

ACT 96

H.B. NO. 2224-76

A Bill for an Act Relating to Audited Statements of Industrial Loan Companies Issuing Investment Certificates or Debentures.

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:

“Sec. 408- Audited statements. Each industrial loan company issuing investment certificates under this chapter or debentures registered under chapter 485, shall at its own expense submit to the bank examiner within ninety days after the close of its books on a fiscal or calendar year, a certified audit of its books and records made by an independent certified public accountant; provided, that the bank examiner may, for good cause shown, grant a reasonable extension of not more than forty-five days for submitting such report.

The audit shall include, among other things, a direct verification of the installment investment certificate accounts, investment certificate accounts and debenture accounts by the independent certified public accountant in accordance with generally accepted accounting principles and practices. The certification made by the independent certified public accountant shall include a statement as to the extent of the verification of the accounts.

If consolidated financial statements are used, there shall also be within the audit separate financial statements for the industrial loan company and for each of its wholly owned subsidiaries.

Failure to comply with this section shall be grounds for the suspension or revocation of the industrial loan license.”

SECTION 2. New material is underscored. In printing this Act, the revisor of statutes need not include the underscoring.*

*Edited accordingly.

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**SECTION 3. This Act shall take effect upon its approval.
(Approved May 13, 1976.)**