

STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Business Registration Division
335 Merchant Street, Room 203, Honolulu, Hawaii 96813
(808) 586-2722

INFORMATION FOR APPLICANTS FOR REGISTRATION AS SECURITIES DEALERS

Rules to implement the Sale of Securities Act were amended on October 12, 1985, and the following new requirements are provided in the Rules:

§16-38-5.2 (b) (Balance Sheet)

An application for registration as a securities dealer must be submitted with a balance sheet as follows:

- A. If the applicant has been engaged in business one year or more preceding, a balance sheet certified by an independent public accountant as of the last fiscal year, together with a balance sheet verified* by the applicant as of a date within 30 days of such filing.
- B. If the applicant has not been engaged in business one year or more, the balance sheet must be verified* by the applicant as of a date within 30 days of filing.

§16-38-5.3 (b) (Minimum Capital)

To be eligible for registration as a dealer, an applicant must have a minimum net capital of not less than \$5,000.00, which shall mean net worth, or the difference between total assets and total liabilities or indebtedness, after adjustment to eliminate or revise assets of doubtful or uncertain value and to reflect true liabilities in accordance with the following schedule:

- A. Asset items not allowable:
 - (1) Furniture, fixtures and equipment.
 - (2) Intangible items, such as goodwill, prepaid preincorporation or organizational expenses, etc.
- B. Asset items to be adjusted or substantiated:
 - (1) Securities owned shall be adjusted to market value.
 - (2) Value of real estate shall be attested to by qualified and disinterested persons.
 - (3) Property in joint ownership shall be limited to applicant's interest therein.
 - (4) Value of unsecured notes, accounts receivable, or advanced commissions due from a salesperson, officer, director, partner or affiliate may be required by the commissioner to be substantiated by an opinion of a bank, finance company, or other lending institution satisfactory to the commissioner.

***VERIFICATION**

_____)) ss.
_____)

_____ being first duly sworn, on oath deposes and says that
he/she is the _____ of _____,
that he/she has examined the attached balance sheet and knows the contents thereof, and that the facts set forth
therein are true to the best of his/her knowledge and belief.

Subscribed and sworn to before me
this _____ day of _____, 20 _____.

Notary Public, State of Hawaii

My commission expires: _____