

MOTOR VEHICLE INDUSTRY LICENSING BOARD
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii

MINUTES OF MEETING

The agenda for this meeting was filed with the Office of the Lieutenant Governor, as required by §92-7(b), Hawaii Revised Statutes (HRS).

Date: Tuesday, October 28, 2014
Time: 9:00 a.m.
Place: Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, 1st Floor
Honolulu, Hawaii 96813

Present: Werner Umbhau, Public Member, Chairperson
Wayne De Luz, Industry Member
Carl D. Johnsen, Public Member
Donald Touchi, Public Member
Christine Rutkowski, Executive Officer
Rodney J. Tam, Deputy Attorney General
Alice Worthy, Secretary

Excused: Stan Masamitsu, Industry Member, Vice-Chairperson
Dennis Short, Industry Member

Absent: Wendee Wilson, Public Member

Guests: Corianne Lau, Alston Hunt Floyd & Ing
Dave Rolf, HADA
R. Erik & Denise Soderholm, Soderholm Sales & Leasing
Jeffrey P. Miller, Bushnell & Miller

Call to Order: Chairperson Umbhau called the meeting to order at 9:16 a.m., at which time quorum was established.

Additions/Revisions to Agenda: None.

Approval of Minutes of Previous Meetings: It was moved by Mr. Touchi, seconded by Mr. Johnsen, and unanimously carried to approve the meeting minutes of April 22, 2014, June 24, 2014 and August 26, 2014, as circulated.

Chair's Report: None.

Executive Officer's Report: The Executive Officer reported on the following:

(a) Messrs. Short and Masamitsu are excused from today's meeting due to other commitments.

- (b) RICO is working on a list of licensees for an advisory committee to assist RICO staff with complaints. Currently, there is no advisory committee. RICO is reaching out to the Board for recommendations. After a brief discussion, the Board, by consensus, agreed that RICO should contact HADA and HIADA directly for possible names of individuals to sit on the advisory committee.
- (c) Effective October 30, 2014, and starting with the December 2014 renewals, there will be an increase of about 23% in PVL's initial and renewal license fees for all boards/commissions, and RICO's compliance resolution fund (CRF). The last time there was an increase in fees was about 30 years ago.
- (d) The Executive Officer reminded members of the November 14th deadline to let her know if they will be attending the December 5, 2014 Board and Commission Member Orientation. If she does not hear from any member by November 14th, she will assume that no one will be attending.

Licensing:

Ratifications

Motor Vehicle Salespersons Transfers
Motor Vehicle Salespersons License
Motor Vehicle Dealer Relocation License
Motor Vehicle Dealers License
Motor Vehicle Distributor License
Motor Vehicle Manufacturer License
Motor Vehicle Auction
Motor Vehicle Consumer Consultant

Upon a motion by Mr. Johnsen, seconded by Mr. Touchi, it was unanimously carried to ratify the above lists for the licenses sought (as attached).

At 9:24 a.m., it was moved by Mr. Touchi, seconded by Mr. Johnsen, and unanimously carried to enter into Executive Session to consider and evaluate personal information relating to the individual applying for licensure in accordance with Chapter 92-5(a) (1), and to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities in accordance with Chapter 92-5(a) (4), Hawaii Revised Statutes.

EXECUTIVE SESSION

At 9:59 a.m., it was moved by Mr. Johnsen, seconded by Mr. Touchi, and unanimously carried to return to the Board's regular order of business.

Applications

Motor Vehicle Salesperson – Temporary Licenses

ACOSTA, Allan
ALI, Ajmat
AUERBACH, Justin M.
CABADO, Andres
CANESO, Ericson C.
COX, Michael M.
CRON, John J.
HUDSON, James A.
JAHN, Eric D.
JOHNSON, Sr., Rutus L.
KARIM, Cherki
MAROULES, Edward S.
MOORES, Andre J.
MURAKAMI, Derrick H.
PONZANI, Christiana
PURYEAR, Stephen C.
ROCHA, David
WHITMORE, Griselda E.

