

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, June 16, 2015
Time: 9:30 a.m.
Place: Waialae Country Club
Board Room
4997 Kahala Ave.
Honolulu, Hawaii 96816

Present: Werner Umbhau, Public Member, Chairperson
Stanley Masamitsu, Industry Member, Vice-Chairperson
Carl D. Johnsen, Public Member
Dennis Short, Industry Member
Donald Touchi, Public Member

Christine Rutkowski, Executive Officer
Rodney J. Tam, Deputy Attorney General

Excused: Wayne De Luz, Industry Member

Absent: Wendee Wilson, Public Member

Guests: Dave Rolf, HADA
Linné F. Holmberg
Corianne Lau, Elkhart Custom Designs, L.L.C.

Call to Order: Chairperson Umbhau called the meeting to order at 9:37 a.m. at which time quorum was established.

Additions/Revisions
to Agenda: None.

Approval of Minutes
of April 21, 2015
Meeting: It was moved by Mr. Touchi, seconded by Mr. Johnsen, and unanimously carried to approve the minutes of the April 21, 2015 meeting as circulated.

Chairperson Umbhau announced that the agenda would be taken out of order.

Open Forum: Chairperson Umbhau recognized Mr. Dave Rolf of HADA and offered Mr. Rolf the opportunity to address the Board.

Mr. Rolf stated that, on behalf of the HADA, he wanted to thank

Mr. Umbhau, Mr. Touchi, and Mr. Masamitsu for their service to the public and their contributions to the motor vehicle industry.

New Business: (a) Inquiry from Elkhart Custom Designs, L.L.C. Regarding What Documentation a "Final Stage" Manufacturer is Required to Submit for a Hawaii Motor Vehicle Manufacturer's License?

Corianne W. Lau, Esq., stated that she represents Elkhart Custom Designs, L.L.C. ("Elkhart"). She stated that Elkhart intends to submit an application for a motor vehicle manufacturer's license and seeks guidance on documents regarding the underlying manufacturers of its buses.

Elkhart is a "Final Stage" manufacturer of small and mid-size shuttle buses, as defined by the federal regulations (49 C.F.R. section 567.3). Elkhart fabricates bus bodies which it builds on a mass produced "Incomplete Chassis" designed for that purpose. Elkhart builds on Ford E-350, E-450, and F-550 Chassis, as well as the Freightliner M2 Business Class Chassis.

49 C.F.R. section 567.5 requires the "Final Stage" manufacturer to certify that the completed vehicle conforms to all applicable Federal Motor Vehicle Safety Standards, as well as applicable federal, state, and California emission/noise standards. Certification requires affixing a "Final Stage Manufacturer" label to the door jamb of each completed vehicle.

After the vehicle is constructed, it is shipped to the dealer along with two manufacturers' statements of origin ("MSO"); one for the chassis (Ford or Freightliner, in this case) and another for the bus body (Elkhart).

Ms. Lau further stated that Elkhart participates in the Transit Bus Qualified Vehicle Modifier Program of Ford, meaning that Ford has inspected the construction of the buses to ensure that the buses as-built complies with all of Ford's requirements.

Mr. Masamitsu asked for more information about 49 C.F.R. section 567.5. Deputy AG Tam read the provision out loud.

At 10:38 a.m., it was moved by Mr. Short, seconded by Mr. Masamitsu, 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.

On a motion by Mr. Short, seconded by Mr. Touchi, it was voted on and unanimously carried to return to the Board's regular order of business at 10:50 a.m.

Board members discussed that on the basis of the documents presented, the warranty for the Ford and Freightliner cab and chassis are preserved. Further, that Elkhart would warranty the body.

It was moved by Mr. Short, seconded by Mr. Masamitsu, and unanimously carried that the Board accept documents pursuant to HRS section 437-7 with regard to motor vehicle manufacturers. In addition, the Board will review the administrative rules regarding incomplete chassis.

Chairperson Umbhau announced that the Board would return to the order of the agenda.

Chair's Report: Chairperson Umbhau thanked his fellow members for their service and added that he has enjoyed his tenure. He thanked the Executive Officer and secretary for their hard work and contributions to the motor vehicle industry.

Executive Officer's Report: The Executive Officer stated that the agenda should have reflected that Mr. Umbhau, Mr. Touchi and Mr. Masamitsu, all of whom have served two full terms are celebrating their final meeting. While presenting each member a Certificate of Appreciation from DCCA, the Executive Officer thanked each member for their service and dedication to public service.

