

A Bill for an Act Relating to Industrial Loan Companies.

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

SECTION 1. Chapter 408, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“Sec. 408- Embezzlement of funds or assets; penalty.** Every officer, director, or employee of an industrial loan company who embezzles, abstracts, or wilfully misapplies any of the moneys, funds, credits, assets, or property of the industrial loan company, whether owned by the industrial loan company or held

for safekeeping or as agent, or held in trust; or who, without authority of the board of directors of the industrial loan company, issues or puts forth any investment certificate, draws any order, draft, or bill of exchange, makes acceptance, assigns any note, bond, draft, bill, bill of exchange, mortgage, judgment, or decree, or makes any false entry in the books or statements of the industrial loan company, with the intent in any case to injure or defraud the industrial loan company or any officer thereof; or who, with like intent, aids or abets any other officer, director, or employee of any industrial loan company in any violation of this section; shall be fined not more than \$10,000 or imprisoned not more than twenty years, or both.”

SECTION 2. Chapter 408, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“**Sec. 408- Receiving illegal compensation; penalty.** Any officer, director, agent, teller, clerk, or employee of an industrial loan company who asks for, receives, or consents or agrees to receive, any commission, emolument, gratuity, compensation, or reward, or any promise of any commission, emolument, gratuity, compensation, or reward, or any money, property, or thing of value or of personal advantage, for procuring or endeavoring to procure for any person, any loan from the industrial loan company, or the purchase or discount of any paper, note, draft, check, or bill of exchange by the industrial loan company, shall be fined not more than \$5,000 or imprisoned not more than five years, or both.”

SECTION 3. New statutory material is underscored. In printing this Act, the revisor of statutes need not include the underscoring.\*

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

(Approved June 1, 1976.)

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\*Edited accordingly.