The Executive Officer explained that the above applications for temporary licenses for the individuals listed are a carryover from the June 24, 2014 meeting. The Executive Officer further explained that the temporary licenses were issued in error; that applicants failed to complete certain portions of the applications, make payment or sign the application forms. As a result of the Board's June 24, 2014 discussion, the Executive Officer was directed to write a letter to each of the applicants, with a copy to the motor vehicle dealer, instructing the applicants to provide the information needed in order to complete their applications within fourteen days or their temporary licenses would be terminated on the fourteenth day.

The Executive Officer reported that letters were sent to each of the applicants with a copy to the motor vehicle dealers. The deadline to respond was July 10, 2014. No responses were received from the applicants or dealers; therefore, in accordance with the Board's June 24, 2014 discussion, the temporary licenses should be terminated effective on July 10, 2014.

After discussion, it was moved by Mr. Touchi, seconded by Mr. Johnsen, and unanimously carried to terminate the above temporary licenses effective on July 10, 2014, on the basis of §437-7(b), HRS.

Motor Vehicle Salesperson

Manuel Ancheta

After discussion, it was moved by Mr. Touchi, seconded by Mr. Johnsen, and unanimously carried to defer decision-making on this application, to request applicant to appear at the next meeting, and request a letter from applicant's dealer principal.

Robert Barber

After discussion, it was moved by Mr. Touchi, seconded by Mr. Johnsen, and unanimously carried to approve the application for a salesperson's license for Mr. Barber.

Aaron C. Chan

After discussion, it was moved by Mr. Touchi, seconded by Mr. Johnsen, and unanimously carried to approve the application for a salesperson's license for Mr. Chan.

Lynne P. Matias

After discussion, it was moved by Mr. Touchi, seconded by Mr. Johnsen, and unanimously carried to defer decision-making on this application and to request a letter from applicant's dealer principal.

New Business:

- (a) September 11, 2014 Request from Jeffrey P. Miller, Esq. for Clarification Regarding Which Authority a Motor Vehicle Manufacturer is Issued a Statewide License
- (b) October 10, 2014 Request from Corianne Lau, Esq. and Michelle N. Comeau, Esq., for the Board to Consider Adding Language to the Motor Vehicle Manufacturer's Licenses that State "Valid in all Counties"
- (c) October 20, 2014 and August 19, 2014 Request from Corianne Lau, Esq. and Michelle N. Comeau, Esq., on Behalf of Champion Bus, Inc. for an Informal Interpretation Regarding the Licensing of Motor Vehicle Manufacturers on a Statewide Basis or County-by-County Basis

Jeffrey Miller, attorney for Soderholm Sales & Leasing, appeared before the Board and gave a brief summary of Soderholm's lawsuit against Champion Bus, Inc. ("Champion"). Mr. Miller stated that the lawsuit was filed because Champion, which is licensed on Kauai, was selling buses in Honolulu.

An issue arose in the case regarding whether Champion's manufacturer license is statewide because HRS sections 437-2 and 437-7 state that "a motor vehicle dealer, salesperson, auction, manufacturer, or distributor" must obtain a license "to engage in the business or activities permitted by the license, only in the county for which the license is issued".

Mr. Miller requested for the Board to clarify whether a manufacturer can obtain a statewide license, and if so, the authority for it and how manufacturers can obtain a statewide license. He further cited §16-86-6, HAR.

At 10:24 a.m., it was moved by Mr. Touchi, seconded by Mr. Johnsen, and unanimously carried to enter into Executive Session to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities in accordance with Chapter 92-5(a) (4), Hawaii Revised Statutes.

EXECUTIVE SESSION

At 10:40 a.m., it was moved by Mr. Johnsen, seconded by Mr. Touchi, and unanimously carried to return to the Board's regular order of business.

