

**REQUESTING THE CONVENING OF A WORKING GROUP TO INVESTIGATE THE
CREATION OF A LOCALLY-FOCUSED, HAWAII-BASED STOCK EXCHANGE.**

SCR 134, SD1

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Status

Testifier: **Michael J. Van Patten,**
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Rep. Tom Brower

Rep. Rida T.R. Cabanilla

Rep. Mele Carroll

Rep. Denny Coffman

Rep. Ken Ito

Rep. Gilbert S.C. Keith-Agaran

Rep. Sylvia Luke

Rep. Angus L.K. McKelvey

Rep. Blake K. Oshiro

Rep. Joseph M. Souki

Rep. Clift Tsuji

Rep. Corinne W.L. Ching

Rep. Barbara C. Marumoto

Rep. Cynthia Thielen

Dear esteemed members of the House of Representatives,

I very much appreciate you allowing me to voice my comments and support of the request for the convening of a working group to investigate the creation of a locally focused Hawaii-based Stock and or investment exchange/marketplace.

I am the CEO and founder of a company called Mission Markets which has created the first FINRA and securities regulatory compliant online marketplace that specializes in supporting the flow of capital into companies and organizations whose business models and or products have some positive social and or environmental benefit. The local community investment multiplier has been well documented and as such our focus on sustainable capital has a strong emphasis on enabling communities to support local investment opportunities.

My background includes over 20 years of experience as a capital markets professional that include marketing products and services to both institutional and retail investors as well as the co-founding of an electronic marketplace called NYPPEX in 1998, which is now one of the leading alternative trading platforms for illiquid securities. So I have a deep understanding of the regulations and mechanics of creating capital markets infrastructure.

Core to the business model of Mission Markets is the creation of technology that supports efforts such as The Hawaii Stock Exchange. Our marketplace enables communities and states to start their own "virtual" investment exchanges that can support capital formation of both private and public companies, and do so very cost effectively while also engaging the community of financial services "Gatekeepers" who are the broker dealers and financial advisors, that are needed for such local and or national efforts to thrive.

The request of the Hawaii group is not an isolated situation, there are numerous such efforts developing all around the country, including in the states of Pennsylvania, Ohio and Washington. This has been driven by the lack of the traditional national stock exchanges to meet the capital demand that exists at the local level.

While I am well aware of the failure of the previous Hawaii Exchange in 1976, I strongly feel this new effort, if housed within a technology infrastructure, has the capability of engaging both the investor community and local financial professionals. Such an effort can be very successful in providing a venue where both private companies can raise capital, and companies who wish to be empowered to utilize current regulatory exemptions can access public capital cost effectively.

The first step in the process would be in accessing market demand for a Hawaii Stock Exchange by establishing a pilot project, which could be accomplished using what we at Mission Markets call our "Community Portal". A Community Portal is technology that is housed within our larger "connected" marketplace and uses the now standard online networking tools allowing investors and their advisors to create networks, share investment due diligence and marketing of investment products and services all housed within a securities regulatory compliant infrastructure, but has its own unique local community, in essence a "Hybrid Investment Exchange".

As a strong advocate of the Hawaii Stock Exchange and other similar efforts I am willing to commit my time and technology resources to "prove the concept". Without access to local capital our communities will continue to export jobs and capital to parties that have no real stake, and lead to the continued struggles of our local businesses and neighborhoods.

Sincerely

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