



**STATE OF HAWAII
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS
DIVISION OF FINANCIAL INSTITUTIONS
335 MERCHANT STREET, RM. 221
P.O. BOX 2054
HONOLULU, HAWAII 96805**

**APPLICATION FOR
NONDEPOSITORY
FINANCIAL SERVICES LOAN COMPANY**

***(SUBMIT IN DUPLICATE; INVESTIGATION FEE OF \$5,000.00 IS TO BE SUBMITTED WITH
THE APPLICATION; A \$25.00 SERVICE CHARGE WILL BE ASSESSED
FOR EACH DISHONORED CHECK RECEIVED.)***

**THIS MATERIAL CAN BE MADE AVAILABLE FOR INDIVIDUALS WITH SPECIAL NEEDS IN BRAILLE,
LARGE PRINT OR AUDIO TAPE. PLEASE SUBMIT YOUR REQUEST TO THE COMMISSIONER OF
FINANCIAL INSTITUTIONS AT (808) 586-2820.**

APPLICATION FOR A NONDEPOSITORY FINANCIAL
SERVICES LOAN COMPANY

DATE OF APPLICATION

PROPOSED NAME

STREET ADDRESS

CITY

STATE

ZIP CODE

I. INFORMATION FOR THE APPLICANT – PUBLIC SECTION

The information contained in, and the filing of this application, should comply with the provisions of the Code of Financial Institutions, Sections 412:3-301 and 412:3-306, Hawaii Revised Statutes, and Chapter 16-25, Hawaii Administrative Rules, Application Procedures Relating to Hawaii Financial Institutions.

Schedules or inserts may be attached to this application whenever the space provided is insufficient.

Attached schedules or inserts are a part of this application and should be on 8 ½ " x 11" paper.

Applications are to be securely bound.

Copies of the completed application are to be forwarded to the Commissioner of Financial Institutions.

A complete copy should be retained by the applicants.

Requests for clarification as to what information is necessary to complete this application should be directed in writing to the Commissioner of Financial Institutions.

You may provide any information in addition to that requested in the application which, in your opinion, might aid in the disposition of your proposal. However, any such unsolicited information will be accepted for consideration with the understanding that it may be made public.

It is the affirmative duty of the applicants to advise the Commissioner of Financial Institutions of any changes in the proposed management (Officers and Directors) or in the proposed ownership of 5% or more of the applicants' stock which occur prior to the opening of the applicants' business.

Complete responses to all applicable questions in this application will expedite processing.

We, the undersigned applicants, being natural persons and of lawful age, intend to organize a nondepository financial services loan company. We hereby make application to the Commissioner of Financial Institutions for a nondepository financial services loan company license under the provisions of Chapter 412, Hawaii Revised Statutes.

It is further understood that the license will not become effective until (a) the company has been incorporated and authorized to engage in financial services loan company business; (b) the Board of Directors of the company has adopted a resolution ratifying and confirming the action of these persons in making this application with supporting information; (c) the company has fulfilled such requirements, if any, as may be imposed by the Commissioner of Financial Institutions as a condition of his/her appraisal of this application; and (d) the company has been notified that its application has been approved.

In support of this application, we hereby make the following statements and representations and submit the following information upon the factors enumerated in the Hawaii Revised Statutes for the purpose of inducing the Commissioner of Financial Institutions to approve the proposed nondepository financial services loan company application and we hereby request that examiners be assigned to make any investigation necessary.

THE UNDERSIGNED HEREBY CERTIFY, JOINTLY AND SEVERALLY, that the statements contained herein are true to our best knowledge and belief, and that they are made for the purpose of inducing the Commissioner of Financial Institutions to grant a nondepository financial services loan company license.

SIGNATURE AND PLACE OF RESIDENCE	SIGNATURE AND PLACE OF RESIDENCE

The contact person to whom requests and correspondence are to be directed is:

Name: _____

Business Address: _____

Telephone Number: _____

I. CORPORATE FORM

- a. Exhibit _____ A certificate of Resolution of the proposed name to be obtained from the Business Registration Division of the Department of Commerce and Consumer Affairs, State of Hawaii, if applicable. For existing corporations, submit a communication from the Business Registration Division of the Department of Commerce and Consumer Affairs, State of Hawaii, that the company is properly registered and in good standing in the State of Hawaii.

- b. Exhibit _____ A copy of the corporation's Articles of Incorporation.