After discussion, it was moved by Mr. Touchi, seconded by Mr. Johnsen, and unanimously carried to defer Board action on the above requests and to request the Deputy Attorney General to research the matter and report back at the next meeting.

Ms. Lau appeared before the Board to discuss the following issues:

- (b) October 10, 2014 Request from Corianne Lau, Esq. and Michelle N. Comeau, Esq., for the Board to Consider Adding Language to the Motor Vehicle Manufacturer's Licenses that State "Valid in all Counties"

In its letter dated October 10, 2014, Ms. Lau, on behalf of Champion, is requesting the Board to consider adding language to all motor vehicle manufacturer's license certificates and/or manufacturer's license pocket cards to read "valid in all counties".

Ms. Lau believes that by adding this language it will prevent confusion, and the expenditure of funds. She added that doing so would be consistent with the laws and regulations of the State.

(c) October 20, 2014 and August 19, 2014 Request from Corianne Lau, Esq. and Michelle N. Comeau, Esq., on Behalf of Champion Bus, Inc. for an Informal Interpretation Regarding the Licensing of Motor Vehicle Manufacturers on a Statewide Basis or County-by-County Basis

Ms. Lau requested the Board to issue an informal interpretation of the rules governing vehicle manufacturer licenses. She sought clarification of §437-2, HRS. She added that the Board has been issuing manufacturer/distributor licenses beyond its authority; however, the Board has the authority in accordance with §437-6, HRS, in that there is no provision within the law that prohibits the Board from licensing manufacturers/distributors on a statewide basis.

Ms. Lau explained that because Champion's license does not specify a county, plaintiff claims that the license is inadequate and it cannot do business in Hawaii.

Ms. Lau stated that a law section was misstated in her letter as HRS section 436-6 but should be 437-6.

Mr. Miller, attorney for Soderholm, asked that the Board look at its rules and suggested notifying the manufacturers to list the counties in which they want to be licensed in accordance with HAR §16-86-6(b).

Dave Rolf was asked to provide historical information about the intent of the law.

Mr. Rolf stated that HADA is looking at the ramifications of this matter regardless of the Board's decision. He stated that when HADA urged the legislature to bring back oversight of manufacturers and distributors, there was no consideration given to whether the license would be statewide or countywide.

Open Forum: Dave Rolf reported on the following:

- (1) He will be meeting with DMV on streamlining the process for new and used vehicles, titling and registrations.
- (2) He mentioned that there would be a press release regarding an action stemming from the franchise law.

Next Meeting: Tuesday, December 9, 2014
9:00 a.m.
Queen Liliuokalani Conference Room
335 Merchant Street, 1st Floor
Honolulu, HI 96813

Copies of the 2015 meeting schedule were given to members for their information.

Adjournment: There being no further business to discuss, the meeting adjourned at 10:57 a.m.

Taken and recorded by:

/s/ Alice Worthy

Alice Worthy, Secretary

Reviewed and approved by:

/s/ Christine Rutkowski

Christine Rutkowski
Executive Officer

CR:aw
11/28/14

[X] Minutes approved as is.
[] Minutes approved with changes. See Minutes of _____.

