

Kyle-Lee N. Ladao

From: Aaron Cavagnolo <[REDACTED]>
Sent: Monday, December 11, 2023 8:08 AM
To: Kyle-Lee N. Ladao
Subject: [EXTERNAL] Request for Clarification and Response to Recent Testimony Concerns
Attachments: REC 2023-421 (7 pages) (WS).pdf

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Dear Mr. Nerney (and the other Condo Property Regime Members),

Aloha. I hope this message finds you well. I am writing to address concerns that arose from the most recent Condo Property Regime Task Force meeting, particularly your response to the testimonies presented, including mine.

Firstly, I noticed a recurring theme in the testimonies, including many from current and former board members, emphasizing the need for greater owner empowerment while highlighting the imbalance of power favoring boards and AOAOs. However, it appears that the current direction under your leadership predominantly focuses on safeguarding the interests of these boards and AOAOs. This approach seems misaligned with the concerns raised by most testifiers advocating for enhanced rights and transparency for owners.

This notable disconnect is concerning. In our efforts to resolve conflicts and address issues in our condo communities, it is imperative that the task force fully understands and represents the diverse perspectives of all stakeholders, especially the individual owners who often feel marginalized by more dominant entities like boards and AOAOs.

Additionally, during the meeting, when another task force member brought referred to my testimony ([at 1:34:32 on the youtube recording](#)) you laughed and implied that I was misinformed. In a few seconds you discounted a fellow task force member, a testifier and the difficulties facing AOAo owners without providing any backing evidence. Even after I provided additional information to support my statement, it was again implied that I be misinformed, possibly due to something in my AOAo bylaws, which, to my knowledge, is not the case since the topic is only mentioned once in our bylaws in relation to board members being provided financial documents. This situation has caused me considerable distress and raises concerns about the effectiveness and trust in our task force.

Our only bylaw referencing the need to provide documents: "SECTION 2.14 Copy of Documents. The Association, at its expense, shall provide all Board members with a current copy of the Declaration, these Bylaws, House Rules if any and a copy of Chapter 514A, HRS, with amendments."

To clarify, my testimony centered on the difficulties in accessing the most recent financial statement from our AOAo. I filed a complaint with RICO on November 1, 2023, against Dynamic Property Management for requiring an affidavit to release a financial record, which, as I understand it, is not mandated by Section 514B-

154.5 for the most current financial statement. This situation points to a broader issue of transparency within our community.

In light of this, I seek clarification from you. **If there are inaccuracies in my testimony or the RICO complaint, I would appreciate specific details or corrections. Conversely, if upon review (I've attached all the relevant documents) my concerns are validated, I believe it would be in the task force's best interest for you to publicly acknowledge this.** An apology to me and any other testifiers labeled as "misinformed" would significantly help in restoring trust in the task force.

Although I harbor reservations about the task force's direction under your leadership, especially considering as an attorney your financial stability seems tied to legal conflict between owners and association, I acknowledge the inherent complexities involved. If you choose to persist in your current role, proactively addressing these concerns would undoubtedly contribute to cultivating a more open and respectful dialogue, which is essential for effectively addressing the challenges faced by condo owners.

The work we undertake is crucial, and it's vital that all stakeholders' voices are heard and respected. I am hopeful that we can overcome this hurdle and collaboratively work towards our mutual goal of promoting transparency, accountability, and fairness for all condo owners.

Please let me know if you need any more information or clarification on the documents and information I provided.

Thank you for your time and consideration. I look forward to your response and to a constructive continuation of our work on the task force.

Sincerely,

Aaron Cavagnolo



STATE OF HAWAII
 DEPARTMENT OF COMMERCE AND
 CONSUMER AFFAIRS
 REGULATED INDUSTRIES
 COMPLAINTS OFFICE
 CONSUMER RESOURCE CENTER
 OAHU OFFICE
 235 SOUTH BERETANIA STREET, 9TH FLOOR
 HONOLULU, HI 96813
 cca.hawaii.gov/rico

Received: November 01, 2023 10:26 AM
 Department of Commerce and Consumer Affairs
 Consumer Resource Center

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Filed Online CONDOMINIUM RECORDS REQUEST COMPLAINT FORM

Important information about filing a complaint. RICO's jurisdiction is limited to violations of Hawaii's licensing laws and rules. Violations vary depending on the license type involved. As part of the review and investigation process, the company or individual you are complaining about may be informed of this matter and provided information about your complaint. Additional information about the industries RICO regulates, applicable licensing laws and rules, and a list of Frequently Asked Questions is available on the RICO website, as well as a fillable version of this and other RICO complaint forms.

If you want to report on-going unlicensed activity, please complete the Report of On-Going Unlicensed Activity form.

Anonymous

COMPLAINANT INFORMATION (Your information)

| Title | First Name | Middle Name | Last Name |
|---|------------|--|-----------|
| | Aaron | | Cavagnolo |
| Your mailing address: | | Telephone numbers (√ check best number to reach you at): | |
| [REDACTED] | | <input type="checkbox"/> Daytime phone: | |
| | | <input type="checkbox"/> Residence phone: | |
| | | <input checked="" type="checkbox"/> Cell phone: [REDACTED] | |
| Email address: [REDACTED] | | | |
| <input checked="" type="checkbox"/> Hawaii law provides for enhanced penalties in certain situations where the affected person is 65 years of age or older. If your dispute affects a person who may be 65 or older, please check here (this information is voluntary). | | | |

If someone is representing the COMPLAINANT, please complete this section.

Representative's name _____

| | |
|--|------------------|
| | Phone No.: _____ |
| | Email: _____ |

Mailing Address _____

Representative's relationship to the COMPLAINANT: _____
If court appointed to assist the COMPLAINANT, please provide proof of legal guardianship.

Signature of COMPLAINANT authorizing RICO to work with representative: _____

DID YOU ATTEMPT TO RESOLVE YOUR DISPUTE?

If your dispute involves a licensed business or individual, RICO recommends that you attempt to resolve your dispute with the licensee before filing a formal complaint. Please note unlicensed companies and individuals are not authorized to perform work that requires a license, therefore, RICO cannot recommend resolution of unlicensed complaints that involve additional or corrective work.

Did you contact the respondent to try and resolve your dispute? Yes No Please explain any attempts you made to try to resolve the dispute. Indicate if you did not receive a response or you were otherwise unable to contact the business or individual your dispute is about.

This is about providing AOA documents.

Have you filed a lawsuit or other legal action (for example, mediation or arbitration) related to your dispute? Yes No

If yes, please provide the following:

- 1) Name of the court: _____
- 2) Case number, if any: _____
- 3) Attach copies of any relevant documents including any judgments or orders issued in the case.

Have you reported your complaint to any other law enforcement or government agency? Yes No

If yes, please provide the following:

- 1) Name of the agency: _____
- 2) Approximate date when you filed your report or complaint: _____
- 3) Report or complaint number, if any: _____

ADDITIONAL QUESTIONS

Other agency referral: If upon review RICO believes a referral to another government agency is appropriate, do you consent to have your complaint sent to that agency for review? Yes No

If we are able to assist, what would your desired resolution be? Although our primary role is to enforce regulatory laws and rules, sometimes we are able to achieve some sort of resolution on the part of complaining parties. **IF** we are able to assist, what would your desired resolution be? (Again, as a government agency, RICO represents the State of Hawaii as a whole. We do not represent you in your dispute and strongly advise all consumers immediately explore any civil remedies they may have.)

Receives the most recent financial statement and have Aaron Sumiye and his company Dynamic Property Management start following state statutes more rigorously.

CERTIFICATION

RICO requires complainants complete, sign, and certify below. We can assist you if you are unable to sign or otherwise complete this form. Knowingly submitting false or untrue information may constitute a violation of Hawaii Revised Statutes §710-1063.

I certify that all statements and attachments provided to RICO as part of this complaint are true and correct to the best of my knowledge.

I understand investigation and prosecution is at the discretion of the agency and that RICO does not represent me in this dispute.