- c. Exhibit _____ A copy of the corporation's By-Laws.

- d. Exhibit _____ Any intended or existing affiliates, subsidiaries, and holding company of the proposed nondepository financial services loan company and the extent and nature of the holding company's control over the operations of the proposed nondepository financial services loan company.

II. GENERAL CHARACTER OF THE MANAGEMENT *(Continued)*

DISCUSS CHANGES CONTEMPLATED IN THE PROPOSED DIRECTORATE OR ACTIVE MANAGEMENT DURING THE FIRST YEAR. *(If none, so state.)*

IMPORTANT: Prompt written notification must be given to the Commissioner of Financial Institutions if changes in the directorate, active management, or in the ownership of 5% or more of the stock are made or planned prior to opening or within the first three years of the company's operation. The notification should include both the original cost and subsequent sales price of any such stock that changes ownership.

B. COMMITTEES

LOAN

NAMES OF MEMBERS	DUTIES

INVESTMENT

NAMES OF MEMBERS	DUTIES

AUDIT

NAMES OF MEMBERS	DUTIES

III. FINANCIAL HISTORY AND CONDITION

A. STATEMENT OF CONDITION

ASSETS		LIABILITIES AND CAPITAL	
Description	AMOUNT	Description	AMOUNT
Cash and due from banks		LIABILITIES	
Securities			
Loans			
Premises		TOTAL LIABILITIES	
Furniture, fixtures and equipment		CAPITAL	
Other assets			
Net organization expense <i>(same as III E)</i>		Total Capital Accounts <i>(Same as IV)</i>	
TOTAL ASSETS		TOTAL LIABILITIES AND CAPITAL	

B. PREMISES TO BE OCCUPIED BY COMPANY

INSTRUCTIONS: Complete all appropriate sections below. Where not applicable, insert the word, "None." When the disclosure of any information may adversely affect ongoing negotiations, include such information in the Confidential Section of this application. Copies of any completed contracts should be submitted for the confidential use of the Commissioner of Financial Institutions.

Provide a detailed sketch of the proposed location including all office spaces.

1. Type of Occupancy *(Check all which apply to indicate both types of quarters at opening and contemplated permanent quarters.)*

- Permanent quarters leased *(Complete 2 and 3 below)* Permanent quarters owned *(Complete 2 and 4 below)*
 Temporary quarters *(Complete 5 below)*

2. DESCRIPTION OF PREMISES

DIMENSIONS OF LOT	DIMENSIONS OF BUILDING	NO. OF STORIES	NO. PARKING SPACES	NO. TELLER'S STATIONS		
				Inside	Drive-Up	Walk-Up

TYPE OF CONSTRUCTION OF BUILDING

DETAILS OF BUILDING INTERIOR *(Mention all employee facilities and size of lobby area)*

3. PREMISES LEASED

NAME OF OWNER	COST OR APPRAISED VALUE OF PREMISES	INSURANCE TO BE CARRIED
COST AND DESCRIPTION OF LEASEHOLD IMPROVEMENTS		ANNUAL RENTAL
		ANNUAL AMORTIZATION

TERMS OF LEASE *(Include renewal options)*

4. PREMISES OWNED

EXISTING STRUCTURE

NAME OF SELLER	DATE CONSTRUCTED	COST TO COMPANY
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COST AND DESCRIPTION OF NECESSARY REPAIRS AND ALTERATIONS

Assessed Valuation	Insurance to be Carried	Estimated Annual Depreciation	Depreciation Method
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PROPOSED STRUCTURE

IMPORTANT: In estimating cost of construction, include architect's fee, site preparation, paving and landscaping.

NAME OF SELLER OF LOT	COST OF LOT	CONSTRUCTION COST
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Estimated Assessed Valuation	Insurance to be Carried	Estimated Annual Depreciation	Depreciation Method
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IS THE STRUCTURE TO BE DESIGNATED TO PERMIT ADDITIONS TO THE BUILDING AT A LATER DATE?	↑ YES	نـف NO
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5. TEMPORARY QUARTERS

NAME OF OWNER	COST OR MONTHLY RENTAL
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LOCATION <i>(Include distance and direction from permanent quarters)</i>	INSURANCE TO BE CARRIED
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DESCRIPTION OF FACILITIES AND SERVICES OFFERED *(Submit copies of lease or other contracts)*

COMMENTS

III. FINANCIAL HISTORY AND CONDITION *(Continued)*

D. RELATIONSHIPS AND ASSOCIATIONS WITH THE APPLICANT

ARE ANY ARCHITECTS, REAL ESTATE BROKERS, THE SELLERS OR LESSORS OF LAND, BUILDINGS OR EQUIPMENT LISTED HEREIN OTHERWISE DIRECTLY OR INDIRECTLY ASSOCIATED WITH THE APPLICANT? YES NO
(If Yes, complete the following table.)

