

ACT 364

H.B. NO. 3306

A Bill for an Act Relating to Uniform Securities Act.

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

SECTION 1. Section 485-14, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

“(a) It is unlawful for any person to transact business in this State as a dealer, investment adviser, salesman, or investment adviser representative unless registered under this chapter. However, nothing in this chapter shall prevent the commissioner from participating, in whole or in part, in the Central Registration

Depository system, in cooperation with the National Association of Securities Dealers, Inc., other states, and the United States, to the extent participation is deemed to be in the public interest of this State."

2. By amending subsection (i) to read:

"(i) Registration of salesmen. An information statement, containing [such] information as the commissioner shall prescribe, [duly verified by oath by the applicant,] shall be filed [in the office of] where prescribed by the commissioner, together with an appointment of the applicant as a salesman by a registered dealer. The commissioner may require the following:

- (1) Disclosure of any injunction or administrative order or conviction of a misdemeanor involving a security or any aspect of the securities business and any conviction of a felony;
- (2) The applicant's financial history and condition;
- (3) Disclosure as to whether the salesman or any person associated in business with the salesman is subject to any disqualification which would be a basis for denial, suspension, or revocation of registration of the salesman under section 485-15; and
- (4) Any additional information as the commissioner deems necessary to establish the applicant's qualifications.

If the commissioner finds a salesman designated by any registered dealer to be eligible for registration as a salesman, [he] the commissioner shall register the person as a salesman upon the payment of the fee hereinafter provided."

3. By amending subsection (1) to read:

"(1) Recording; duration; renewal; fee. The name and addresses of all persons found eligible for registration as dealers, investment advisers, salesmen, or investment adviser representatives and all orders with respect thereto shall be recorded in a register of dealers, investment advisers, salesmen, and investment adviser representatives kept in the office of the commissioner which shall be open to public inspection. Except as hereinafter provided, every registration for investment advisers and investment adviser representatives under this section shall expire on December 31 in each odd-numbered year[.], and every registration for dealers and salesmen under this section shall expire on December 31 of each year. Applications for renewals shall be made not less than thirty nor more than sixty days before the end of the [odd-numbered] expiration year[.] or as provided through the Central Registration Depository system. Any applicant for renewal of a dealer, investment adviser, salesman,¹ or investment adviser representative registration who does not submit [his] the application within the time prescribed by this section shall pay a penalty of one hundred per cent of the applicable renewal fee. Any applicant for renewal of a dealer[,], or investment adviser registration who submits [his] the application after December 31 of the [odd-numbered] expiration year shall be required to reapply as a new dealer or investment adviser. The registration of any dealer, investment adviser, salesman, or investment adviser representative may be revoked or terminated prior to its expiration by written notice filed with the commissioner by the registered dealer, registered salesman, registered investment adviser, or registered investment adviser representative concerned, and the revocation shall take effect as of the date and time of filing of the notice. Upon revocation or termination of the registration of any dealer, investment adviser, salesman, or investment adviser representative, the dealer's, investment adviser's, salesman's or investment adviser representative's certificate of registration shall be surrendered to the commissioner for cancellation. The fee for registration and for each [biennial] renewal shall be \$100 in the case of dealers and investment advisers and \$25 in the case of salesmen[,], and investment adviser representatives."

SECTION 2. Statutory material to be repealed is bracketed. New material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved June 14, 1988.)

Note

1. So in original.