Complainant's/Representative's signature:

Aaron Cavagnolo

Date:

11/01/2023

Print name here: Aaron Cavagnolo

Check here if signing as representative



Mail completed complaint forms to:

**Regulated Industries Complaints Office
Attention: Consumer Resource Center
235 South Beretania Street, 9th Floor
Honolulu, Hawaii 96813**

Complaint forms are accepted at neighbor island RICO offices for mailing.

This material is available in alternate formats including large print. For assistance, please contact the RICO Complaints and Enforcement Officer at 586-2666.

COPY

Re: Current Financial Statement

Aaron Cavagnolo <[REDACTED]>

Mon 10/23/2023 10:25 AM

To: Diamond Head Surf <[REDACTED]>

Bcc: Lila Mower <[REDACTED]>

Request for Access to Current Financial Statement in Compliance with Section 514B-154, Hawaii Revised Statutes

Dear Diamond Head Surf Board,

I hope this message finds you well. I am writing in response to the recent communication regarding my request to access the association's most current financial statement.

I understand that Section 514B-154(b) of the Hawaii Revised Statutes outlines the availability of certain association records to unit owners. This section does indeed mention the possibility of requiring owners to furnish a duly executed and acknowledged affidavit when requesting specific records, such as financial statements, general ledgers, and other relevant documents. It also allows for owners to be charged reasonable administrative costs for access to these items.

However, it's essential to clarify that Section 514B-154 is divided into subsections (a) and (b), each addressing different types of records and the corresponding access requirements.

Subsection (a) explicitly pertains to the association's most current financial statement. It states that this financial statement "shall be provided to any interested unit owner at no cost or on twenty-four-hour loan, at a convenient location designated by the board." Nowhere in this subsection does it require the execution of an affidavit or payment for access to the most current financial statement.

In light of this, I would like to kindly request the board to provide a time and place for me to view the association's most current financial statement in compliance with the statute. I believe that this approach aligns with the clear language and intent of Subsection (a) and is in the best interest of transparency and communication within our community.

I appreciate your attention to this matter and look forward to a swift resolution that complies with the law. If there are any concerns or additional information needed to facilitate this request, please do not hesitate to reach out to me. I am committed to working collaboratively with the board for the benefit of our association and its members.

Thank you for your understanding and cooperation.

Sincerely,

Aaron Cavagnolo
[REDACTED]

From: Diamond Head Surf <[REDACTED]>**Sent:** Monday, October 23, 2023 9:04 AM

To: Aaron Cavagnolo <[REDACTED]>

Subject: Re: Current Financial Statement

The Board has requested owners to furnish to the association a duly executed and acknowledged affidavit stating that the information is requested in good faith for the projection of the interests of the association, its members, or both.

Section 514B-154(b), Hawaii Revised Statutes states:

(b) Financial statements, general ledgers, the accounts receivable ledger, accounts payable ledgers, check ledgers, insurance policies, contracts, and invoices of the association for the duration those records are kept by the association and delinquencies of ninety days or more shall be available for examination by unit owners at convenient hours at a place designated by the board; provided that:

(1) The board may require owners to furnish to the association a duly executed and acknowledged affidavit stating that the information is requested in good faith for the protection of the interests of the association, its members, or both; and

(2) Owners shall pay for administrative costs in excess of eight hours per year.

Copies of these items shall be provided to any owner upon the owner's request; provided that the owner pays a reasonable fee for duplication, postage, stationery, and other administrative costs associated with handling the request.

On 10/20/2023 5:47 AM, Aaron Cavagnolo wrote:

Hi DHS and DHS Board,

Following up about seeing the current financial statement. Please let me know when and where I can view the statement.

Mahalo,

Aaron

From: Aaron Cavagnolo

Sent: Wednesday, October 18, 2023 5:49 AM

To: Diamond Head Surf <[REDACTED]>

Subject: Current Financial Statement

Hi DHS,

I'd like to take a look at our most current financial statement. Please let me know when and where we can do this.

Mahalo,

Aaron

- (7) The association's most current financial statement, at no cost or on twenty-four-hour loan, at a convenient location designated by the board;

Aaron Cavagnolo



www.riversandoceans.com



COPY

Kyle-Lee N. Ladao

From: Colonel Mark L. Brown, USA (Ret.) <[REDACTED]>
Sent: Wednesday, December 13, 2023 9:26 AM
To: Kyle-Lee N. Ladao
Cc: Lila Mower
Subject: [EXTERNAL] Written Testimony Regarding Draft CPR Task Force Interim Report to the Legislature

CAUTION: This email originated from outside of Hawaii State Gov't / DCCA. Do not click links or open attachments unless you recognize the sender and are expecting the link or attachment.

Dear Mr. Ladao,

Please provide the following written testimony to the CPR Task Force members prior to the task force's 14 December meeting.

I have reviewed the Draft Task Force Interim Report to the Legislature and wish convey my observation of several important omissions.

As I reported in my previous oral testimony, I served as a financial manager in the U.S. Department of Defense (DoD) for 30 years. In my final assignment as the Comptroller for the U.S. Indo-Pacific Command based here in Hawaii from 1999 to 2006, one of my duties was to coordinate the many GAO (General Accountability Office) and Department of Defense Inspector General (DoD IG) audit inspections of numerous functions across the Indo-Pacific theater of operations.

One enduring lesson that I learned from this experience is that, for an audit to be successful, it is vital that the auditors be given very specific audit objectives of what is to be measured and how it is to be measured. Further it is important that the audits requested not be unnecessarily numerous so as to render the audit objectives unmanageable by limited audit capabilities. The twenty-two separate audits that Chairman Nerney lists on pages 2 and 3 of his proposed draft report are exceptionally broad, subjective rather than objective, and ambiguous. The requested audits are also too numerous for a comparatively small audit organization, such as the Office of the Hawaii State Auditor with a staff of only 15 analysts, to accomplish in a matter of months given their existing annual workload.

Given the way that the audit objectives are presently defined, I doubt the State Auditor could produce anything of useful value to the task force which would only undermine the purposes for the task force outlined in Act 189 and make the goal to provide the legislature with a meaningful final report of an alternative condo dispute resolution process by December 2024 unachievable. I sincerely hope that is not Chairman Nerney's intent although I understand he opposed the establishment of the task force.

Another significant omission from the draft interim report is any mention of the much-discussed alternative dispute resolution initiative of establishing a Hawaii condo law ombudsman. In my observation, the potential value of an ombudsman to Hawaii condo owners has generated more supporting public testimony than any other subject. Therefore, Hawaii condo owners clearly deserve

the respect and courtesy for this popular option to be fairly considered and included as a goal in the task force's interim report.

Finally, I have been informed that when I have submitted testimony to you in the past that commented on Chairman Nerney's apparent pecuniary conflict of interest, or otherwise questioned the intent of his previous proposed draft interim report that sought to make numerous changes to Hawaii's condo statute that had not been previously vetted by the task force, that you have withheld the distribution of that testimony to the task force members which necessitated Vice Chair Mower having to make the distribution of my, and other, testimony. Please discontinue this practice.

The task force members deserve to be informed of the evidence of any conflicts of interest which could influence Chairman Nerney's, or others', motives. Also, it is my understanding that the withholding of lawful public testimony is contrary to Hawaii's Sunshine Law regarding State Government transparency. Thank you.

Respectfully submitted,

MARK L. BROWN
Colonel, U.S. Army (Retired)
Honolulu, Hawaii

Kyle-Lee N. Ladao

From: Dale Head <[REDACTED]>
Sent: Tuesday, December 12, 2023 9:25 PM
To: Kyle-Lee N. Ladao
Subject: [EXTERNAL] Testimony for Condominium Property Regime (CPR) Task Force meeting on Thursday 14 December 2023 @ 1:30pm

CAUTION: This email originated from outside of Hawaii State Gov't / DCCA. Do not click links or open attachments unless you recognize the sender and are expecting the link or attachment.

