



EXECUTIVE CHAMBERS  
HONOLULU

NEIL ABERCROMBIE  
GOVERNOR

**GOV. MSG. NO. 1255**

June 30, 2014

The Honorable Donna Mercado Kim,  
President  
and Members of the Senate  
Twenty-Seventh State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

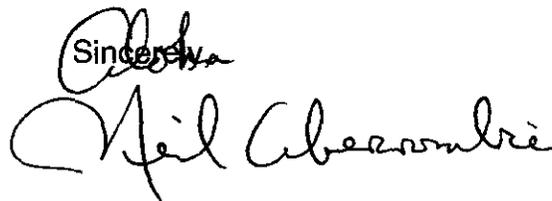
The Honorable Joseph M. Souki,  
Speaker and Members of the  
House of Representatives  
Twenty-Seventh State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Kim, Speaker Souki, and Members of the Legislature:

This is to inform you that on June 30, 2014, the following bill was signed into law:

SB2345 SD1 HD1 CD1

RELATING TO THE INVESTOR EDUCATION  
PROGRAM  
**ACT 152 (14)**

Sincerely,  


NEIL ABERCROMBIE  
Governor, State of Hawaii

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# A BILL FOR AN ACT

RELATING TO THE INVESTOR EDUCATION PROGRAM.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 SECTION 1. The legislature finds that national and local  
2 news accounts report that elderly citizens are often victimized  
3 when it comes to sophisticated investment frauds. Some of the  
4 most recognizable and fastest growing segments of investment  
5 fraud against the elderly are in the areas of indexed annuities,  
6 life-settlement annuities, variable annuities, and Ponzi  
7 schemes. The securities commissioner has presented a white  
8 paper to a national group highlighting the spike in cases filed  
9 in the area of sophisticated investment frauds.

10 The legislature further finds that fighting fraud and abuse  
11 against the elderly presents unique challenges in Hawaii. The  
12 State's population is aging much faster than the national  
13 average, and the cultural and ethnic diversity that  
14 characterizes Hawaii's kupuna population is unlike that of any  
15 other state in the country.

16 The legislature additionally finds that the department of  
17 commerce and consumer affairs has taken a proactive approach to  
18 preventing fraud against the State's citizens through investment



1 education. The investor education program within the department  
2 of commerce and consumer affairs, office of the securities  
3 commissioner, offers free educational presentations and  
4 materials for all investors, including seniors. The program  
5 provides education and outreach to the State's kupuna, including  
6 information on how to make wise choices when investing and how  
7 to detect financial fraud, and is an important way the State  
8 supports and protects Hawaii's kupuna.

9 Accordingly, the purpose of this Act is to support and  
10 protect Hawaii's kupuna by appropriating funds to the office of  
11 the securities commissioner for educational outreach targeted at  
12 kupuna, based on a model similar to the department's existing  
13 investor education programs, particularly in the areas of  
14 indexed annuities, life-settlement annuities, variable  
15 annuities, and Ponzi schemes.

16 SECTION 2. There is appropriated out of the general  
17 revenues of the State of Hawaii the sum of \$50,000 or so much  
18 thereof as may be necessary for fiscal year 2014-2015 to the  
19 office of the securities commissioner of the department of  
20 commerce and consumer affairs for educational outreach targeted  
21 at kupuna, based on a model similar to the department's existing  
22 investor education programs, particularly in the areas of



1 indexed annuities, life-settlement annuities, variable  
2 annuities, and Ponzi schemes.

3 The sum appropriated shall be expended by the department of  
4 commerce and consumer affairs for the purposes of this Act.

5 SECTION 3. This Act shall take effect on July 1, 2014.

APPROVED this 30 day of JUN, 2014



GOVERNOR OF THE STATE OF HAWAII