

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, April 26, 2016
Time: 9:00 a.m.
Place: King Kalakaua Conference Room
King Kalakaua Building
335 Merchant Street, 1st Floor
Honolulu, Hawaii 96813

Present: Wayne De Luz, Industry Member Chairperson
Russell Wong, Industry Member Vice Chairperson
Carl D. Johnsen, Public Member
Byron Hansen, Public Member

Christine Rutkowski, Executive Officer
Rodney J. Tam, Deputy Attorney General (“DAG”)
Christine Hironaka, Secretary

Excused: Dennis Short, Industry Member

Guests: Jonathan Chang, Tesla Motors
Jarrett Cutter, Cutter
Eddie Fernandez, International Trucks of Hawaii
Ian Fernie, International Trucks of Hawaii
Chuck Haneberg, H T & T Truck Center
Fred Kubota, H T & T Truck Center
Philip Miyoshi, Maui Auto Exchange, LLC
Clarence Ng, Cutter

Call to Order: Chairperson De Luz called the meeting to order at 9:05 a.m. at which time quorum was established.

Additions/
Revisions to
the Agenda: None

Approval of Minutes
December 15, 2015
February 2 and
February 23, 2016
Meetings:

It was moved by Vice Chairperson Wong, seconded by Mr. Johnsen and unanimously carried to defer the minutes of the December 15, 2015 and February 23, 2016 meetings. It was moved by Vice Chairperson Wong,

seconded by Mr. Johnsen and unanimously carried to approve the minutes of the February 2, 2016 meeting.

Chair's Report: None.

Executive Officer's Report: The Executive Officer announced that Steven Chow has been appointed to the Board replacing Wendy Wilson as a public member.

Licensing: a. Ratifications

Motor Vehicle Salespersons Transfers
Motor Vehicle Salespersons License
Motor Vehicle Dealers License

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

b. Applications

(i) Navistar, Inc. Motor Vehicle Manufacturer

Upon a motion by Vice Chairperson Wong, seconded by Mr. Hansen and unanimously carried to approve the motor vehicle manufacturer application of Navistar, Inc.

(ii) Piaggio Group Americas, Inc. Motor Vehicle Distributor

The Executive Officer stated that Piaggio Group Americas, Inc. was reapplying because it failed to timely renew its license; Cycle City Ltd. is the authorized dealer.

Upon a motion by Mr. Hansen, seconded by Vice Chairperson Wong, it was unanimously carried to approve the motor vehicle distributor application of Piaggio Group Americas, Inc.

(iii) Cutter Honolulu, Inc. Motor Vehicle Dealer
Relocation

Chairperson De Luz asked the Executive Officer to provide a summary of the application. The Executive Officer stated that:

- The applicant's original submission was under the name, "Cutter, Chrysler, Jeep, Dodge, Ram, Inc." to relocate from 900 Ala Moana Boulevard to 777 Ala Moana Boulevard;
- Entity changed its name with Business Registration ("BREG") to "Cutter Honolulu, Inc. dba Cutter, Chrysler, Dodge, Jeep, Ram, Fiat."; and

- Entity proposes to share the premises with “Lola & Daisy Inc.” which is the authorized dealer from the line make, Fiat.

Chairperson De Luz recognized Jarrett Cutter. Mr. Cutter informed the Board that the Fiat dealer agreement for Cutter Honolulu to be the authorized dealer for Fiat is in process with FCA (FCA USA LLC). He explained that FCA had originally wanted FIAT to be handled separately from its other line makes, Chrysler, Jeep, Dodge and Ram; separate entity, sales site, etc. FCA no longer is going to require Fiat to be separate. He added that his other entity, Lola & Daisy is still authorized to sell Fiat.

He added that their corporate office decided to combine all brands therefore a corporate and trade name changes were filed with BREG. Originally, they planned to have Cutter, Chrysler, Jeep, Dodge, Ram, Inc. and Lola & Daisy Inc. share the premise at 777 Ala Moana Boulevard.

Executive Session: At 10:12 a.m., it was moved by Vice Chairperson Wong, 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 HRS, §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 HRS §92-5(a) (4), Hawaii Revised Statutes.

EXECUTIVE SESSION

At 10:42 a.m., it was moved by Vice Chairperson Wong, seconded by Mr. Johnsen, and unanimously carried to return to the Board’s regular order of business.

Cutter Honolulu, Inc.

