

ACT 52

S. B. NO. 449

A Bill for an Act Relating to Minimum Capital for an Industrial Loan Company.

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

SECTION 1. Section 408-8, Hawaii Revised Statutes, is amended to read:

**“Sec. 408-8 Application for license; investigation fee.** Any company required or desiring to obtain a license to operate under this chapter shall file an application, in writing, under oath, with the bank examiner, in the form prescribed by the bank examiner, which shall contain:

- (1) The full name and address of the applicant, and, if the applicant is a firm, of every member thereof, or, if the applicant is a corporation, of every officer thereof;
- (2) The county and town with street and number where the business is to be conducted; and
- (3) Such other information as the bank examiner may require.

The applicant shall pay to the director of regulatory agencies at the time of filing of an application for license an investigation fee of \$75, which shall not be refundable. Licensees who apply for the relocation of their present offices shall pay to the director an investigation fee of \$50, which shall not be refundable.

Conditions for approval. Upon the filing of the application, if the bank examiner upon investigation finds:

- (1) That the financial responsibility, experience, character, and general fitness of the applicant and of the officers or members thereof are such as to command the confidence of the community and to warrant belief that the business will be operated honestly, fairly, and efficiently within the purposes of this chapter;
- (2) That allowing the applicant to engage in this business will promote the convenience and advantage of the locality or community in which the business of the applicant is to be conducted; and
- (3) That the applicant has available for the operation of this business at the specified location capital of at least \$100,000;

(The foregoing facts being conditions precedent to the issuance of a license under this chapter) he shall write upon the face of the application the fact that he has approved the same, together with the date, and affix his signature. The application shall then be returned to the applicant who shall upon receipt of an approved application transmit it within thirty days to the director who shall file and preserve the application.

Review of disapproval. No application shall be disapproved except after the applicant has had a notice of a hearing on the application and an opportunity to be heard thereon. If the application is denied, the bank examiner shall, within twenty days thereafter, prepare and keep on file in his office, a written order of denial thereof, which shall contain his findings with respect thereto and the reasons supporting the denial, and forthwith serve upon the applicant a copy thereof. Within ten days after the receipt of the copy the applicant may appeal from the order of denial to a board consisting of the director of regulatory agencies, comptroller, and attorney general by filing with the comptroller a notice of appeal. After notice by mail to the applicant and after a hearing at which the applicant shall be entitled to be present and to be heard, the board shall file with the comptroller its decision in writing either ordering the bank examiner to approve the application or affirming his action in disapproving the same. A copy of the decision or order of the board shall forthwith be served upon the applicant by the bank examiner. The applicant may appeal from an adverse decision of the board to the circuit court of the circuit in which the applicant proposes to establish an office, as provided in chapter 91."

SECTION 2. Section 408-13, Hawaii Revised Statutes, is amended to read:

**“Sec. 408-13 Capital stock.** The capital stock of any corporation, desiring to engage in the industrial loan business, shall be not less than \$100,000 which capital stock shall be fully paid to the corporation in cash. No commission, fees, brokerage, or other compensation of any kind shall be paid, either directly or indirectly, to any person, firm, or corporation for the sale of any stock of such corporation, except out of assets in excess of the minimum capital of \$100,000 required by this chapter. The amount of the capital stock shall not, at any time thereafter, be voluntarily reduced below the amount originally paid in, except as may be permitted and in the manner provided by chapter 416; provided, that the amount of the capital stock shall at all times be at least \$100,000. This provision also applies to an industrial loan company that opens an additional office or place of business after July 31, 1971.”

SECTION 3. Material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material or the underscoring.\*

SECTION 4. This Act shall take effect upon its approval.

(Approved May 17, 1971.)

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\* Edited accordingly.