NAME	ITEM <i>(Mark Appropriate Column)</i>			RELATIONSHIP OR ASSOCIATION WITH APPLICANT <i>(Specify Director, Officer, 5% Stockholder, or their relatives. Designate any business interests of the aforementioned.)</i>
	Land	Building	Equipment	

IMPORTANT: Upon approval the applicant will not refinance, directly or indirectly, any loan, advance, or credit extension originally made by any existing financial institution, or others, to any of the individuals listed above for the purpose of obtaining funds to purchase the fixed assets.

D1. FULL DISCLOSURE OF INSIDER TRANSACTIONS

Full disclosure will be required in writing to all directors and shareholders concerning all insider transactions including fixed asset involvements, and attorney, consultant and similar fees in excess of \$5,000. If such disclosure has been made, *attach* a copy thereof, indicate to whom the disclosure was made, and the date of such disclosure. If disclosure has not been made, indicate plans in this regard.

III. FINANCIAL HISTORY AND CONDITION *(Continued)*

E. ORGANIZATION EXPENSES

INSTRUCTIONS: List all expenses related to the organization of the Applicant's Company. Include all expenses paid, additional costs anticipated prior to the opening date, and include any expenses for work performed during the organization phases for which disbursement has been deferred beyond the opening date.

IMPORTANT: If legal or other fees appear to be excessive in volume or amount, supportive documentation will be required.

NAME OF RECIPIENT	ASSOCIATION WITH APPLICANT <i>Mark appropriate column</i>			TYPE OF RELATIONSHIP <i>(Specify Director, Officer, 5% stockholder, or their relatives. Designate any business interests of the aforementioned.)</i>	AMOUNT
	Direct	Indirect	None		
Attorney Fees:					
1. TOTAL ATTORNEY FEES					
Consultant Fees:					
2. TOTAL CONSULTANT FEES					
3. TOTAL PRE-OPENING SALARIES					
4. TOTAL PRE-OPENING TRAVEL AND ENTERTAINMENT					
5. TOTAL APPLICATION AND INVESTIGATION FEES					
Other Expenses: <i>(Describe in detail any item in excess of \$1,000)</i>					
6. TOTAL OTHER EXPENSES					
Total Organization Expenses <i>(Sum of lines 1 through 6 above.)</i>					
Pre-opening Income					
NET TOTAL					

DESCRIBE SOURCE OF PRE-OPENING INCOME

DESCRIBE HOW ORGANIZATION EXPENSES WILL BE PAID

V. PLAN OF BUSINESS

Exhibit _____ A detailed narrative of the company's proposed plan of business setting forth both the business in which the company proposes to engage in at the outset and its plan for the future. Full particulars should be given so that the Commissioner of Financial Institutions will be fully informed as to what the company is to do and how it proposes to do it.

The business plan should include:

- (A) A written description of the company's proposed financial products;
- (B) A written statement that explains how the scope of the proposed business complies with Article 9 and why any existing lines of business do not conflict with the provisions of Article 9;
- (C) A written description of the company's proposed plan of marketing its products, whether through affiliates, subsidiaries, service corporations, or holding company;
- (D) Financial projections regarding the nondepository financial services loan company's profitability; and
- (E) Any and all contractual arrangements that are intended to be executed between the nondepository financial services loan company and its holding company, affiliates, and subsidiaries.

V. PLAN OF BUSINESS *(Continued)*

ESTIMATED INCOME AND EXPENSES

Instructions: The following projections should be prepared in accordance with the American Institute of Certified Public Accountants Guidelines, "Audits of Finance Companies." If not consistent, explain fully in the comment section below.

The comments below describe the assumptions on which the estimated return and the expense estimates are based.