MOTOR VEHICLE INDUSTRY LICENSING BOARD

RATIFICATION LISTS Tuesday, October 28, 2014

CAR SALESPERSONS

CS	SAHARA SERVICES LLC	OAHU HAMID H <ALI<
CS	CHOICE AUTOMOTIVE LLC	OAHU ADAM F <ALCIAU<
CS	STOEBNER HOLDINGS INC	OAHU KELSEA S <BATTALICO<
CS	HAWAII AUTOMOTIVE LLC	OAHU DONALD W <BEHRENS<
CS	JIM <FALK< MOTORS OF MAUI INC	MAUI LAWRENCE D <BENVENISTE<
CS	THE CAR STORE INC	OAHU MAJID <BIABANI<
CS	ALOHA AUTO GROUP LTD	OAHU MICHAEL J <BOTELHO<
CS	JN GROUP INC	OAHU ANTHONY H <BOYD<
CS	GAC AUTO GROUP INC	OAHU DAVID J <BUSENBARK<
CS	LITHIA OF MAUI-H LLC	MAUI CHAZ K <CABERO<
CS	JN GROUP INC	OAHU ROGER L <CARIAGA<
CS	CUTTER FORD INC	OAHU ALAN J K <CARLOS<
CS	TONY HAWAII CORPORATION	OAHU FERNANDO <CARRASCÓ< JR
CS	CYCLE CITY LTD	OAHU LUKE D <CASHIO<
CS	KAMAAINA NISSAN INC	HAWAII MICHELLE R <CHAMBLESS<
CS	WINDWARD WHEELS LLC	OAHU HSUEH L <CHANG<
CS	J/R HILO ACQUISITION LLC	HAWAII KATLIN J <CHESNEY<
CS	J P AUTOMOBILES INC	OAHU ROBERT L <CLARK<
CS	JIM FALK MOTORS OF MAUI INC	MAUI PAMELA K <COLEY<
CS	TONY HAWAII AUTOMOTIVE GROUP LTD	OAHU WENDY M <COWLAND<
CS	CYCLE CITY LTD	MAUI ADNREW D <DAVIS<
CS	CUTTER BUICK GMC INC	OAHU HUI C <DUHAYLONSOD<
CS	CUTTER FORD INC	OAHU JONAH J <DYSARZ<
CS	CUTTER CJD INC	OAHU CELINA S <EKLUND<
CS	ALOHA AUTO GROUP LTD	OAHU LAILANI D <ELLIS<
CS	CYCLE CITY LTD	OAHU MARK D <ELY<
CS	M 75 INC	MAUI SEAN R K <FARIAS<
CS	ALOHA AUTO GROUP LTD	OAHU NEVILLE F <FLINTOFT<
CS	ALOHA AUTO GROUP LTD	OAHU EHREN M <FUKUMOTO<
CS	<u>HULA MOTORS LLC</u>	OAHU CHARIS <FUKUNAGA<
CS	ALOHA AUTO GROUP LTD	KAUAI JOSEPH R <GANDOLFO<
CS	OHANA AUTOMOTIVE GROUP INC	MAUI GRAYDON F <GESKE< JR
CS	VALLEY ISLE MOTORS LTD	MAUI ALAN C <GROSECLOSE<
CS	A-1 AUTO SALES LLC	OAHU BENJAMIN J <GUERRERO< III
CS	ELITE CAR STEREO & SECURITY INC	OAHU AMJAD Y <HASAN<
CS	ELITE CAR STEREO & SECURITY INC	OAHU MOHAMMAD Y <HASAN<
CS	HONOLULU FORD INC	OAHU ERIK Y <HASHIMOTO<
CS	BIG ISLAND MOTORS INC	HAWAII JUSTIN C <HATCH<
CS	J P AUTOMOBILES INC	OAHU CHRISTOPHER T <HEATON<
CS	PACIFIC NISSAN INC	OAHU ANGELA <HENRY<
CS	ALOHA AUTO GROUP LTD	KAUAI WILLIAM L <HILL<
CS	ALOHA AUTO GROUP LTD	HAWAII PHILIP Z <HODGES<
CS	WINDWARD WHEELS LLC	OAHU JOHN T <HOLMES<
CS	JN GROUP INC	OAHU ALBERT F <HURGO< JR
CS	TONY HAWAII AUTOMOTIVE GROUP LTD	OAHU CURTIS C <IAUKEA<
CS	GILL ISLAND MOTORS INC	OAHU BRANDON N <INGRAM<
CS	J/R HILO ACQUISITION LLC	HAWAII DEAN M <ITAGAKI<
CS	SERVCO PACIFIC INC	OAHU MARIO A <JACKS<
CS	JN GROUP INC	OAHU SELLERS T <JENKINS<
CS	PACIFIC NISSAN INC	OAHU ADAM W <JERNIGAN<
CS	ALOHA AUTO GROUP LTD	OAHU JERMAINE L <KAULIA<
CS	LITHIA OF HONOLULU-BGMCC LLC	OAHU PATRICK L <KEE<
CS	GILL ISLAND MOTORS INC	OAHU MIKIO F <KELLY<
CS	JIM FALK AUTOMOTIVE INC	MAUI AARON S <KETCHUM<
CS	BIG ISLAND TOYOTA INC	HAWAII WILLIAM J <KIMI< IV
CS	VALLEY ISLE MOTORS LTD	MAUI KENNETH R <KINGERY<
CS	WINDWARD AUTO SALES INC	OAHU JOHN <KIPAPA<

