

A Bill for an Act Relating to Industrial Loan Licenses.

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

SECTION 1. Section 408-8, Hawaii Revised Statutes, is amended to read:

“Section 408-8 Application for license; investigation fee. Any company required or desiring to obtain a license to operate under this chapter shall file an application, in writing, under oath, with the bank examiner, in the form prescribed by the bank examiner, which shall contain:

- (1) The full name and address of the applicant, and if the applicant is a firm, of every member thereof, or, if the applicant is a corporation, of every officer thereof;
- (2) The county and town with street and number where the business is to be conducted; and
- (3) Such other information as the bank examiner may require.

The applicant shall pay to the director of regulatory agencies at the time of filing of an application for license an investigation fee of \$75, which shall not be refundable. Licensees who apply for the relocation of their present offices shall pay to the director an investigation fee of \$50, which shall not be refundable.

Conditions for approval. Upon the filing of the application, if the bank examiner upon investigation finds:

- (1) That the financial responsibility, experience, character, and general fitness of the applicant and of the officers or members thereof are such as to command the confidence of the community and to warrant belief that the business will be operated honestly, fairly, and efficiently within the purposes of this chapter;
- (2) That allowing the applicant to engage in this business will promote the convenience and advantage of the locality or community in which the business of the applicant is to be conducted;
- (3) That the applicant has available for the operation of this business at the specified location capital of at least \$100,000; and
- (4) That allowing the applicant to engage in this business will not substantially lessen competition or tend to create a monopoly or in any other manner be in restraint of trade.

(The foregoing facts being conditions precedent to the issuance of a license under this chapter) he shall write upon the face of the application the fact that he has approved the same, together with the date, and affix his signature. The application shall then be returned to the applicant who shall upon receipt of an approved application transmit it within thirty days to the director who shall file and preserve the application.

Review of disapproval. No application shall be disapproved except after the applicant has had a notice of a hearing on the application and an opportunity to be heard thereon. If the application is denied, the bank examiner shall, within twenty days thereafter, prepare and keep on file in his office a written order of denial thereof, which shall contain his findings with respect thereto and the reasons supporting the denial, and forthwith serve upon the applicant a copy

thereof. Within ten days after the receipt of the copy the applicant may appeal from the order of denial to a board consisting of the director of regulatory agencies, comptroller, and attorney general by filing with the comptroller a notice of appeal. After notice by mail to the applicant and after a hearing at which the applicant shall be entitled to be present and to be heard, the board shall file with the comptroller its decision in writing either ordering the bank examiner to approve the application or affirming his action in disapproving the same. A copy of the decision or order of the board shall forthwith be served upon the applicant by the bank examiner. The applicant may appeal from an adverse decision of the board to the circuit court of the first circuit in which the applicant proposes to establish an office, as provided in chapter 91.

SECTION 2. Section 408-11.1, Hawaii Revised Statutes, is amended to read as follows:

“Section 408-11.1 Transfer of licenses. (a) No license issued under this chapter shall be transferred or assigned without the prior written approval of the bank examiner.

(b) If the licensee is a corporation, any transfer of its voting stock shall be reported in writing to the bank examiner within fifteen days after the date of such transfer. Failure or refusal to notify the bank examiner of such transfer shall be cause for the suspension or revocation of the license.

The bank examiner may, upon determination that the transferee or any other person has gained direct or indirect control of the corporate licensee by such transfer and upon determination that such transferee or other person is unfit or an improper person to hold a license pursuant to section 408-8, limit, modify, suspend or revoke the corporate license.”

SECTION 3. The provisions of this Act shall be applicable to all applications pending before the bank examiner on the effective date of this Act.

SECTION 4. Statutory material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material, or the underscoring.*

SECTION 5. This Act shall take effect upon its approval.

(Approved May 10, 1976.)

*Edited accordingly.