DESCRIPTION	ESTIMATED AMOUNT		
	First Year	Second Year	Third Year
Gross Income (% % %)			
EXPENSES:			
1. Salaries and benefits			
2. Interest on deposits			
3. Net occupancy expense <i>(details below)</i>			
4. Furniture and equipment <i>(depreciation, rental, maintenance, etc.)</i>			
5. Provision for loan losses			
6. Other operating expenses:			
Advertising			
Telephone			
Legal			
Postage			
Computer services			
Directors' fees			
Assessments by regulatory authorities			
Miscellaneous			
7. Net organization expenses <i>(1st year only. Should agree with III E.)</i>			
TOTAL ESTIMATED EXPENSES			
ESTIMATED NET PROFIT OR (LOSS)			
OCCUPANCY EXPENSE:			
Rent			
Depreciation			
Repairs			
Maintenance <i>(including building staff salaries)</i>			
Insurance			
Taxes on real estate			
Utilities <i>(heat, light, power, etc.)</i>			
Other occupancy cost			
TOTAL OCCUPANCE EXPENSES			
Less: Rental Income			
Net occupancy cost <i>(should agree with line 3 above)</i>			

COMMENTS

VI. CONVENIENCE AND NEEDS OF THE COMMUNITY TO BE SERVED

INSTRUCTIONS: The proponents are responsible for developing the Convenience and Needs of the Community factors in a way that clearly show the economic support and justification for the applicant. Submit such data relating to the trade area which you feel is relevant to the proposal. If an economic survey of feasibility study has been prepared it may provide most of the information requested. Such information submitted in support of your application will be included in the public file.

THE PROPONENTS ARE OF THE OPINION THAT the interest of the residents of the proposed trade area would be served by the establishment of the applicant. Data to support this opinion is presented below and in other information submitted with the application.

A. DESCRIPTION OF THE AREA TO BE SERVED

DESCRIBE THE TRADE TERRITORY THAT THE APPLICANT WILL SERVE *(Include the geographic boundaries within which all or most of the applicant's potential customers reside).*

Exhibit _____ List all principal businesses located in close proximity of proposed locations.

Exhibit _____ List each financial services loan company located in the proximity of the proposed location of the applicant; please show address of each company and the approximate distance from your location.

CONFIDENTIAL SECTION

I. FINANCIAL HISTORY AND CONDITION

OUTLINE BELOW INFORMATION WITH REGARD TO FIXED ASSETS THAT YOU BELIEVE, IF DISCLOSED TO THE PUBLIC, WOULD ADVERSELY AFFECT ONGOING NEGOTIATIONS.

OUTLINE BELOW, IN DETAIL, THE BASIS FOR COST ESTIMATES FOR PREMISES SHOWN IN THE PUBLIC SECTION.

IF FIXED ASSETS ARE TO BE PURCHASED FROM A RELATED PARTY, EVIDENCE OF THE REASONABLENESS OF THE COST(S) MUST BE PROVIDED. ATTACH COPIES OF BIDS, INDEPENDENT APPRAISALS AND/OR OTHER SUPPORTING EVIDENCE.

IF AN INSIDER IS A PARTY TO ANY LEASE CONTRACT IN CONNECTION WITH THE APPLICATION, EXPLAIN THE MANNER IN WHICH LEASE PAYMENTS WERE DETERMINED.

I. FINANCIAL HISTORY AND CONDITION *(Continued)*

SPECIFY THE TIME REQUIRED TO PREPARE THE PREMISES FOR OCCUPANCY. IF TEMPORARY QUARTERS ARE ANTICIPATED, ESTIMATE THE PROBABLE TERM OF OCCUPANCY AND DESCRIBE THE DISPOSITION OF SUCH QUARTERS.

II. ADEQUACY OF CAPITAL STRUCTURE

STATE THE CASH DIVIDEND POLICIES TO BE FOLLOWED DURING THE FIRST THREE YEARS OF OPERATION.

IMPORTANT: A substantially complete list of stockholders will be required prior to final consideration of this application.

INSTRUCTIONS: List all stockholders of the capital stock of the Applicant.

NAME	PLACE OF RESIDENCE	NO. OF SHARES	COST OF SHARES SUBSCRIBED

III. FUTURE EARNING PROSPECTS

ESTIMATE OF SALARIES AND WAGES

Position	First Year	Second Year	Third Year
Chairman of the Board			
President			
Executive Vice President			
Vice President(s)			
TOTAL			

ESTIMATED LOAN DIVERSIFICATION

Type of Loan	First Year		Second Year		Third Year	
	Estimated Average Volume	Average Percent Return	Estimated Average Volume	Average Percent Return	Estimated Average Volume	Average Percent Return
Commercial		%		%		%
Installment		%		%		%
Real Estate		%		%		%
Term		%		%		%
Purchased Participations						
TOTAL						

EXCHANGE AND SERVICE CHARGE POLICIES TO BE FOLLOWED

COMMENTS (Include other information supporting income and expense estimates reported in the Public Section of this application.)