Aloha Esteemed CPR Task Force Members:

- 1. Regarding your **Interim Report for HB1509, Act 189**, dated Monday 11 December 2023, I invite your diligent attention to its paragraphs **21** (Budget and Clean Elections) and **22** (RICO Enforcement). Please keep in mind the old adage, 'Never Assume'.*
- 2. As I have explained in the past, often to legislators, as Developers curtail Home Owners Association (HOA) members voting rights, fixing it into ByLaws which they wrote, requiring physical attendance at a meeting to cast their own vote, this necessarily screens out anyone who cannot attend (which includes Investors, Landlords, mobility challenged, homebound, residents who are no living in Hawaii, and of course other handicapped people). So, guess what happens? The Managing Agent encourages everyone in that broad spectrum of people, who of course are taxpayers, to instead send in a Proxy. But, as many management companies are in the habit of funneling 'Proxy/votes' to their preferred candidates, without a proper Motion being made and recorded on the Election Certificate, or, Official Minutes, it becomes a "juiced" stolen election. This is perpetrated like a magic trick which can only be ascertained when a member insists on auditing Proxies on a post election basis. **The Proxy is just one of two administrative tools** employed to hijack an election (which is done to keep a Board 'stacked' in the Managing Agents' favor), meaning keep the lucrative contract and often boosting HOA fees into the stratosphere. The other administrative tool used to gut an 'election' is '**Cumulative Voting**'.*
- 3. Through this amazingly creative trick, votes are created out of thin air. While an owner has a 'PCI' (Percentage of Common Interest) in the HOA complex, for instance, if there are 100 condominiums, then that person has a **1%** interest in the commonly owned. Those who own multiple units have a higher PCI to vote. Now, to 'juice' the game up. Invoking the phrase 'Cumulative Voting', the hype is that however many Board of Directors seats are open in the election, an owner can 'cumulate' all of his CPI units weight on just one candidate, to supposedly increase their chances to win. Here is how that works in real time: For my HOA 2018 election, while I had **44** Proxies from other owners, far more than other candidate. The Property Manager concealed from everyone at the meeting that **75** owners had marked their Proxy for Board as a 'whole' and another **26** marked theirs to be divided between Board members present at the meeting to vote as they wished to cast them. But, in fact, the number **75** and **26** were kept as one bloc of **101** Proxies. And, with four Board seats available, each of those 101 being worth four votes, created a pool of **404** votes. Well, they were bestowed on two incumbent Board members who had scant owners support. This ruse pushed them to the 'front of the line' and they were retained instead of being voted off of the Board. Ah, the profits of corruption are real and the state is complicit for knowingly allowing it.*

4. The Task Force should recommend, among other actions, prohibiting property management companies from also handling elections, require issuance of Ballots to HOA members, not Proxies, establish an Office of Ombudsman, require criminal and credit checks on HOA members who declare they are candidates for election to a Board of Directors.

5. I note CPRTF Chairman Philip S. Nerney opposed establishment of this Task Force, remarking in his opposition letter, dated 13 February 2023 to House Committee on Housing Chair Troy N. Hashimoto, "Fundamental disruption to legal relationships should only be considered in relation to genuine need and pursuant to careful study. Such a study is unwarranted here, because the stated rationale is not based on genuine need." Perhaps he can rationalize why juiced HOA elections are okay? They surely sustain profits, in my opinion.

Respectfully, Dale Arthur Head

Tuesday 12 December 2023

Kyle-Lee N. Ladao

From: Greg Misakian [REDACTED]
Sent: Wednesday, December 6, 2023 9:39 AM
To: Kyle-Lee N. Ladao
Cc: Lila Mower
Subject: [EXTERNAL] Re: Condominium Property Regime Task Force - Issues and Concerns that Need to be Addressed

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Aloha Kyle,

Could you please confirm receipt of my email from yesterday morning, and that it was forwarded to the Task Force.

Could you also let me know where the public testimony is available online?

Mahalo,

Greg

On Tuesday, December 5, 2023 at 08:08:34 AM HST, Greg Misakian <greg.misakian@sbcglobal.net> wrote:

Aloha Kyle,

Below are just some of the most important things that need to be discussed by the Task Force (in the Dec. 14th meeting and moving forward).

- 1) Board Directors need to be trained and certified.
- 2) Management Companies and Community Managers need to be licensed.
- 3) Site Managers and Resident Managers need to be licensed.
- 4) Board Packets need to be required and compliant. All minutes, proposals, and documents needed for decision making need to be in the Board Packet and submitted to the Board ____ days prior to the Board meeting.
- 5) Meeting Minutes need to be factual (with votes recorded, contracts awarded, and costs documented) and properly distributed to the owners. Owners should never have to request meeting minutes.
- 6) Executive Minutes need to be **written** and be in every Board Packet, for review by Board members to ensure they are "correct" from the previous meeting. This is where many bad things are happening (and not being done at my association).
- 7) Association Attorneys/Attorneys found guilty of self-enrichment, retaliation, participating in retaliation, not addressing issues and concerns brought by minority Board members, or any other serious bad acts related to property owners' rights, will be required to be referred to the State Bar ODC and other law enforcement agencies (if applicable). They will be subject to disbarment and prosecution for their bad acts, or their participation with bad acts.

And of course, number one is that an Ombudsman's Office or Office of Enforcement needs to be established.

Could you please confirm receipt and that this was forwarded to the Task Force members.

Mahalo,

Greg

Kyle-Lee N. Ladao

From: Greg Misakian <[REDACTED]>
Sent: Wednesday, December 13, 2023 12:48 PM
To: Kyle-Lee N. Ladao
Cc: Lila Mower
Subject: [EXTERNAL] Condominium Property Regime Task Force Meeting - December 14, 2023 - Written Testimony from Gregory Misakian
Attachments: Condominium Property Regime Task Force Meeting - December 14, 2023 - [Testimony from Gregory Misakian].pdf

CAUTION: This email originated from outside of Hawaii State Gov't / DCCA. Do not click links or open attachments unless you recognize the sender and are expecting the link or attachment.

Aloha Kyle,

Attached, please find my written testimony for tomorrow's Task Force meeting.

Can you please confirm receipt, and that this was forwarded to the Task Force.

Mahalo,

Greg

C: (415) 871-8141

Testimony Submitted For The Condominium Property Regime Task Force Meeting

**Department of Commerce and Consumer Affairs
State of Hawaii**

Date: December 14, 2023

Time: 1:30 PM

Virtual Videoconference Meeting: Zoom Webinar and In-Person:
Hawaii State Capitol, Conf. Rm. 430
415 S. Beretania St., Honolulu, HI 96813

Testimony In Support of:

- 1) **Condominium Owner's Rights.**
- 2) **The need for a State Ombudsman's Office** to address owner complaints of misconduct and malfeasance by condominium Association Board members, Management Companies and their agents, Site Managers, Resident Managers, General Managers, Attorneys, and others. And to address complaints owners have regarding the Department of Commerce and Consumer Affairs, the Regulated Complaints Industry Office, and others who engage in any improper acts or actions, fail to take complaints, or fail to address concerns or administer proper investigations with fair and equitable resolutions. And to require proper enforcement actions and accountability for misconduct by Board members, Management Companies and their Agents, and others.
- 3) **The need for HRS 514B reforms**, including in the areas of voting rights, Board member qualifications, education and training, Community Manager licensing and/or certification, and numerous other areas identified via the Task Force and past legislative testimony for condominium related bills (and future testimony).
- 4) **The need for a two-sided communication flow of "accurate" information to condominium owners**, and not a one-sided viewpoint tainted with conflict of interest (i.e., with all of the messaging coming from the condominium trade industry and attorneys who represent Management Companies and Association Boards).

Aloha Task Force Members,

My name is Gregory Misakian and I live in Waikiki in a high-rise condominium. As I previously informed the Task Force in previous testimony, I currently serve on three Boards in the State of Hawaii: 1) 2nd Vice President of the Kokua Council, an advocacy organization for elders and other vulnerable communities that works with State Legislators and other groups and agencies, 2) Subdistrict 2 Vice Chair of the Waikiki Neighborhood Board, and 3) Treasurer of my condominium Association, the Keoni Ana AOA.

Since the last Task Force meeting I attended on 11/30/23, things have gotten much worse at the Keoni Ana where I live, and I have been addressing things daily here. I have had no time to prepare testimony and I am starting to write this at 11:08 AM on 12/13/23.

