO. 1482
RELATING TO CROWDFUNDING**

TO THE HONORABLE DEREK S.K. KAWAKAMI, CHAIR, AND MEMBERS OF THE COMMITTEE:

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

This bill creates an intrastate crowdfunding exemption from state securities registration. The Department recognizes the increasing need to address investment crowdfunding at the state level. We have technical and substantive concerns about the language of the bill in its current form and are happy to work with this Committee to provide our regulatory and subject matter expertise to address these concerns, if the Committee so wishes.

Thank you for the opportunity to testify. I would be happy to answer any questions the committee may have.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 3:06 PM
To: edbtestimony
Cc: dlc@globalvirtualstudio.com
Subject: Submitted testimony for HB1482 on Feb 10, 2015 09:00AM



HB1482

Submitted on: 2/9/2015

Testimony for EDB on Feb 10, 2015 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
David L. Cunningham	Individual	Support	No

Comments: House Bill No 1482 2/10/15 Aloha Chair Kawakami and Members of the Committee from Kona on Hawai'i Island. My name is David Cunningham with the GVS Transmedia Accelerator which is a public private accelerator for Creative Entrepreneurs in the state. We have been gaining traction and have launched multiple companies, won a National SBA Award for one of the most innovative accelerators in the nation. All of this in less than a year. Our young businesses we are launching need every opportunity to make it to the next step of success. Equity crowdfunding is a must in this day and age. Please serious consider supporting HB 1482. Gratefully, David L. Cunningham Exec Director, GVS Transmedia Accelerator

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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TESTIMONY BY PHILLIP HASHA
TO THE HOUSE COMMITTEE ON
ECONOMIC DEVELOPMENT & BUSINESS
ON
HOUSE BILL NO. 1482

February 10, 2015

LATE

Good Morning Chair Kawakami and Members of the Committee:

My name is Phillip Hasha, owner of The Redmont Group, LLC and I am writing to express my support for H.B.1482 – Relating to Crowdfunding.

Currently, only accredited investors are allowed to become shareholders in start-up businesses with more than 25 investors. In order to qualify as an accredited investor, an individual must have an income which exceeds \$200,000 (or \$300,000 joint income with spouse) for the past two years with the reasonable expectation to maintain that income level in the current year; or have a net worth of over \$1 million dollars.

This high threshold makes it difficult for the majority of people within our state to invest in start-up businesses. It also makes it difficult for businesses to raise money via online fundraising platforms, which is an increasing trend.

H.B.1482 seeks to afford all Hawaii residents with the opportunity to support local businesses by become shareholders in these startups. This bill would enable non-accredited investors to be given the chance to back businesses they believe in and provide businesses with access to sources of funding that were previously unavailable. Additionally, H.B.1482 provides certain measures to control for risk of investment. A business would not be able to raise more than \$1,000,000 in a twelve month period and a single investor's contribution would be capped at \$5,000.

Crowdfunding is not a new concept. Websites such as Kickstarter and IndieGoGo utilize a fundraising method typically classified as "rewards-based" crowdfunding. When you donate to a project on a site like this, you receive certain rewards (eg. A copy of the product they plan to manufacture) based on the amount of your contribution.

Equity crowdfunding, however, differs as it is a long-term business investment that allows potential investors to gain a stake in the business and receive shares in exchange for their contribution. Currently,



16 states have implemented rules or legislation to allow equity crowdfunding; and 11 other states have introduced crowdfunding initiatives in 2014.

Equity crowdfunding provides Hawaii residents with the resources necessary to help foster small business creation and the entrepreneurial spirit. For these reasons, I respectfully ask the House Committee on Economic Development and Business to pass H.B.1482.

Mahalo for your time,

Phillip Hasha
Principal
The Redmont Group, LLC

TESTIMONY BY CHRISTOPHER LOO
TO THE HOUSE COMMITTEE ON
ECONOMIC DEVELOPMENT & BUSINESS
ON
HOUSE BILL NO. 1482

LATE

February 10, 2015

Good Morning Chair Kawakami and Members of the Committee:


My name is Christopher Loo and I am writing to express my support for H.B.1482 – Relating to Crowdfunding.

H.B. 1482 would create an avenue for any Hawaii resident to make small investments in local businesses. As of now only accredited investors, individuals who earn more than \$200,000 a year or are worth more than \$1 million, can make equity investments in start-up businesses. While there are some exceptions, it can be unclear and difficult to navigate. This measure would create a process by which any local investor, regardless of income, can make an equity investment in a local business.

H.B.1482 provides all residents, regardless of income, the ability to foster the entrepreneurial spirit and support business growth in Hawaii. In particular, this bill provides a viable funding avenue for young business owners, who have the ideas but not the capital; and an unique opportunity for young investors, who would like to contribute to business but lack the significant funding needed to be considered an "accredited investor" and invest through the current system.

Equity crowdfunding is the next wave for future business growth and opportunity, especially for our young entrepreneurs. It not only promotes economic growth but providing for a long-term equitable return, instead of a one-time reward. As such, I urge your support of H.B.1482

Respectfully,



Christopher Loo

kong3

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 10, 2015 8:20 AM
To: edbtestimony
Cc: lho@hawaiiublicpolicy.com
Subject: Submitted testimony for HB1482 on Feb 10, 2015 09:00AM

LATE

HB1482

Submitted on: 2/10/2015

Testimony for EDB on Feb 10, 2015 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
NFIB Hawaii	NFIB Hawaii	Support	No

Comments: NFIB Hawaii supports this measure.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Chamber of Commerce HAWAII
The Voice of Business

LATE

**Testimony to the House Committee on Economic Development & Business
Tuesday, February 10, 2015 at 9:00 A.M.
Conference Room 312, State Capitol**

RE: HOUSE BILL 1482 RELATING TO CROWDFUNDING

LATE

Chair Kawakami, Vice Chair Kong, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") **supports the intent of HB 1482**, which establishes a crowdfunding program for limited intrastate investments limited between Hawaii residents and Hawaii businesses, limited to no more than \$1,000,000 raised over a twelve month period, and no more than \$5,000 per investor.

The Chamber is the largest business organization in Hawaii, representing over 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The Chamber supports opportunities for local investors to invest in local small businesses. HB 1482 would allow local investors, with no requirements of income, to make an equity investment in a local startup. This bill would fundamentally develop the startup and innovation sector in Hawaii, and provide a helpful boost to the economy.

Thank you for the opportunity to testify.