STAND. COM. REP. NO. 992

Honolulu, Hawaii , 2013

RE: S.B. No. 1066

H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2013 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 1066 entitled:

"A BILL FOR AN ACT RELATING TO SECURITIES LAW,"

begs leave to report as follows:

The purpose of this measure is to make clarifications and corrections to Hawaii's securities laws.

Specifically, this measure:

- (1) Corrects a grammatical error in the definition of the term "security;"
- (2) Amends the definition of "security" to correctly state the fourth element of an investment contract as determined by the Hawaii Supreme Court in State v. Hawaii Market Center, Inc., 52 Haw. 642, 485 P.2d 105 (1971); and
- (3) Corrects an erroneous citation to the federal Securities and Exchange Act of 1934.

The Department of Commerce and Consumer Affairs submitted testimony in support of this measure. The American Council of Life Insurers submitted written comments on this measure.

Your Committee finds that this measure will make corrections and clarifications to the Hawaii Uniform Securities Act, making it easier to follow and consistent with industry best practices.

Your Committee has amended this measure by changing the effective date to July 1, 2112, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1066, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1066, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

ANGUS L.K. McKELVEY, Chair



State of Hawaii House of Representatives The Twenty-seventh Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.:	CPC KIN	Date: 03/13/2013		
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)				
2. KAWAKAMI, Derek S.K. (VC)			. = -	
3. BELATTI, Della Au				
4. BROWER, Tom				
5. CABANILLA, Rida T.R.				
6. CACHOLA, Romy M.				
7. CARROLL, Mele				
8. EVANS, Cindy				
9. HAR, Sharon E.				
10. ITO, Ken			· · · ·	
11. LEE, Chris				
12. TSUJI, Clift				
13. YAMANE, Ryan I.				
14. MCDERMOTT, Bob				
15. THIELEN, Cynthia				
1 100 / 100				
TOTAL (15)				
The recommendation is: Adopted				
If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				