To save time, and so you can see first-hand what I am dealing with, below are two emails I sent to the Keoni Ana Board in the late evening yesterday and early morning today.

| |
|--|
| Email Sent to the Board on 12/13/23 Regarding Elevators |
|--|

Keoni Ana Elevators - Root Cause of Failure - Heide & Cook - No Permits to Operate

Greg Misakian <gregm@xxxxxxxxxxxx>

Tue 12/12/2023 11:55 PM

To: [Redacted]

Cc: [Redacted]

Daniel,

While you have been emailing and making decisions by email, vs. calling an emergency Board meeting to discuss properly, I have been addressing the elevator issues and researching to determine the root cause.

Here are some fun facts to share with the group:

1. None of our elevators have operating permits, nor have they for years.
2. Per OSH, all of our elevators failed inspections after Heide & Cook installed the new equipment we have in 2019/2020. No follow-up to re-inspect was ever done, and Heide & Cook never provided us with operating permits for our three elevators (as required by law to put them into service).

3. The Keoni Ana AOA's agent(s) never applied for the required annual inspections for operating permits.
4. Heide & Cook is very new in the elevator industry and was a high risk to select as a contractor.
5. For those that don't know, ten residents were trapped in the one intermittently working elevator on Sunday, December 10th, and the Honolulu Fire Department was called to assist getting them out.
6. For those who also don't know, the one intermittently working elevator (#1) has previously gone offline numerous times each day. As Forrest Gump would say, "our elevators are like a box of chocolates, you never know what you're gonna get."
7. Elevator #1, which is a passenger elevator, is now being used as a freight elevator, which is a concern.

There are civil and criminal penalties.

The Boiler and Elevator Safety Law: [Occupational Safety and Health | Find a Law \(hawaii.gov\)](#)

The elevator room should have had a temperature and humidity monitor, with an alarm that would trigger to the Site Managers Office and forwarded to others (i.e., Security and the Board via text). I'm not aware that this is part of the current system.

I don't have time to go into details here, and I can provide a more detailed report later, but I strongly believe the root cause of the electronic circuit board failures and equipment failures is **condensation** from the water that was pooled in the elevator room recently, and the extremely humid environment when we had substantial rainstorms. This is a "known" failure mechanism, and even the first Heide & Cook technician who came to troubleshoot thought it was condensation. The condensation would result in resistive shunts and/or shorts depending on what adjacent circuit lines or components it came into contact with on the PCBs.

For those that don't know my background, it's over 20 years in the electronics, defense electronics, and semiconductor industries, working for Raytheon (8 years doing failure analysis on complex electronic and mechanical systems and devices, and published in my field), Philips Semiconductors (Quality Engineer, overseeing failure analysis and quality issues for customers), Siemens (Quality Manager), Infineon Technologies (Director level Quality Management position, overseeing two business units, with worldwide responsibility for Sony, Motorola, and other major customers). And the later positions I was also overseeing all failure analysis/reports issued, prior to release to customers.

Below is a link that references the paper I wrote for the International Symposium of Testing and Failure Analysis (ISTFA) 1990 proceedings/journal. The co-author was my mentor, he suggested I write the paper, and assisted me with the photoemission microscopy. I wrote 100% of the paper. The paper was also cited numerous times in other published papers.

[Fundamentals of light emission from silicon devices](#)

[IOPscience](#)

<https://iopscience.iop.org> › [article](#)

by G Deboy · 1994 · Cited by 62 — May J T and Misakian G 1990 Failure analysis of a turn-on degraded transistor using photoemission microscopy **Proc. ISTF A '90 pp 69-71**. Google Scholar.

Heide & Cook Proposal/Contract

The contract that Daniel signed does not show the part numbers of the circuit boards and other parts, with prices for each listed, or the labor costs, nor is there any warranty information provided. It also falsely states the cause of failure is vandalism.

Conclusion & Recommendation

The seriousness of this should be obvious and action needs to be taken to address this immediately (i.e., our one working elevator is not safe and no operating permits). Heide & Cook should also never profit from any deception or misconduct, and trying to make this look like it was intentional vandalism is actionable (in addition to no operating permits, which they were required to provide in 2019/2020). The Board in place at the time the elevators were refurbished, some Board members on the Board currently, our Site Manager(s), and Management company then and now, are also responsible for various aspects of this.

Greg

Email Sent to the Board on 12/13/23 Requesting Mediation

Request for Mediation - Unlawful Retaliation in Violation of HRS 514B-191 and Other Concerns

Greg Misakian <gregm@xxxxxxxxxxxx>

Wed 12/13/2023 1:04 AM

To: [Redacted]

Cc: [Redacted]

Board,

I am requesting mediation to address very serious issues and concerns, and to hopefully stop the unlawful retaliation the Board President, others on the Board, our Site Manager, Community Manager, and others at Associa Hawaii are responsible for.

There are many other violations of our governing documents and HRS 514B that I will be citing, and you have seen numerous emails from me previously and concerns I raised at Board meetings and in Executive Sessions, so most will not be a surprise to you. As I've informed all of you, when each Board member goes along with bad acts and retaliation, then each Board member is guilty of it.

I also remind Daniel and the Board that all of our Board meetings are open meetings, where we are required to be able to hear each other and speak to each other unencumbered. Daniel's power trip to control me from unmuting at the last Board meeting was and is **unlawful**, and further below is the section of 514B-125 that cites this. Our Community Manager said and did nothing, nor did any of you.

All of your actions related to locking me out of the Budget Committee that I was trying to form months ago, to be compliant with our governing documents and our fiduciary duty, are also one of the most egregious and malicious retaliatory acts. All of you should be ashamed of yourselves.

I expect to hear back from you to acknowledge and confirm that you have accepted mediation, prior to my filing officially with a mediation firm. I also expect the Association will cover all expenses related to this.

Greg

Greg Misakian
Keoni Ana, Treasurer

§514B-125 Board meetings. (a) All meetings of the board, other than executive sessions, shall be open to all members of the association, and association members who are not on the board shall be permitted to participate in any deliberation or discussion, other than executive sessions, pursuant to owner participation rules adopted by the board.

(b) The board may establish rules for owner participation in any deliberation or discussion at board meetings, other than executive sessions. A board that establishes such rules pursuant to this subsection:

- (1) Shall notify all owners of these rules; and

(2) May amend these rules at any regular or duly noticed special meeting of the board; provided that all owners shall be notified of any adopted amendments.

The board may make the rules available to owners on an association website.

(c) The board, by majority vote, may adjourn a meeting and reconvene in executive session to discuss and vote upon matters:

- (1) Concerning personnel;
- (2) Concerning litigation in which the association is or may become involved;
- (3) Necessary to protect the attorney-client privilege of the association; or
- (4) Necessary to protect the interests of the association while negotiating contracts, leases, and other commercial transactions.

The general nature of any business to be considered in executive session shall first be announced in open session.

(d) All board meetings shall be conducted in accordance with the most recent edition of Robert's Rules of Order Newly Revised. Unless otherwise provided in the declaration or bylaws, a board may permit any meeting to be conducted by any means of communication through which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting. If permitted by the board, any unit owner may participate in a meeting conducted by a means of communication through which all participants may simultaneously hear each other during the meeting, provided that the board may require that the unit owner pay for the costs associated with the participation.

(e) The board shall meet at least once a year. Notice of all board meetings shall be posted by the managing agent, resident manager, or a member of the board, in prominent locations within the project seventy-two hours prior to the meeting or simultaneously with notice to the board. The notice shall include a list of business items expected to be on the meeting agenda.

(f) A director shall not vote by proxy at board meetings.

(g) A director shall not vote at any board meeting on any issue in which the director has a conflict of interest. A director who has a conflict of interest on any issue before the board shall disclose the nature of the conflict of interest prior to a vote on that issue at the board meeting, and the minutes of the meeting shall record the fact that a disclosure was made.

