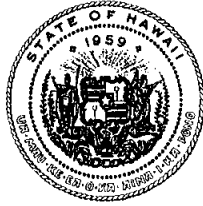


LINDA LINGLE  
GOVERNOR

JAMES R. AIONA, JR.  
LT. GOVERNOR



MARK E. RECKTENWALD  
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BUSINESS REGISTRATION DIVISION  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
335 MERCHANT STREET, ROOM 203, HONOLULU, HAWAII 96813  
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[www.hawaii.gov/dcca/areas/sec](http://www.hawaii.gov/dcca/areas/sec)

## EMERGENCY ORDER DUE TO HURRICANE KATRINA

Pursuant to Hawaii Revised Statutes (HRS) Section 485-2, the Business Registration Division (Division) of the Hawaii Department of Commerce and Consumer Affairs has determined that it is appropriate and in the public interest to issue an Emergency Order concerning certain securities transactions which may take place between investors or financial professionals displaced as a result of Hurricane Katrina. **The exemption provided in this Order is subject to existing clients who are temporarily located in this state as a result of Hurricane Katrina, OR, subject to the condition that the broker-dealer, agent, investment adviser, and investment adviser representative, or federal covered investment adviser has a temporary place of business in this state as a result of Hurricane Katrina, doing business only with pre-existing clients.**

Section 485-1, HRS defines a dealer, salesperson, investment adviser, and investment adviser representative. Pursuant to 485-14, HRS, *It is unlawful for these persons to transact business in this state unless registered under this chapter [or otherwise exempted].*

Dealer, salesperson, investment adviser, federal covered investment adviser, or investment adviser representative (hereinafter referred to as "financial professional") of clients which financial professionals or clients are displaced as a result of Hurricane Katrina may continue to effect securities transactions and/or conduct business as long as the financial professional complies with the following conditions:

1. The financial professional shall only effect securities transactions with pre-existing clients.
2. If the financial professional is a Dealer, the firm is a member of the appropriate Self Regulatory Organization (SRO) and is registered in the home state from which the investor has been displaced;
3. If the financial professional is a State Registered Investment Advisor, the firm is registered with the home state from which the investor has been displaced;
4. If the financial professional is a Federally Covered Investment Advisor, the firm is registered with the Securities and Exchange Commission and is notice filed in the home state from which the investor has been displaced;
5. The financial professional discloses to its clients in this state that it is not subject to the full regulatory requirements of the Hawaii Uniform Securities Act (Modified);

6. A financial professional who has been displaced by Hurricane Katrina and temporarily residing in Hawaii may continue to do business with his or her clients who reside outside the State of Hawaii without the requirement of registration with the Division;
7. The financial professional or agent is not otherwise in violation of the Hawaii Uniform Securities Act (Modified).
8. Any solicitation of new clients is subject to the registration requirements of the Hawaii Uniform Securities Act (Modified).
9. Any other non exempt securities-related activity will constitute unregistered activity and be subject to both State enforcement action and civil liability.
10. The provisions of the Hawaii Uniform Securities Act (Modified) prohibiting fraud or fraudulent practices apply to persons exempt from registration.

Any offer, sale or purchase of a security effected by a financial professional excluded from the definition of the financial professional as provided, shall be exempt from the securities registration requirements of the Hawaii Uniform Securities Act (Modified).

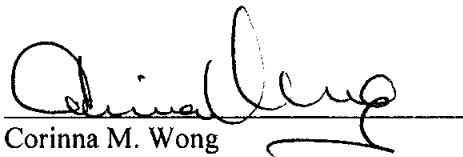
For the purposes of this Emergency Order, the term "temporarily", found in paragraph 1, intends to apply only to individuals, described above, who are residents of another state and are temporarily located in Hawaii as a result of Hurricane Katrina until such time as they are able to return to their home state.

The financial professional effecting securities transactions or business on behalf of displaced investors can act only within the scope of this Order. Any activity beyond the scope of this Order will constitute unregistered activity and be subject to both state enforcement action and civil liability. State enforcement action and civil liability will attach to any violations of the anti-fraud provisions of the Hawaii Uniform Securities Act (Modified).

The Division recommends that dealers, salespersons, investment advisers, and investment adviser representatives either place a notice on their website, if applicable, indicating who clients may contact regarding their accounts, access to funds or securities, etc., or set up a toll free number that clients may call to find out this information.

THIS POLICY SHALL REMAIN IN EFFECT UNTIL NOVEMBER 30, 2005 UNLESS EXTENDED.

Dated this the 22nd day of September, 2005.

  
Corinna M. Wong  
Commissioner of Securities