
HOUSE CONCURRENT RESOLUTION

URGING THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS AND THE
COMMISSIONER OF SECURITIES TO BE NOTIFIED OF AND AUTHORIZED
TO ATTEND ANY MEETING AT WHICH PUBLIC EMPLOYEES ARE SUBJECT
TO A BROKER-DEALER OFFERING BROKERAGE SERVICES TO THOSE
PUBLIC EMPLOYEES.

1 WHEREAS, in Hawaii, a broker-dealer is defined as a person
2 engaged in the business of effecting transactions in securities
3 for the accounts of others or for the person's own account; and
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5 WHEREAS, a broker-dealer acts as an intermediary for many
6 consumers who wish to participate in the securities market but
7 who lack the knowledge or skills to participate independently in
8 the securities market; and
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10 WHEREAS, any broker-dealer conducting business in the State
11 is subject to regulation pursuant to Chapter 485A, Hawaii
12 Revised Statutes, but these regulations are meant to penalize
13 exceptionally bad actors engaged in conduct including fraud or
14 deceit; and
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16 WHEREAS, broker-dealer salaries are commission-based and
17 broker-dealers are therefore incentivized to make as many sales
18 as possible to maximize their profits; and
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20 WHEREAS, maximization of a broker-dealer's profits often
21 comes at the cost of riskier and less prudent investments on
22 behalf of a broker-dealer's clients; and
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24 WHEREAS, many broker-dealers in the State offer their
25 brokerage services at large group meetings and functions,
26 sometimes for public employees; and
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28 WHEREAS, the Commissioner of Securities is vested with the
29 administration of Hawaii's laws regulating broker-dealers; and



1 WHEREAS, currently, the Commissioner of Securities does not
2 receive notification of meetings at which public employees are
3 subject to a broker-dealer's offering of services; and
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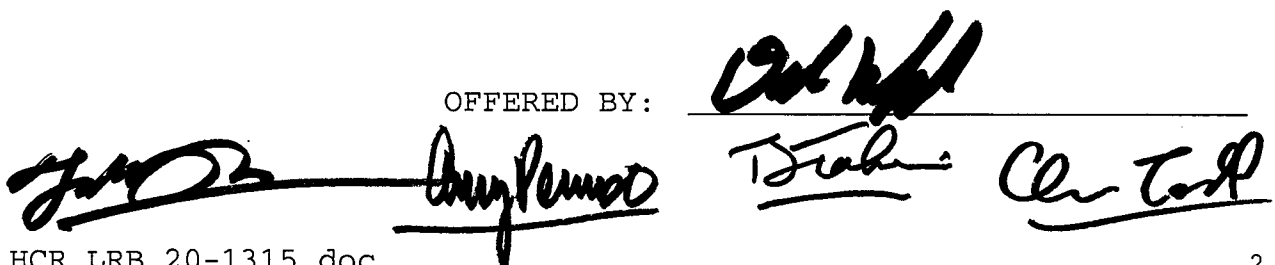
5 WHEREAS, it would be in the best interests of the State and
6 its public employees for the Commissioner of Securities to be
7 aware of and have the option to attend any such meeting to
8 ensure that the broker-dealer is not exerting undue pressure or
9 otherwise taking advantage of any public employee; now,
10 therefore,
11

12 BE IT RESOLVED by the House of Representatives of the
13 Thirtieth Legislature of the State of Hawaii, Regular Session of
14 2020, the Senate concurring, that the Department of Commerce and
15 Consumer Affairs is urged to require that the Commissioner of
16 Securities be notified of and authorized to attend any public
17 employer-approved meeting at which public employees are subject
18 to a broker-dealer offering brokerage services to those public
19 employees; and
20

21 BE IT FURTHER RESOLVED that any entity conducting a public
22 employer-approved meeting at which public employees are subject
23 to a broker-dealer offering brokerage services to those public
24 employees is urged to notify the Department of Commerce and
25 Consumer Affairs of the date, time, and location of the meeting;
26 and
27

28 BE IT FURTHER RESOLVED that certified copies of this
29 Concurrent Resolution be transmitted to the Governor, Director
30 of Commerce and Consumer Affairs, Commissioner of Securities of
31 the Department of Commerce and Consumer Affairs, Director of
32 Human Resources Development, Executive Director of the
33 Employees' Retirement System of the State of Hawaii,
34 Administrator of the Hawaii Employer-Union Health Benefits Trust
35 Fund, Hawaii State Director of United Public Workers, Executive
36 Director of the Hawaii State Teachers' Association, and
37 Executive Director of Hawaii Government Employees Association.
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39
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OFFERED BY:

The text shows several handwritten signatures in black ink. One signature is written over a horizontal line. There are approximately five distinct signatures, some appearing to be initials or names like 'John', 'Dennis', 'T. Fisher', and 'Chris Todd'.



H.C.R. NO. 104

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