

OFFICE OF THE SECURITIES COMMISSIONER

WE REGULATE

The Securities Compliance Branch is responsible for the registration of securities, broker-dealers and their sales agents, investment advisers and their representatives.

WE PROTECT

The Securities Enforcement Branch receives and investigates complaints about investment fraud and other securities violations. We take legal actions for violations of state securities law and franchise law.

WE EDUCATE

The Investor Education Program provides the public with general information on:

How to make wise choices when investing;

How to detect and protect against investment fraud such as Ponzi Schemes and Affinity Fraud; and

Investment products such as mutual funds, variable annuities, stocks, and bonds.

PROTECTING HAWAII INVESTORS

Contact Us



Department of Commerce and
Consumer Affairs
Business Registration Division
Office of the Securities Commissioner
King Kalakaua Building
335 Merchant Street, Room 205
Honolulu, HI 96813



Securities Compliance Branch
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Securities Enforcement Branch
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seb@dcca.hawaii.gov
Investor Education Program
(808) 587-7400
gakapo@dcca.hawaii.gov

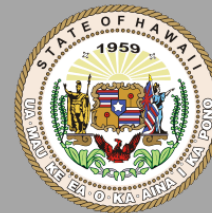


investing.hawaii.gov



HISecurities

**To Report Investment Fraud
call (808) 586-2740 or
Toll Free 1-877-447-2267**



DCCA

Department of Commerce and Consumer Affairs
Business Registration Division

COMMON THREATS TO HAWAII INVESTORS



**INVESTOR EDUCATION
PROGRAM**

PONZI SCHEMES

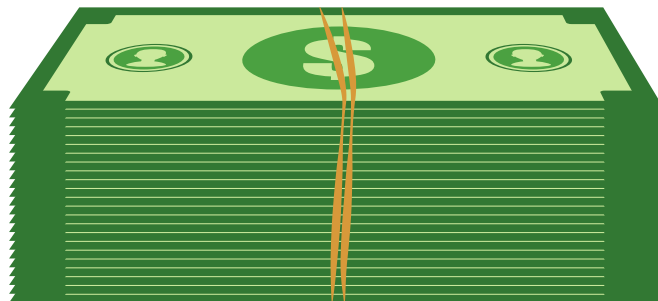
- Named for the swindler Charles Ponzi, who in the early 1900's took investors for millions by promising 40% returns.
- The premise is simple: pay early investors with money raised from later investors. There is no real underlying business. It's "taking from Peter to pay Paul."
- Eventually the scheme collapses and the promoters walk away rich.

UNREGISTERED INDIVIDUALS SELLING SECURITIES

- Individuals who sell securities or provide investment advice are required to register before they can offer their services to the public.
- Hawaii law requires all broker-dealers and investment adviser firms and their agents and investment adviser representative to be registered with DCCA's Securities Compliance Branch.
- Be sure to check with our office at **(808) 586-2722** before you invest. Remember - "No registration, No sale."

VARIABLE ANNUITIES

- These are complicated products that agents often sell without thoroughly explaining.
- Many investors are not being told about high surrender charges, hidden fees & costs, long lockup periods, penalties for withdrawals and steep sales commissions that agents often earn when they move investors into variable annuities.
- Some investors are also misled with claims of guaranteed returns. Variable Annuities are unsuitable for many retirees because of long lock-in periods and high penalties for early withdrawal.



AFFINITY FRAUD

- It is human nature to trust people who are like you. Con Artists are increasingly targeting religious, ethnic, cultural and professional/union groups to gain trust and then steal the life savings of trusting members.
- Stay alert and ask questions, even if it's a close friend "letting you in on a great deal."

UNREGISTERED INVESTMENT PRODUCTS

- It pays to remember that legitimate investment securities products must be registered with the DCCA's Securities Compliance Branch before they can offered for sale to the public.
- Con Artists bypass this requirement because they know that stringent state securities registration requirements protect investors from illegitimate offerings of promissory notes, high-yield and oil & gas investments.
- Call our office at **(808) 586-2722** to check if the investment being sold to you is registered.

To Report Investment Fraud
1-877- HI SCAMS

investing.hawaii.gov

For more information call
(808) 587-7400