

A Bill for an Act Relating to Escrow Depositories.

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

SECTION 1. Section 449-17, Hawaii Revised Statutes, is amended to read as follows:

“§449-17 Revocation and suspension of licenses. The commissioner may revoke any license issued hereunder, or suspend the right of the licensee to use the license, for any of the following causes:

- (1) Making any misrepresentation concerning any escrow transaction;
- (2) Making any false promises concerning any escrow transaction of a character likely to mislead another;
- (3) Pursuing a continued and flagrant course of misrepresentation, or making of false promises, through advertising or otherwise;
- (4) Without first having obtained the written consent so to do of both parties involved in any escrow transaction, acting for both parties in connection with such transaction, or collecting or attempting to collect commissions or other compensation for its services from both of the parties;
- (5) Failing, within a reasonable time, to account for any moneys belonging to others which may be in the possession or under the control of the licensee;
- (6) Any other conduct constituting fraudulent or dishonest dealings;
- (7) Violating any of the provisions of this chapter or the rules [and regulations] promulgated pursuant thereto;
- (8) Splitting fees with or otherwise compensating others not licensed hereunder for referring business;
- (9) Commingling the moneys or other property of others with its own[.];
- (10) Engaging in an unsafe or unsound practice that is likely to cause insolvency or substantial dissipation of assets or earnings of the licensee;
- (11) Failing to maintain books and records that are sufficiently complete and accurate so as to permit the commissioner to determine the financial condition of the licensee; and
- (12) Ceasing, for a period of six consecutive months or more, to engage in the business for which its license was granted.

No [licensee] license shall be suspended for longer than [two] five years and no corporation whose license has been revoked shall be eligible to apply for a new license until the expiration of [two] five years.”

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 Statutory material to be repealed is bracketed.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

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

(Approved April 29, 1998.)