"Conflict of interest", as used in this subsection, means an issue in which a director has a direct personal or pecuniary interest not common to other members of the association. [L 2004, c 164, pt of §2; am L 2005, c 93, §7; am L 2017, c 81, §3; am L 2022, c 62, §7]

Case Notes

Where petitioners (1) presented no evidence that when director voted in favor of the pricing policy, which would set the prices at which the defendant Association

would sell the leased fee interests, a real or seeming incompatibility existed between the director's private interests and the director's fiduciary duties (2) did not establish that director had a "direct personal or pecuniary interest not common to other members of the Association" and (3) company that director allegedly had potential involvement in was no longer involved in the purchase of the leased fee interest, director did not have a conflict of interest when director voted. 121 H. 474, 221 P.3d 452 (2009).

CLOSING STATEMENT

I came to Hawaii to start a new life and get away from crime and other problems in San Francisco, and was never expecting such a terrible experience in my new home. For a very long time I have not been able to enjoy my home, or take time to explore the many beautiful places and fun things to do in Hawaii. Instead, I am constantly having to deal with serious issues at the Keoni Ana, or working to provide solutions to solve the problems for all residents of Hawaii (i.e., HB 178 and HB 1501 measures I co-authored)

The time for action is now, and the time for an Ombudsman or proper Condominium Association Enforcement Branch was years ago. Hawaii's "ninth island," Las Vegas, has had a condominium Ombudsman since 1997. While things may not be perfect, it is a far better process than what we currently have in Hawaii.

As I have already experienced one mediation where the Mediator/Attorney never even got back to us to reschedule a meeting, and the other side stopped mediating, I don't have high (or any) expectations that the result will be different this time. I truly wish I had someone to call to help me, and who would actually help to get something done. The stress on my life has been extreme and constant.

As I conclude my testimony, and as we are heading into the Christmas Holiday, I invite Senator Carol Fukunaga to participate in any upcoming mediation meetings I have, so she can see first-hand how the process goes. I know Senator Fukunaga is no longer an active attorney, but she has the experience and knowledge to see what is right and wrong. It is just a Christmas wish, but if it is a possibility, and Senator Fukunaga (or others on the Task Force) can participate, then the offer stands.

I wish you all a healthy and happy holiday season.

Mahalo,

Gregory Misakian
Resident of Waikiki & Consumer Advocate

Kyle-Lee N. Ladao

From: hcca@hawaiiicouncil.org
Sent: Tuesday, December 12, 2023 10:12 AM
To: Kyle-Lee N. Ladao
Cc: 'L Harbo'
Subject: [EXTERNAL] FW: TESTIMONY FOR TASK FORCE MEETING ON 12/14/2023

CAUTION: This email originated from outside of Hawaii State Gov't / DCCA. Do not click links or open attachments unless you recognize the sender and are expecting the link or attachment.

*Hi Kyle
Passing along testimony*

From: L Harbo <[REDACTED]>
Sent: Tuesday, December 12, 2023 10:08 AM
To: hcca@hawaiiicouncil.org
Subject: TESTIMONY FOR TASK FORCE MEETING ON 12/14/2023

Aloha,

Please find my email testimony below:

My Christmas wish is for legislation to require boards to pass a balanced budget and to not purposefully over collect from owners.

This is the 2nd year in a row that our board of an 83 unit condo on Maui has passed a budget where they budget to collect more revenue than the budgeted (and adjusted for inflation) expenses. Last year (budget for 2023) the \$23,000 excess was called a "Variance", this year's budget for 2024, it's a \$10,000 excess and called a "General Contingency". What is the recourse? The new budget for 2024 gave the Resident Manager a salary increase of 14%. Who gets a raise like that? He has no written duties.

Landscapers were given a new contract that increased from \$1700/month to \$2500/month. Our property is less than 2 acres, and most of that is parking lots on two sides. The new contract was ratified in a board meeting. No other bids sought.

Many owners at our complex are investor owners who don't look at the budget, which was sent out in a confusing way again this year, which makes most owners less apt to try to figure it out. The budget was sent to owners copied back to back, widthwise/landscape, on 2 sheets of paper, 4 pages, so it's difficult matching columns and totals. In the past it was portrait layout and 1 sheet back to back, 2 pages, so it was easier to follow. The excess dollars being collected, labeled a "variance" last year and "general contingency" this year, are placed at the end of the expense list under other expenses, so if you subtract total expenses from total revenue it zeroes out, but it is money that has no budget item/expense associated with it. Very deceptive, and unethical. Owners don't realize money is being collected that isn't for an actual expense.

The RM also hired a new weekend manager last December (Dec. 2022) to replace our previous long-standing weekend guy who was recuperating from knee surgery. An RM hiring employees is not allowed by our Declaration or governing

documents; hiring duties are given to the Board, not RM. Then the position was expanded from 2 days (Sat./Sun.) and 2-4/hrs. per day, to multiple days during the week plus the weekend. The previous (2022 & 2023) budget for the weekend/relief position was \$12,500/year. The 2024 budget has that position, now called "maintenance", being paid \$30,000. I believe that's a 140% increase for that budget item. Essentially the RM hired someone to do the cleaning and maintenance work he should be doing, and what all previous RMs at our complex have done, and the board is complicit. And the RM's pay increased by over \$6,000 to \$50,000 per year plus free housing in a 2 bed/2 bath oceanview condo.

Legislation is needed, with penalties and consequences for boards who aren't true fiduciaries; and who are unethical in their bid to hike fees in an attempt to force some owners out.

Mahalo for your time!

Lora Harbo

Kyle-Lee N. Ladao

From: kris morrison <[REDACTED]>
Sent: Monday, December 11, 2023 5:49 AM
To: Kyle-Lee N. Ladao
Subject: [EXTERNAL] 12/14/2023 Testimony CPT Task Force
Attachments: 12 14 2023 Testimony for CPT.docx; Morrison Condo documents duty Termite.pdf; Morrison Quam Management agreement 2023.pdf

CAUTION: This email originated from outside of Hawaii State Gov't / DCCA. Do not click links or open attachments unless you recognize the sender and are expecting the link or attachment.

RE: Additional Testimony Submitted for The Condominium Property Regime (CPR) Task Force on 12/14/2023

RICO Case No. REC 2021-255-L (Quam Properties Hawaii, Inc

Attachment: Morrison Condo Documents Termite

Attachment: Morrison Quam Management Agreement

Confirmation please

Dear Mr. Ladao/Condominium Property Regime Task Force,

Please see attached 12 14 2023 word document for additional testimony for the CPR Task Force. My only intention is for property owner protections. This stress has affected my health.

Respectfully submitted,

Ms. Morrison

RE: Additional Testimony Submitted for The Condominium Property Regime (CPR) Task Force on 12/14/2023

RICO Case No. REC 2021-255-L (Quam Properties Hawaii, Inc)
Attachment: Morrison Condo Documents Termites
Attachment: Morrison Quam Management Agreement
Confirmation please

Dear Mr. Ladao/Condominium Property Regime Task Force,

This is additional testimony for the CPR Task Force. My only intent is for property owner protections. The stress has affected my health.

1. In 2021, a DCCA complaint against Quam Properties Hawaii, Inc., was filed for Association documents and unit common element repair (still not done). June 30, 2022, the Regulated Industries Complaint Office issued:
“Our office and the Respondent entered into a Pre-Petition Settlement Agreement that included an administrative settlement payment of \$1,500.
2. To confirm on December 8, 2023, Lila Mower forwarded my 11/30/2023 testimony email attachments that included:
 - Attachment: Ms. Morrison Testimony Email_Redacted.pdf from Inbox- [REDACTED]
 - Attachment: Ms. Morrison Attachment 1 Hawaiiana Management Company FDCPA For Kehalani Community Association_Redacted. Pdf from Inbox [REDACTED]
 - Ms. Morrison- Attachment 2 Hawaiiana Management Dues Refund_Redacted pdf
 - Ms. Morrison-Attachment 3 Destination Maui Double Maintenance Fee Collection

Current Management Company:

3. Attachment: Pursuant to condominium documents that read, **TERMITE INSPECTION:** At least once a year, the Association, through the Managing Agent, may cause the exterior and interior of each such building (including the interiors of the units) to be inspected for termite damage. In 2021 and 2023 this was not done with (no refund to my association fees?).
4. **Hawaii Reserve Study Laws** states: the Board of Directors is responsible for maintaining these components for the good of all owners. In a Board/Owner meeting December 6, 2023, I believe it was stated, the Association attorney said do not do a reserve study until a settlement (litigation).
5. Attachment: **(Management Agent Service Agreement) Maintenance:**

The Condominium maintenance #25 reads in part... Coordinate and expend emergency funds for repairs that are immediately necessary to ensure the preservation and safety of the premises, to avoid suspension of essential service, or to avoid danger to life or property.

