

ACT 253

A Bill for an Act Amending Chapter 178, Revised Laws of Hawaii 1955, as Amended, Relating to Banks.

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

SECTION 1. Section 178-14 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending the first paragraph thereof to read as follows:

"Section 178-14. Application for authority to organize, fee; contents. Any number of persons, not less than five, at least three of whom shall be residents of the State, may file an application with the director of regulatory agencies for authority to organize a bank. The applicants shall pay to the director at the time of their application a fee of \$100, which fee shall in no case be refunded. No persons shall organize a bank until written authority for that purpose has been obtained from the director. The application shall be in duplicate and

shall specify to the extent then determined in regard to the proposed bank.”

SECTION 2. Section 178-15 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by deleting from the last sentence thereof the words “or to circulate a stock subscription list.”

SECTION 3. Chapter 178 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding a new section, next following section 178-20, and to read as follows:

“Section 178-20.1 Solicitation permit. Within 30 days after issuance of a certificate of incorporation, there shall be filed an application by the corporation for a solicitation permit, said application to be sworn to on oath by at least two officers and shall contain the following:

“(a) the solicitation plan, by which the corporation proposes to conduct its solicitation of subscribers;

“(b) the classes of shares and the respective quantities of shares for each class;

“(c) the respective subscription prices of the classes of stock;

“(d) an agreement that no advertising material will be used in the solicitation program until and unless the same has been submitted to the director of regulatory agencies and has received his written approval;

“(e) such other information as the director may prescribe.

“The application shall also be accompanied by a copy of each of the following as exhibits:

“(a) the prospectus to be used in soliciting subscriptions, which prospectus shall comply with the provisions of section 199-8 of the Revised Laws of Hawaii 1955, as amended;

“(b) the by-laws of the corporation, certified by the secretary of the corporation;

“(c) the underwriting agreement;

“(d) the escrow agreement;

“(e) the subscription agreement;

“(f) advertising material to be used in the solicitation of subscriptions.

“Upon being satisfied that the application and supporting exhibits are complete and in proper form and not otherwise illegal, and that the subscription plan as set forth is not or will not be fraudulent, the director shall issue the solicitation permit on the terms and conditions set forth therein.”

SECTION 4. This Act shall take effect upon its approval.

(Approved July 9, 1965.) **S.B. 1013.**