MOTOR VEHICLE INDUSTRY LICENSING BOARD

RATIFICATION LISTS Tuesday, October 28, 2014

CAR SALESPERSONS (cont'd)

CS	CYCLE CITY LTD	MAUI	WILLIAM A <KJONTVEDT< JR
CS	BIG ISLAND MOTORS INC	HAWAII	GARY R <KLINE<
CS	CYCLE CITY LTD	OAHU	ELIJAH <KNISLEY<
CS	ALOHA CAR DEALS LLC	OAHU	KENNETH <KOWNACK<
CS	TONY HAWAII CORPORATION	OAHU	RICHARD O <KWON<
CS	CYCLE CITY LTD	OAHU	JAMES M <LA PIERRE<
CS	CYCLE CITY LTD	MAUI	CHRISTOPHER J <LANDERS<
CS	CYCLE CITY LTD	OAHU	JETH A <LAWRENCE<
CS	CUTTER CHRYSLER JEEP DODGE INC	OAHU	MICHAEL W <LAWRENCE<
CS	SERVCO PACIFIC INC	KAUAI	MARILYN G <LUIS<
CS	C/O CUTTER CHRYSLER JEEP DODGE INC	OAHU	TRENTON D <MANSON<
CS	MAX MOTORS LLC	OAHU	PETER A <MATTHEWS<
CS	CUTTER BUICK GMC INC	OAHU	SUR D K <MCGURN<
CS	HAWAII NISSAN INC	OAHU	BRIAN E <MCKIBBEN<
CS	MIRIKITANI MOTORS LLC	OAHU	JOANNA B <MIRIKITANI<
CS	ALOHA AUTO GROUP LTD	OAHU	JANAH-LYN K <MOHETAU<
CS	ANTOINE NGUYEN AND COMPANY LLC	OAHU	ANDY N <MOORE<
CS	VALLEY ISLE MOTORS LTD	MAUI	MARJORIE <MROZ<
CS	IK MOTORS INC	HAWAII	DEVIN K <NAKATA<
CS	CUTTER BUICK GMC INC	OAHU	DANIEL M <NICHOLSON<
CS	OHANA AUTOMOTIVE GROUP INC	MAUI	BERT C <NOBLE<
CS	AUTOSOURCE LLC	OAHU	MAUREEN <O'MALLEY<
CS	JN GROUP INC	OAHU	KYONG WON <OH<
CS	TONY HAWAII AUTOMOTIVE GROUP LTD	OAHU	RICHARD <PAK<
CS	CYCLE CITY LTD	MAUI	CHARLES J <PARKER<
CS	A-1 AUTO SALES LLC	OAHU	JUSTIN M <PETERS<
CS	HAWAII NISSAN INC	OAHU	THOMAS J <PRICE<
CS	JIM FALK MOTORS OF MAUI INC	MAUI	VICTORIANO R <PULA<
CS	TONY HAWAII AUTOMOTIVE GROUP LTD	OAHU	ANDREW K <PURDY<
CS	CUTTER BUICK GMC INC	OAHU	GINA M <RAMOS<
CS	WINDWARD AUTO SALES INC	OAHU	CLIFTON F <REED< II
CS	TONY HAWAII CORPORATION	OAHU	JARED S <REGO<
CS	GILL ISLAND MOTORS INC	OAHU	SHAWN L <RICHEY<
CS	KING INFINITI OF HONOLULU LLC	OAHU	STEVEN B <RUIZ<
CS	GARDEN ISLAND AUTO SALES LLC	KAUAI	JAKOB E <RUSSELL<