- I was stung by wasps and reported this in July 2023 for wasp nest removal, that has not been done. I had an medical care appointment over a month later for the wasp stings and I carry an epinephrine pen. Yet, 06/01/2023, in Quam’s Management expense invoice expense distribution indicates an expense paid for Hive removal.

Association Board of Directors:

6. Regarding Board member negotiating contracts I asked if any Board member when negotiating any contract said, “more money better work”. A Board member stated the Association has a “reputation” with a certain service provider.

July 7, 2023, a unit owner email to me: Regarding Improprieties of (Villas of Kahalani, Board of Directors) VAT BOD 2022/2023:

After our discussion we decided to let our attorneys send 4 BOD member a letter asking them to resign and step down.

7. Accordingly, I request the CPR task force recommend legislative action and the legal right to dissolve or opt out of HOA’s and management companies, as I reside in an attached townhome. I believe in 2018, if I had been off island, I could have had my home sold non-judicially by Hawaiiana Management Company. I request a referral to agencies for investigation.

Respectfully submitted,

Ms. Morrison

no refund

Terminated

The Villas

AT KEHALANI

CONDOMINIUM DOCUMENTS

All of the information contained on this packet is approximate and subject to change without notice.
The prices, time frames and other representations are estimates only.

Pacific Island Realty, LLC • 1100 Alakea Street, 27th Floor • Honolulu, Hawaii 96813



arrangement of such items does not qualify as "unsightliness" as such term is defined in Paragraph E.4 above.

7. STREET TREES AND OTHER LANDSCAPING. No Owner, Occupant or Guest shall disturb, cut, trim, damage or remove any of the trees located in the landscaped areas adjacent to roadways, recreational areas or guest parking areas, nor harm, remove, disturb or damage in any way any other plants, shrubs, groundcover or other elements of landscaping placed or planted on any of the common elements of the Project.

8. TERMITE INSPECTIONS. No less frequently than once each month, (a) the Association, through the Managing Agent, shall cause the exterior of all buildings in which units are located to be inspected for evidence of termite infestation, and (b) the Owner of each such unit shall inspect the interior of his unit for such evidence. At least once each year, the Association, through the Managing Agent, may cause the exterior and interior of each such building (including the interiors of the units) to be inspected for termite damage. Each Owner shall cooperate with the Association in providing access to his unit for the purpose of such inspections. Any evidence of termite infestation or damage shall be reported immediately to the Managing Agent. The cost of such inspection shall be charged to the Unit Owners as a Common Expense.

9. TRASH DISPOSAL. Garbage, rubbish and trash shall be disposed of only in areas provided therefor and then only in approved containers. Trash containing food shall be thoroughly drained, placed in a plastic bag, and securely tied prior to disposal.

10. LANAIS, BALCONIES AND WINDOW LEDGES.

(a) Sunshades, awnings or screens may not be used on the exterior of Unit windows or over balconies or lanais of the Unit. Rugs, towels, mops or clothing shall not be draped over balconies or lanais. Clotheslines are not permitted on lanais. No permanent rug or carpeting or artificial turf is allowed on or shall be attached to balcony or lanai areas.

(b) The care and maintenance of the balcony is the responsibility of each individual Owner. Care must be taken to prevent irrigation and cleaning water, detergents and other fluids from running and dripping over the edges of the balcony or lanai area onto the ground floor. Each Owner should assume that potted plants have appropriate catch canisters underneath them.

(c) Children must be monitored while on balcony or lanai areas, and must not be allowed to climb or stand on the railings.

(d) The balconies and lanais of the Units may be used as an outdoor relaxation area, containing lanai furniture, potted plants and other similar outdoor furnishings, that comply with the standards governing the appearance of such items (including without limitations, size, materials, color and fabric). The lanais shall not be extended and/or enclosed and used as an extension of the interior living area of the unit. The lanais shall not be used for storage of any type, including, without limitation, boxes, tools, exercise and sports equipment, bicycles, toys, beach equipment, cleaning utensils and supplies or other household items. The lanais shall be

Lysa Tracy

From: Villas at Kehalani Board of Directors <[REDACTED]>
Sent: Friday, September 3, 2021 1:41 PM
To: Lysa Tracy
Subject: Termite Inspections - PLEASE READ

Aloha Villas at Kehalani Owners -

It is time for annual termite inspections. The Villas at Kehalani Board of Directors considers the safety of our owners and our property their top priority. The Board finds itself in a position of balancing the risk to Villas homes by delaying the annual termite inspection with owners' concerns for personal safety due to COVID. In recognition of those concerns, the Board is asking all owners to voluntarily allow Mid-PAC to complete a termite inspection during 4th Quarter 2021 (date to be determined). **Please click the link below to opt in or out of this annual inspection.**

[Termite Survey](#)

Quam Properties Hawaii
On behalf of the Board of Directors of the Villas at Kehalani HOA

**CONTACT OUR OFFICE IF YOU
WANT TO PARTICIPATE.**

Quam Properties

Lysa Tracy

CMCA AMS

Lysa@QuamProperties.com

Quam Properties Hawaii, Inc.
5095 Napiliha Street Suite 202
Lahaina Maui Hawaii 96761

Cell 808 666-1464
Office 808 665-1315
QuamProperties.com

Lysa Tracy

From: Villas at Kehalani AOOU
Sent: Tuesday, February 7, 2023 6:26 AM
To: Lysa Tracy
Subject: Villas at Kehalani - Termite Inspections
Attachments: House Rules adopted 2.10.22.pdf; Fine Policy - The Villas at Kehalani Jan 2019.pdf

Aloha VAK Owners - it is that time of year again! The AOOU will be conducting **mandatory** Termite Inspections on the dates/times noted below.

As a reminder, you **must allow** access to your unit on the date specified or fines will be assessed to your account per the AOOU House Rules.

If you cannot be available on the date noted, you will need to arrange to have someone onsite to allow entry. Please note that Quam Properties is NOT accompanying the inspectors this year, and will not be available to facilitate access - owners will need to arrange individually.

At this time, we do not have a "make up day" on the schedule, so it is necessary for you to plan in advance to allow access on the date noted for your building. If you cannot be present, or arrange for a neighbor/agent to allow access, please contact Site Manager Sean Housman to see if he can assist at 808/269-7159.

SCHEDULE:

- 02/28: Starting with building 1 at 9:00am, and proceeding to building 6
- 03/01: Starting with building 7 at 9:00am, and proceeding to building 12
- 03/02: Starting with building 13 at 9:00am, and proceeding to building 18
- 03/03: Starting with building 19 at 9:00am, and proceeding to building 24
- 03/27: Starting with building 25 at **1:00pm**, and proceeding to building 30

*Never
came
wanted*

If the inspection doesn't take place as scheduled, you will be required to secure your own inspection - at your own cost - and provide a copy of that inspection report to Quam Properties.

Thank you for your cooperation with this important annual inspection.

Quam Properties Hawaii
as Managing Agent for Villas at Kehalani AOOU

House Rule 10:

TERMITE INSPECTIONS*. Termites are a major concern for Hawai`i residents. The pests can cause severe structural damage in a short period of time. Termites primarily feed on wood. However,



Quam Properties Hawaii, Inc.
5095 Napilihau St. Suite 202
Lahaina, Hawaii 96761
Ph 808 665-1315 Fax 808 665-1319

6/9/2023


Christine Morrison
 [REDACTED]
 [REDACTED]

Aloha Ms. Morrison,

Thank you for your letter, and the opportunity to respond to your inquiry. Please see my responses below.

- 1) Assessment fee increase – no findings to submit.
- 2) Termite inspection for building #11 was done on 3/1/23. I do not know why your unit was not included in the inspection report.
- 3) Landscape contract – attached.

