

**ACT 131**

A Bill for an Act Exempting Securities Issued by Local Development Companies from Provisions of Chapter 199, Revised Laws of Hawaii, 1955, as Amended.

*Be it Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 199, Revised Laws of Hawaii, 1955, as amended, is hereby amended by adding thereto a new section, to be numbered 199-4.5, to read as follows:

“Securities issued by a local development company organized within the State for profit under Chapter 172 and approved by the Small Business Administration as qualifying for loans under section 502 of the Small Business Investment Act of 1958, as amended, are exempted from the provisions of Chapter 199, Revised Laws of Hawaii, 1955, as amended, except such provisions relating to the prospectus, upon the approval of the commissioner. The commissioner shall grant approval for said exemption upon finding that the proposed plan of business of the applicant and the proposed issuance of securities are fair, just and equitable, that the applicant intends to transact its business fairly and honestly, and that the securities that the applicant proposes to issue and the method to be used by the applicant in issuing or disposing of such securities are not such as, in the opinion of the commissioner, will work a fraud upon the purchaser thereof.”

SECTION 2. This Act shall take effect upon its approval.  
(Approved June 16, 1965.) **H.B. 306.**