CS	HAWAII NISSAN INC	OAHU	GUOKAI <SHEN<
CS	ANTOINE NGUYEN AND COMPANY LLC	OAHU	EUGENE M <SIMEONA< JR
CS	KUHIO MOTORS INC	KAUAI	ERIC J <SKROCH<
CS	ALOHA AUTO GROUP LTD	OAHU	JARID J <SPARKS<
CS	WINDWARD AUTO SALES INC	OAHU	NAHAKU <SPENCER<
CS	OHANA AUTOMOTIVE GROUP INC	MAUI	DAVID E <STEFFEN<
CS	PARADISE OHANA INVESTMENTS INC	HAWAII	RUSSELL T <STEIGER<
CS	TONY HAWAII AUTOMOTIVE GROUP LTD	OAHU	ROBERT W <SZABO<
CS	COUNTRYSIDE CARS LLC	OAHU	JAMES A <TADEO<
CS	SERVCO PACIFIC INC	KAUAI	MYRA M <TAKEKUMA<
CS	CUTTER BUICK GMC INC	OAHU	BRYAN T <TAMON<
CS	CUTTER BUICK GMC INC	OAHU	GENEVIEVE <TANO<
CS	BIG ISLAND MOTORS INC	HAWAII	CURTIS J <TAYLOR<
CS	AUTO MART USA LLC	OAHU	ISAAC K <TEHERO<
CS	VOYAGER CORPORATION	OAHU	ALEXANDER P <TIRGARDON<
CS	AUTOSOURCE LLC	OAHU	DENNIS J <TOLOSA<
CS	CUTTER CHRYSLER JEEP DODGE INC	OAHU	CHARLES W <TRASK< IV
CS	TRADEWIND AUTO SALES LLC	KAUAI	THOMAS <VALLATINI<
CS	HONOLULU FORD INC	OAHU	JORDAN J <WEINKAUF<
CS	BIG ISLAND MOTORS INC	HAWAII	JEFFREY L <WINSTON<
CS	KING WINDWARD NISSAN LLC	OAHU	GILBERTO <WOLMERS FERNANDEZ<
CS	ALOHA AUTO GROUP LTD	OAHU	SARA <YAN<
CS	TONY HAWAII CORPORATION	OAHU	MYUNG HOO <YOON<
CS	JN GROUP INC	OAHU	ANGIE Y <ZHANG<

MOTOR VEHICLE INDUSTRY LICENSING BOARD

RATIFICATION LISTS Tuesday, October 28, 2014

DEALERS

MVD	1010	HI	96701	FIRST NATIONAL AUTO GROUP INC
MVD	1011	HI	96782	ELITE CAR STEREO & SECURITY INC
MVD	1012	HI	96797	JA & SA INC

CHANGE FROM USED DEALER TO NEW DEALER

MVD-1006 Ohana Automotive Group Inc.

BRANCH

MVB-251-2 Kuhio Motors Inc.
4-1155 4-1161 4-1167 Kuhio Hwy.
Kapaa, HI 96746

RELOCATION

MVD-946 Auto Mart USA LLC
2804 Kilihau Street
Honolulu, HI 96819

MVD-965 KIC Motors LLC
1130 Kapahulu Avenue
Honolulu, HI 96825

CONSUMER CONSULTANT

CCV-35 Brad J. Thiessen

DISTRIBUTOR

DIS-119 KTM North American Inc.