Board members thanked Mr. Umbhau, Mr. Touchi, and Mr. Masamitsu for their service. In return, Mr. Umbhau, Mr. Touchi, and Mr. Masamitsu expressed their gratitude to staff and the other members for making their service memorable.

Chapter 91,
Hawaii Revised
Statutes: In the Matter of the Motor Vehicle Dealer's and Salesperson's Licenses of
EUROPEAN AUTO, INC. and ANGEL L. SANTIAGO, Respondents,
MVI 2011-1-L; MVI-2011-46-L; MVI-2011-64-L

Chairperson Umbhau recessed the meeting at 11:00 a.m.

Chairperson Umbhau announced that the Board would return to its regular order of business at 11:25 a.m.

Upon a motion by Mr. Touchi, seconded by Mr. Short, it was voted on and unanimously carried to accept and adopt all of the Hearings Officer's Findings of Fact, Conclusions of Law that Respondents violated the following provisions of Hawaii Revised Statutes, sections: 437-12, 437-28(3), 437-28(4), 437-28(5), 437-28(6), 437-28(7), 436B-19(2),

436B-19(7), and 436B-19(8) and to modify the Hearings Officer's recommended sanctions by:

- A. Revoking the motor vehicle dealer's license of Respondent European Auto, Inc. for at least five (5) years from the date of the Board's Final Order;
- B. Revoking the motor vehicle salesperson's license of Respondent Angel L. Santiago, provided that:
 1. The revocation is stayed and Respondent Angel L. Santiago's motor vehicle salesperson's license is suspended for one (1) year from the date of the Board's Final Order;
 2. If during the suspension period, Respondent Angel L. Santiago is found to be in violation of the laws or rules governing motor vehicle dealers or salespersons (including but not limited to any administrative recommended orders, settlement agreements, citations, etc.), the stay shall be automatically lifted, without a hearing, and Respondent Angel L. Santiago's motor vehicle salesperson's license shall be revoked for at least five (5) years from the date of the Board's Final Order; and
 3. At the end of the suspension period, if Respondent Angel L. Santiago has not violated any of the laws or rules governing motor vehicle dealers or salespersons, Respondent Angel L. Santiago shall be allowed to reapply for the reinstatement of a new motor vehicle salesperson's license.
- C. Fining the Respondents, jointly and severally, TWO THOUSAND AND NO/100 (\$2,000.00); provided that:
 1. The fine shall be paid within sixty (60) calendar days from the date of the Board's Final Order; and
 2. Payment of the fine shall be made by certified check or money order made payable to "State of Hawaii Compliance Resolution Fund", and shall be sent to the Regulated Industries Complaints Office, Department of Commerce and Consumer Affairs, 235 South Beretania Street, 9th Floor, Honolulu, HI 96813.

- D. Requiring that during the applicable period of suspension or revocation, Respondents shall not engage in the business as or serve in the capacity of, or act as, a motor vehicle dealer and/or motor vehicle salesperson. Respondents shall immediately submit all indicia of their licenses to the Executive Officer of the Board upon receipt of the Board's Final Order; and
- E. Requiring the payment of the fine to be a precondition to any relicensure or reinstatement (after reapplication) of the Respondents after the expiration of the applicable period of license suspension or license revocation.

Chairperson Umbhau called for a five minute recess.

Licensing: Ratifications

Motor Vehicle Salespersons Transfers
Motor Vehicle Salespersons License
Motor Vehicle Dealer Relocation
Motor Vehicle Dealer License

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

At 11:26 a.m., it was moved by Mr. Short, seconded by Mr. Touchi, and unanimously carried to enter into Executive Session to consider and evaluate personal information relating to the individuals applying for licensure in accordance with Chapter 92-5(a) (1), Hawaii Revised Statutes, 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 11:35 a.m., it was moved by Mr. Touchi, seconded by Mr. Short, and unanimously carried to return to the Board's regular order of business.

Applications

Troy Y. Kataoka	– Motor Vehicle Salesperson
John Kasonic	– Motor Vehicle Salesperson
Justin D. Lee	– Motor Vehicle Salesperson
Linne F. Holmberg, dba Lone Star Motosports	– Branch Relocation Motor Vehicle Dealer

Board members reviewed the applications and documents submitted.

It was moved by Mr. Touchi, seconded by Mr. Johnsen, and unanimously carried to approve the above applications for licenses/approvals sought.