Mahalo


 Clifton Handy
 Community Associations Manager
 [REDACTED]



HONOLULU HI 967

16 JUN 2023 PM 5 L



CHRISTINE MORRISON
 [REDACTED]
 [REDACTED]

Association of Apartment Owners of The Villas at Kehalani
Managing Agent Service Agreement - Attachment 2 (FULL SERVICE)

Quam

| Managing Agent Contract Services | Included in Quotation | Not Included | Additional Cost |
|--|-----------------------|--------------|-----------------|
| Administrative | | | |
| 1. Recruit, hire, train, and supervise the on-site manager. | x | | |
| 2. Assist on-site manager in recruiting, hiring, training and supervising maintenance personnel. | x | | |
| 3. Arrange insurance coverage for: common elements, and general and board liability. | x | | |
| 4. Assist insurance carrier in monitoring HO6 insurance compliance of owners. | | x | N/A |
| 5. Comply with and advise board of all substantial changes to state and federal regulations related to condominium operations. | x | | |
| 6. Prepare personnel policies and manuals. | x | | |
| 7. Communicate with owners. | x | | |
| 8. For each quarterly or special board of directors meeting, or annual owners meeting: prepare and/or mail notices, agenda, proxy and any other relevant information to the director or owner, and file a certificate of mailing with the board. | x | | |
| 9. Attend annual (up to 4 hours) and special owners meeting (up to 2 hours) and board of directors meeting (up to 3 hours). (see note below ¹) | x ¹ | | |
| 10. Organize annual homeowners meeting and provide voting materials and do final tallies. | x | | |
| 11. Provide professional secretarial services for taking minutes at the annual meeting. | | x | N/A |
| 12. Prepare and remit all documents to Owners/Directors as required by Governing Documents. | x | | |
| 13. Maintain all Master records and files; correspondence, financial records, ownership files for each unit, and association governing documents. | x | | |
| 14. Maintain and record ownership changes. | x | | |
| 15. Maintain a current list of owners including names, addresses, phone numbers and email addresses. | x | | |
| 16. Maintain an Emergency Number for owners | x | | |
| 17. Provide and maintain association website. | x | | |

¹during business hours; additional charge applies for after-hours/weekends.

Initials: *JO* *RD*

**Association of Apartment Owners of The Villas at Kehalani
Managing Agent Service Agreement - Attachment 2 (FULL SERVICE)**

| Managing Agent Contract Services | Included in Quotation | Not Included | Additional Cost |
|--|-----------------------|--------------|-----------------|
| Filings and Reports | | | |
| Prepare for execution and filing by the association: | | | |
| 18. All forms, reports, and returns required by Federal and State law e.g. unemployment insurance, disability benefits, Social Security, and other similar taxes. (excluding income tax returns) | x | | |
| 19. Mortgage lender letters required by mortgage firms. | | x | Owner |
| 20. Other information, upon request, associated with the sale, leasing, or financing of units. | | x | Owner |
| Maintenance | | | |
| 21. Negotiate, prepare and retain contracts for services, including utilities, trash removal, fire equipment, pest control, building equipment, landscaping, and other condominium services. | x | | |
| 22. Inventory all capital assets of the association and recommend the purchase of same. | x | | |
| 23. Conduct weekly on-site inspections and provide monthly report of findings to the board. | x | | |
| 24. Solicit bids for major maintenance and capital items. | x | | |
| 25. Coordinate and expend emergency funds for repairs that are immediately necessary to ensure the preservation and safety of the premises, to avoid suspension of essential services, or to avoid danger to life or property. | x | | |
| Data Security and Maintenance | | | |
| 26. Provide adequate antivirus and hacking security and data backup (local and online) | x | | |
| Legal | | | |
| 27. Coordinate standard legal matters. (see note below ²) | x ² | | |

²Standard matters include collection referrals, foreclosures and communication with counsel regarding Association Governance. Lawsuits filed outside of these matters may incur additional charges (see item 25 of Agreement Attachment 1).

Initials: JA RA

**Association of Apartment Owners of The Villas at Kehalani
Managing Agent Service Agreement - Attachment 2 (FULL SERVICE)**

| Managing Agent Contract Services | Included in Quotation | Not Included | Additional Cost |
|--|-----------------------|--------------|-----------------|
| Filings and Reports | | | |
| Prepare for execution and filing by the association: | | | |
| 18. All forms, reports, and returns required by Federal and State law e.g. unemployment insurance, disability benefits, Social Security, and other similar taxes. (excluding income tax returns) | x | | |
| 19. Mortgage lender letters required by mortgage firms. | | x | Owner |
| 20. Other information, upon request, associated with the sale, leasing, or financing of units. | | x | Owner |
| Maintenance | | | |
| 21. Negotiate, prepare and retain contracts for services, including utilities, trash removal, fire equipment, pest control, building equipment, landscaping, and other condominium services. | x | | |
| 22. Inventory all capital assets of the association and recommend the purchase of same. | x | | |
| 23. Conduct weekly on-site inspections and provide monthly report of findings to the board. | x | | |
| 24. Solicit bids for major maintenance and capital items. | x | | |
| 25. Coordinate and expend emergency funds for repairs that are immediately necessary to ensure the preservation and safety of the premises, to avoid suspension of essential services, or to avoid danger to life or property. | x | | |
| Data Security and Maintenance | | | |
| 26. Provide adequate antivirus and hacking security and data backup (local and online) | x | | |
| Legal | | | |
| 27. Coordinate standard legal matters. (see note below ²) | x ² | | |

²Standard matters include collection referrals, foreclosures and communication with counsel regarding Association Governance. Lawsuits filed outside of these matters may incur additional charges (see item 25 of Agreement Attachment 1).

Initials: JA RA

From: cm <baye_01@yahoo.com>
Sent: Friday, July 14, 2023 11:55 AM
To: Clifton Handy
Subject: RE: Community Associations Manager

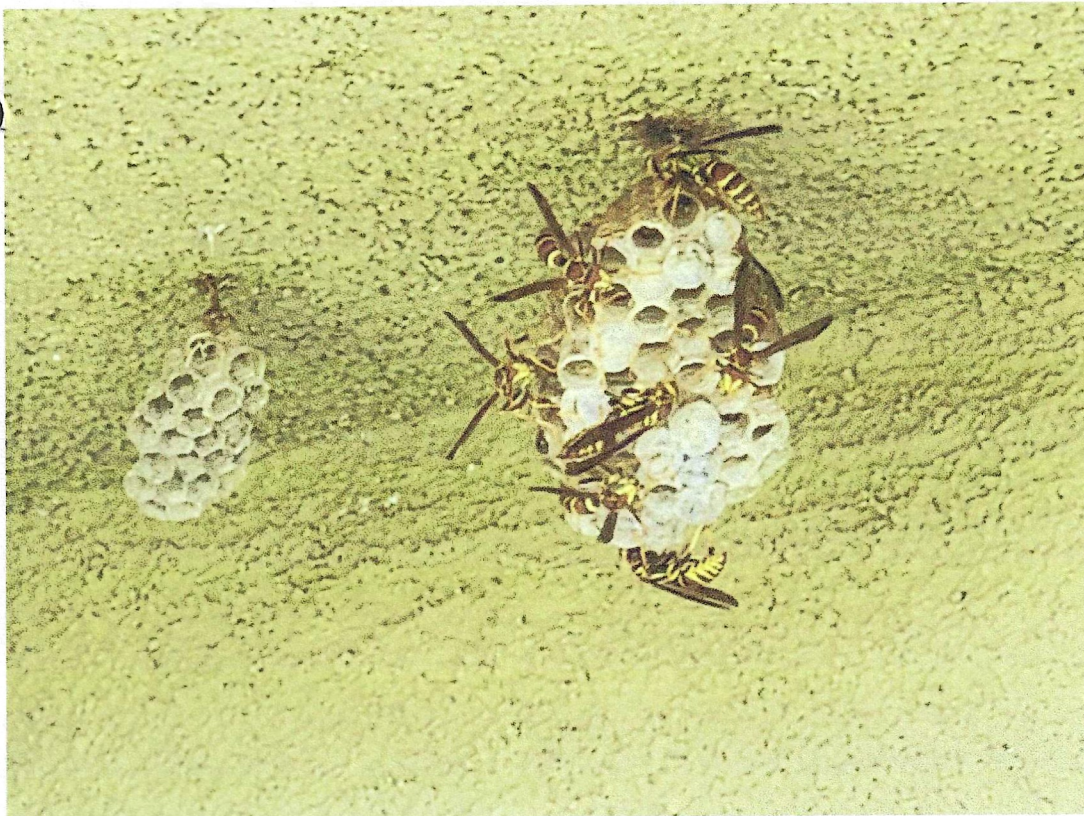
RE: Maintenance/Gate Access Entry/Wasp nests

Dear Mr. Handy,

1. Since 2014 gate access entry: people are tailing gating me thru the gate and/or waiting at the entrance entering. I told this to President Horne the week of June 26, 2023.
2. I was stung by wasps yesterday on my balcony. There are multiple wasp nests under my balcony and on the upper outer edge balcony.
3. My front door porch light does not turn on.

