

ACT 17

H.B. NO. 1172

A Bill for an Act Relating to the Uniform Securities Act.

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

SECTION 1. Section 485-1, Hawaii Revised Statutes, is amended by amending the definition of “dealer” to read as follows:

“(3) “Dealer” means any person engaged in the business of effecting transactions in securities for the account of others or for the person’s own account. “Dealer” does not include:

(A) A salesperson;

(B) An issuer;

(C) A person who has no place of business in this State if:

(i) The person effects transactions in this State exclusively with or through the issuers of the securities involved in the transactions; other dealers; or banks, savings institutions,

- trust companies, insurance companies, investment companies as defined in the Investment Company Act of 1940, pension or profit-sharing trusts, or other financial institutions or institutional buyers, whether acting for themselves or as trustees; or
- (ii) During any period of twelve consecutive months the person does not direct more than fifteen offers to sell or to buy into this State in any manner to persons other than those specified in clause (i), whether or not the offeror or any of the offerees is then present in this State;
- (D) Any person licensed as a real estate broker or real estate salesperson under the laws of the State while effecting transactions in a security exempted by section 485-6(14); [or]
 - (E) A person who is a resident of Canada, has no office or other physical presence in this State, and:
 - (i) Only effects or attempts to effect transactions in securities with or through the issuers of securities involved in the transactions, broker dealers, banks, savings institutions, trust companies, insurance companies, investment companies (as defined in the Investment Company Act of 1940), pension or profit-sharing trusts, or other financial institutions or institutional buyers, whether acting for themselves or as trustees; with or for a person from Canada who is present temporarily in this State and with whom a bona fide business relationship existed before the person entered this State; or with or for a person from Canada who is present in this State, whose transactions are in a self-directed tax advantaged retirement plan in Canada of which the person is the holder or contributor;
 - (ii) Files a notice in the form of the person's current Canadian securities registration and a consent to service of process;
 - (iii) Is a member of a duly authorized self-regulatory organization or stock exchange in Canada;
 - (iv) Maintains the provincial or territorial registration and membership in a self-regulatory organization or stock exchange of the person in good standing;
 - (v) Discloses to the person's clients in this State that the person is not subject to the full regulatory requirements of this chapter; and
 - (vi) Does not violate this chapter[.]; or
 - (F) A bank, savings institution, or trust company."

SECTION 2. Statutory material to be repealed is bracketed and stricken.¹ New statutory material is underscored.

SECTION 3. This Act shall take effect on July 1, 2003.

(Approved April 16, 2003.)

Note

1. Bracketed material not stricken.