IV. GENERAL CHARACTER OF MANAGEMENT

Exhibit	<u>A</u>	A financial report and biographical information for each director, each officer, and each person owning or subscribing to 5% of the total capital.
Exhibit	<u>B</u>	Three letters of character reference for each director, each officer, and each person owning or subscribing to 5% of the total capital.
	Note:	If a corporation is the principal stockholder, please furnish for each director, each officer and each person owning or subscribing to 5% of the total capital the same information requested above.
Exhibit	<u>C</u>	If applicant is a wholly-owned subsidiary, please furnish an organizational chart of the entire corporate structure showing percentage of ownership interest and summary of business activities for each related company.
Exhibit	<u>D</u>	Name of proposed managing officer who will manage the proposed nondepository financial services loan company. Please furnish detailed information relative to educational background and experience in conducting a nondepository financial services loan company.
Exhibit	<u>E</u>	Copies of any employment contracts relating to individual employed by the nondepository financial services loan company.
Exhibit	<u>F</u>	If a wholly-owned subsidiary or business, please furnish financial statements for three (3) most recent years.

V. PROPOSED POLICIES

Exhibit	<u>I</u>	Proposed loans policy.
Exhibit	<u>II</u>	Proposed investments policy.
Exhibit	<u>III</u>	Proposed operations policy.
Exhibit	<u>IV</u>	Proposed accounting policy.
Exhibit	<u>V</u>	Proposed record-keeping policy.
Exhibit	<u>VI</u>	Proposed compliance with applicable federal and state consumer laws.

LEGAL HISTORY QUESTIONNAIRE

Company Name

Name

Answer the following questions with respect to: (1) the applicant; (2) the individual officers and directors; any controlling shareholder. For any question answered "YES," provide full details. ***(Provide exhibit references if necessary.)***

YES	NO		
_____	_____	(a)	Has the applicant, any individual officers or directors, or any controlling shareholder: Been convicted of, or pleaded nolo contendere to, or been charged as a defendant in any criminal proceeding with, any crime involving an act of fraud or dishonesty?
_____	_____	(b)	Consented to or suffered a judgment in any civil or administrative action based upon conduct involving an act of fraud or dishonesty, or is any such proceeding pending against any such person?
_____	_____	(c)	Consented to or suffered any indictment, formal investigation, examination, or civil or administrative proceeding that resulted in any agreement, undertaking, consent, or order issued by any federal or state court, any department, agency, or commission of the United States government, any state of municipality, any self-regulatory trade or professional organization, or any foreign government or governmental entity, involving an act of fraud or dishonesty?
_____	_____	(d)	Consented to or suffered the suspension or revocation of any professional, occupational, or vocational license or other authorization to engage in a business activity based upon conduct involving an act of fraud or dishonesty, or is any such proceeding pending?
_____	_____	(e)	Knowingly made or caused to be made in any application or report filed with the commissioner or in any proceeding before the commissioner, any written or oral statement that was, at the time and in light of the circumstances under which it was made, false or misleading with respect to material fact, or willfully omitted to state a material fact with respect to information furnished or requested in connection with such an application?
_____	_____	(f)	Knowingly or wilfully committed any violation of, or knowingly or wilfully aided, abetted, counseled, commanded, induced, or procured the violation by any other person of, any provision of state law or rule?
_____	_____	(g)	Been involved in the denial or withdrawal after receipt of formal or informal notice of an intent to deny, by the applicant or affiliates of the applicant, of: (1) Any application relating to the organization of a financial institution? (2) An application to acquire any financial institution, subsidiary or holding company thereof? (3) A notice relating to a change in control of any financial institution, subsidiary or holding company thereof?
_____	_____	(h)	Been placed in receivership or conservatorship during the preceding 10 years, was a management official or director of a financial institution that entered into receivership or conservatorship, been placed in a management consignment program, or been liquidated during his or her tenure or within two years thereafter?

I declare that I have reviewed the above and to the best of my knowledge and belief, it is true and correct.

Signature

Title

Date