Thank you,
Ms. Morrison

Lower balcony



Kyle-Lee N. Ladao

From: Lila Mower <[REDACTED]>
Sent: Friday, December 8, 2023 5:25 PM
To: Kyle-Lee N. Ladao
Subject: [EXTERNAL] Fwd: Ms. Morrison's Testimony for 11/30
Attachments: Quam Management Morrison.pdf

CAUTION: This email originated from outside of Hawaii State Gov't / DCCA. Do not click links or open attachments unless you recognize the sender and are expecting the link or attachment.

Aloha Kyle,

Please distribute Ms. Morrison's statement and attachment to the Task Force. I think she sent her message (below) to me to deliver to you because the email she sent directly to you in November had "bounced." Mahalo!

Aloha,

Lila 🌸

"Truth will ultimately prevail where there [are] pains to bring it to light." ~ George Washington

WE ARE NOT ATTORNEYS AND ANY INFORMATION PROVIDED HEREIN SHOULD NOT BE CONSIDERED LEGAL ADVICE AND CAN NOT BE USED AS SUCH. ANY INFORMATION OR OPINION PROVIDED IS BASED SOLELY ON RESEARCH OR EXPERIENCE IN DEALING WITH CONDOMINIUM ASSOCIATION ISSUES.

----- Forwarded message -----

From: <[REDACTED]>
Date: Fri, Dec 8, 2023 at 3:26 PM
Subject: RE: Ms. Morrison's Testimony for 11/30
To: Lila Mower <[REDACTED]>

RE: Additional Testimony Submitted for The Condominium Property Regime Task Force Meeting (11/30/2022)

RICO Case No. REC 2021-255-L (Quam Properties Hawaii, Inc)

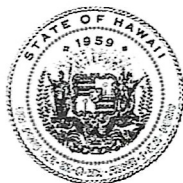
Attachment

Dear Condominium Property Regime Task Force,

1. This is additional testimony that in 2021, a DCCA complaint against Quam Properties Hawaii, Inc., was filed for Association documents and unit repair (still not done). June 30, 2022, the Regulated Industries Complaint Office issued "Our office and the Respondent entered into a Pre-Petition Settlement Agreement that included an administrative settlement payment of \$1,500.

Respectfully submitted,

Ms. Morrison



DAVID Y. IGE
GOVERNOR

JOSH GREEN
LIEUTENANT GOVERNOR

CATHERINE P. AWAKUNI COLÓN
DIRECTOR
DEPARTMENT OF COMMERCE AND
CONSUMER AFFAIRS

ESTHER BROWN
COMPLAINTS AND
ENFORCEMENT OFFICER

STATE OF HAWAII
REGULATED INDUSTRIES COMPLAINTS OFFICE
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
LEIOPAPA A KAMEHAMEHA BUILDING
235 SOUTH BERETANIA STREET, NINTH FLOOR
HONOLULU, HAWAII 96813
TELEPHONE: (808) 586-2660
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cca.hawaii.gov/rico

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HILO, HAWAII 96720

KONA OFFICE
HUALALAI CENTER
75-170 HUALALAI ROAD, SUITE C-309
KAILUA-KONA, HAWAII 96740

DCCA MAUI OFFICES
2145 WELLS STREET, SUITE 106
P.O. BOX 1049
WAILUKU, HAWAII 96793

KAUAI OFFICE
3060 EIWA STREET, SUITE 204
LIHUE, HAWAII 96766

June 30, 2022

Christine Morrison

Wailuku, Hawaii 96793


RE: RICO Case No. REC 2021-255-L (Quam Properties Hawaii, Inc.)

Dear Ms. Morrison:

Please be advised that the above-referenced matter has been resolved. Our office and the Respondent entered into a Pre-Petition Settlement Agreements that included an administrative settlement payment of \$1,500.00. This matter is now fully resolved, and we will be closing the file herein.

If you have any questions regarding this matter, please do not hesitate to contact me. Thank you for your cooperation in this regard.

Regards,


ERIC A. IRWIN
Staff Attorney

EAI:jl

Kyle-Lee N. Ladao

From: Sheldon Lee <[REDACTED]>
Sent: Tuesday, December 12, 2023 10:22 PM
To: Kyle-Lee N. Ladao
Subject: [EXTERNAL] My testimony for the Condominium Task Force Meeting, December 14, 2023
Attachments: Task force testimony.pdf

CAUTION: This email originated from outside of Hawaii State Gov't / DCCA. Do not click links or open attachments unless you recognize the sender and are expecting the link or attachment.

Please see my testimony, attached. Thank you.

Sincerely,
Sheldon SY Lee
HawaiiUSA Federal Credit Union Plaza

Tel [REDACTED] Cell [REDACTED] Fax [REDACTED]

TO: kladao@dcca.hawaii.gov

FROM: Sheldon S Y Lee

Re: My testimony for the Condominium Task Force Meeting, December 14, 2023

Members of the board and the property manager at a condominium building paid a contractor \$2.6 million.

The contractor gave back some of the money to the board and property manager, in exchange for being given the job.

The expenditure was never authorized by the unit owners, as required by the bylaws.

The board had already spent about \$800,000 on “repairs and renovations.”

A bank was more than willing to extend a loan of \$3.3 million.

The board went ahead and spent the other \$700,000, without a vote by the owners.

As a result, the owners’ monthly fees tripled, indefinitely.

The interest rate on the loan would increase after 15 years.

The association—and its attorneys--foreclosed on owners who could not pay the higher fees.

Two of the owners were a retired couple who had to move to the mainland.

A third of the owners sold their units, mostly at reduced prices.

The building became gentrified.

The trouble began when an engineer moved into the penthouse and became the treasurer.

Recently, the existing property manager had retired.

Existing board members did not like the engineer and resigned. The president was replaced through proxy voting.

The large contract was put out to bid, but awarded to the contractor that the treasurer preferred.

The treasurer had worked with that contractor before.

The treasurer was constantly in contact with the contractor, architects and another engineer, on his own.

The expenditure of \$2.6 million was more than three times the amount on the permit.

The board president had complained about having to pay his son’s tuition.

Suddenly, he retired and bought a large, expensive car.

The treasurer had owned a luxury vehicle that often did not run.

The treasurer bought a new luxury vehicle.

Obtaining the records of an association or “looking at the books” is not a panacea.

Anyone with any sense would not show kickbacks on the books of a condo association.

Owners do not have the authority to see the private financial records of board members, property managers or contractors.

Kickbacks, large and small (a hundred dollars here and there, Zippy's gift cards, etc.) may be a way of life in Hawaii, but should not be.

I have personally known contractors who gave kickbacks, because "otherwise, [they] wouldn't get the work. Somebody else would get it."

By the way, the property manager admitted to me that some of the damage at the building was due to negligence on the part of his company.

There is a lot more that I could say.

Simply "educating" board members and property managers will not prevent them from stealing, if that is what they intend to do and if they can get away with it.

Condo owners should be educated about the steps they can take if they suspect corruption at their building.

What is happening at condominiums in Hawaii is dirty and our public representatives should do something about it.

Whether through an ombudsman or other means, condo owners need to be better protected against corruption.