Delegation to Staff: Board members discussed the criminal conviction of open container in a vehicle. Board members agreed by consensus that a conviction of open container is not rationally related to the license profession of a motor vehicle salesperson. It was also discussed that the Board has previously delegated, to the Executive Officer, the authority to approve applications for motor vehicle salesperson's license when the conviction is a DUI; no more than two (2) D.U.I. convictions within eighteen (18) months.

After discussion, it was moved by Mr. Short, seconded by Mr. Masamitsu, and unanimously carried to delegate, to the Executive Officer, the authority to approve applications for motor vehicle salesperson licenses in cases in which the applicant presents information indicating a conviction for open container in a vehicle.

Next Meeting: Tuesday, August 18, 2015
9:00 a.m.
Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, 1st Floor
Honolulu, HI 96813

Adjournment: There being no further business to discuss, the meeting adjourned at 10:27 a.m.

Taken and recorded by:

/s/ Christine Rutkowski
Christine Rutkowski
Executive Officer

CR:
7/15/15

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

MOTOR VEHICLE INDUSTRY LICENSING BOARD
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State of Hawaii

ADDENDUM TO AGENDA

June 16, 2015

RATIFICATION LISTS

SALESPERSON'S TRANSFERS

a. City and County of Honolulu

BAGUINON, DANTE I.	C & C AUTO GROUP, INC.
BALLESTEROS, RUEL	C & C AUTO GROUP, INC.
CAPRIO, THOMAS	HAWAII NISSAN INC.
CHANG, MICHAEL H.	SERVCO LEXUS HONOLULU
CHARLSTON, SEAN	TONY HAWAII AUTOMOTIVE GROUP DBA TONY HYUNDAI
ENGLAND, JARRED B.	PACIFIC NISSAN DBA TONY NISSAN
HOLLENBECK, THOMAS M.	NATIONS BUS CORP.
JORDAO, ROGERIO	TONY HAWAII AUTOMOTIVE GROUP DBA TONY HYUNDAI
KAMAKANA, JOHN P.	STOEBNER HOLDINGS INC.
KIM, DANNY C.	C & C AUTO GROUP, INC.
KIM, KEVIN	C & C AUTO GROUP, INC.
LAU, MATTHEW K.	SERVCO TOYOTA HONOLULU
MADRID, ISAAC K.	C & C AUTO GROUP, INC.
PAVAO, DEREK K.	UNIQUE MOTORS LLC
ROSE, JOSEPH K.	CUTTER CJD, INC.
SHERLOCK, MARK	TONY HAWAII AUTOMOTIVE GROUP DBA TONY HYUNDAI
THOMPSON JR., ROBERT E.	C & C AUTO GROUP, INC.
VAN DEN HURK, DERRICK F.	BEST AUTO GROUP
WOOD, STEVEN D.	TONY HAWAII CORP DBA TONY HONDA
YOKOYAMA, DEAN M.	HAWAII NISSAN INC.

b. County of Hawaii

JIMINEZ, DAVID C.	BIG ISLAND MOTORS INC. DBA HILO KONA
SPAIN, JEREMY K.	MAZDA SUBARU HYUNDAI BIG ISLAND TOYOTA

SALESPERSON'S TRANSFERS - CONTINUED

c. County of Maui

HEFFNER, RONALD L.	JIM FALK MOTORS OF MAUI INC.
KONG, JOSHUA T.K.	JIM FALK MOTORS OF MAUI INC.

d. County of Kauai

VASQUEZ, TACITA	KING AUTO CENTER INC.
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MOTOR VEHICLE SALESPERSONS LICENSE

