



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Business Registration Division
News Release

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FOR IMMEDIATE RELEASE: April 3, 2013

**STATE SECURITIES COMMISSIONER ORDERS
COLBURN KUWATA AND RELATED BUSINESSES TO CEASE AND DESIST**

HONOLULU – Hawaii Commissioner of Securities Tung Chan issued a Preliminary Order to Cease and Desist and Notice of Right to Hearing against former Hawaii securities salesperson, Colburn Kuwata.

The order alleges that Kuwata induced a 70-year-old Hawaii resident to give him \$60,000 to invest in a financial scheme. Kuwata allegedly told the investor that the investment, which would yield a guaranteed 20 percent return, was offered by a London-based company and involved a “medical plan” or “accounts receivable.” Kuwata also allegedly promised the Hawaii senior that her investment would be insured and risk-free.

Upon receipt of the investor’s \$60,000, Kuwata allegedly deposited it all into his own bank account and spent most of the investor’s money on a large mortgage payment and other personal expenses.

The Hawaii investor allegedly never received her \$60,000 or promised interest from Kuwata, other than a single payment of \$1,000 in September 2011.

Commissioner Chan alleges that Kuwata was not properly registered to transact securities, that he sold an unregistered security, and that he violated the state’s anti-fraud provisions. Chan also alleges Kuwata violated the terms of a 2000 Consent Order barring Kuwata from the securities industry. Because the alleged victim was a senior in this case, the Commissioner can impose additional penalties against Kuwata. The order seeks total penalties of \$300,000 in addition to a permanent injunction against transacting securities in the State and rescission and restitution for the investor.

Anyone who has been similarly solicited by Colburn Kuwata, or who may have information regarding this matter is urged to contact the State Securities Enforcement Branch.

State securities laws provide anti-fraud provisions and also require securities such as investment contracts, as well as individuals or entities soliciting or transacting securities, to be registered with the state.

Securities Enforcement Branch

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Kauai: (808) 274-3141, followed by 62740 and the # sign
Maui: (808) 984-2400, followed by 62740 and the # sign
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