a. City and County of Honolulu

TONY HAWAII AUTOMOTIVE GROUP LTD	JOSHUA W E <MATSUSHIGE<
ABBA CARS UNLIMITED LLC	HAI VAN <GIANG<
ALOHA AUTO GROUP LTD	JEFFREY W <SWAFFORD<
ALOHA AUTO GROUP LTD	RAELYNN A <MAPU<
CHOICE AUTOMOTIVE LLC	ERNEST G <KIMANI<
CHOICE AUTOMOTIVE LLC	KEITH D H <CHOW<
CHOICE AUTOMOTIVE LLC	STEPHEN M <SCHRAMKO<
CUTTER BUICK GMC INC	DANNY C <KIM<
CUTTER BUICK GMC INC	MURVYN D <LEWIS<
CUTTER BUICK GMC INC	SCOTT M <NELSON<
CUTTER CHRYSLER JEEP DODGE INC	KEN Y <FUNAKOSHI<
CUTTER CHRYSLER JEEP DODGE INC	MARIA <DOVERSOLA<
CUTTER CHRYSLER JEEP DODGE INC	NICHOLAS B <ESPEDOL<
CUTTER FORD INC	TROY K <WALTER<
CYCLE CITY LTD	JAMES M <LEHMAN<
GILL ISLAND MOTORS INC	RICKY J <BROWN<
HAWAII NISSAN INC	DAVID T P <NGO<
HAWAII NISSAN INC	JUSTIN C <PINEDA-JOHIRO<
HAWAII NISSAN INC	MARILOU <DOMINGO<
JN GROUP INC	ANDRE W G <ENTELES<
JN GROUP INC	CHRISTIAN K <MOON<
JN GROUP INC	CODY J <FORD<
JN GROUP INC	LUKEJON A <REALINA<
JN GROUP INC	MAILE M <YOSHIDA<
JN GROUP INC	MATTHEW T <VIESCAS<
KING INFINITI OF HONOLULU LLC	JEFFREY C <CHUN<
LAVA ENTERPRISES INC	RONALD L <THOMPSON< II
LITHIA OF HONOLULU-BGMCC LLC	DARRELL D <ASHLOCK<

MOTOR VEHICLE SALESPERSONS LICENSE - CONTINUED

a. City and County of Honolulu

LITHIA OF HONOLULU-BGMCC LLC
LITHIA OF HONOLULU-BGMCC LLC
LITHIA OF HONOLULU-BGMCC LLC
LITHIA OF HONOLULU-BGMCC LLC
LITHIA OF HONOLULU-V LLC
LITHIA OF HONOLULU-V LLC
LITHIA OF HONOLULU-V LLC
LITHIA OF HONOLULU-V LLC
PACIFIC NISSAN INC
PACIFIC NISSAN INC
PACIFIC NISSAN INC
PACIFIC NISSAN INC
SERVCO PACIFIC INC
SERVCO PACIFIC INC
SERVCO PACIFIC INC
VOYAGER CORPORATION

DARTRI D <CLAY<
ETHAN W N <BUYUAN<
JONATHAN A <PALTING<
KEVIN R <SMITH<
EDIN <BEGIC<
KLINTON L <KACATIN<
NONGLUK <TIPTON<
ARIEL D R <DELOS REYES<
MICHAEL <ANTONIO<
TRISTAN D K <BURGO<
WILLIAM <RODRIQUEZ< III
GREGORY A <PARMELE<
JOHN JOEL R <PEDRO<
PHILLIP Y C <HAN<
ROGER A <WHITE<

b. County of Hawaii

BIG ISLAND TOYOTA INC
BIG ISLAND TOYOTA INC
KAMAAINA NISSAN INC
PLAN B INVESTMENT INC

CHARLOTTE <SCHAUPP<
ZION <TIMSHEL<
SHANE F <SHITABATA<
DELVIN D <VALENTIN<

c. County of Maui

ALOHA MOTORSPORTS LLC
ISLAND AUTO BROKERS LLC
JIM FALK AUTOMOTIVE INC
JIM FALK MOTORS OF MAUI INC
JIM FALK MOTORS OF MAUI INC
JIM FALK MOTORS OF MAUI INC
OHANA AUTOMOTIVE GROUP INC
OHANA AUTOMOTIVE GROUP INC
SERVCO PACIFIC INC
SOUTH MAUI MOTORS INC
VALLEY ISLE MOTORS LTD
VALLEY ISLE MOTORS LTD

DUSTIN <WINKLE<
CHRISTIAN K <GRANDI<
CORNELIO B <CABIGAS< JR
HUGH R <PRITCHETT< JR
JASON R <MORRIS<
KASEY C <KUGE<
DENNIS M <ORR<
MARGARITA E <YADAO<
STEVEN N <MASUI<
ALAN C <IRVINE<
BRIAN H <SEIDMAN<
BRENNAN R <ADCOCK<

d. County of Kauai

OHANA MOTORS INC

RHYS H <NAKAKURA<

MOTOR VEHICLE DEALER RELOCATION

MVD-759 A-1 Auto Sales LLC

MOTOR VEHICLE DEALER LICENSE

MVD-1016 MW Enterprises LLC

MOTOR VEHICLE DISTRIBUTOR LICENSE

None.

MOTOR VEHICLE MANUFACTURER LICENSE

None.

MOTOR VEHICLE AUCTION

None.

MOTOR VEHICLE CONSUMER CONSULTANT

None.