It was moved by Vice Chairperson Wong, seconded by Mr. Johnsen and unanimously carried to approve the motor vehicle dealer relocation application of Cutter Honolulu, Inc. to 777 Ala Moana and sharing of the space with Lola & Daisy and that only Lola & Daisy can sell Fiats until a dealer agreement is received for Board approval.

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| (iv) | Tesla Motors, Inc. | Off-Premise Display Request
Ala Moana Center
Space 2256
(2/19/16 – 2/28/17) |
|------|--------------------|--|

The Executive Officer informed the Board that on or about March 2, 2016, applicant submitted a request to display

vehicles at the referenced space. Tesla moved from Space 2204 (Board granted conditional approval at the December 15, 2015 meeting). Chairperson De Luz recalled that the March 2, 2016 agenda could not be amended to add the Space 2256 display request due to the lack of Board members required to revise the agenda. The Executive Officer stated that she approved the request following the same conditions and time period the Board had granted in December 2015.

Jonathan Chang, representing Tesla Motors, Inc. informed the Board that Space 2256 is temporary and permanent location plans should be available by August 2016. Meanwhile, he requested that the Board approve Space 2256 as a branch location, in that they have met the requirements. He was concerned that DCCA staff provided different information, in that in a letter dated March 1, 2016, the Executive Officer summarized the documents and information they were required to submit in order to complete their application. However, a Notice of Deficiency dated April 18, 2016, provided a lengthier list of items requiring correction. The Executive Officer and Chairperson De Luz apologized for the confusion. Chair De Luz stated that due to the State sunshine law, the agenda cannot be amended to add the Branch location application.

Executive Session: At 11:19 a.m., it was moved by Vice Chairperson Wong, 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 HRS, §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 HRS §92-5(a) (4), Hawaii Revised Statutes.

EXECUTIVE SESSION

At 11:23 a.m., it was moved by Vice Chairperson Wong, seconded by Mr. Hansen, and unanimously carried to return to the Board's regular order of business.

Tesla Motors, Inc.

It was moved by Vice Chairperson Wong, seconded by Mr. Johnsen and unanimously carried to approve the Tesla Motors, Inc. off-premise display request at Ala Moana Center Space 2256 for the period 2/19/16 – 2/28/17 to include related display space(s) authorized by their written agreement with General Growth.

- (v) Kaloko Motors LLC Motor Vehicle Dealer Relocation

It was moved by Vice Chairperson Wong, seconded by Mr. Johnsen and unanimously carried to approve the motor vehicle dealer relocation of Kaloko Motors LLC.

- (vi) Maui Auto Exchange LLC Motor Vehicle Used Dealer

Philip Miyoshi representing Maui Auto Exchange LLC, informed the Board that the building is 850 sq. ft. with privacy partitions. There was discussion about the requirement of a secure office for the consumer's protection.

It was moved by Vice Chairperson Wong, seconded by Mr. Johnsen and unanimously carried to delegate to the Executive Officer authority to approve the motor vehicle used dealer application upon receipt of photos and sketch demonstrating applicant's secured office where motor vehicle transactions will occur.

- (vii) West Hawaii Towing & Repair Inc. Motor Vehicle Used Dealer

After some discussion, it was moved by Mr. Hansen, seconded by Vice Chairperson Wong and unanimously carried to delegate the Executive Officer the authority to approve the West Hawaii Towing & Repair Inc. motor vehicle used dealer application pending receipt of a lease agreement signed by the lessor, lessee, corporation and guarantors.

Old Business:

- a. Motor Vehicle Manufacturers – Final Stage Franchise requirements for motor vehicle dealers – December 11, 2015 letter from Anna H. Oshiro, Esq. (Deferred at the December 15, 2015, February 2, and February 23, 2015 meetings.)

The Executive Officer informed the Board that this item was included on the agenda in error.

- b. Motor Vehicle Dealer Off-Premise Display Request, Application form and Approval Language

The Executive Officer informed the Board that the following Important Notice for Motor Vehicle Dealers regarding the 2016 First Hawaiian International Auto Show was sent to David Rolf for dissemination to the motor vehicle dealers. The Board at its

February 23, 2016 meeting approved Mr. Rolf's request to allow drive and rides based solely on his representations that the auto show was a Manufacturer's show and that the requirements of HRS chapter 437-4(d) do not apply to Manufacturers:

****IMPORTANT****

MOTOR VEHICLE DEALERS

2016 FIRST HAWAIIAN INTERNATIONAL AUTO SHOW

DISPLAY OF VEHICLES and DRIVE AND RIDE

The Motor Vehicle Industry Licensing Board ("Board"), at its February 23, 2016 regular Board meeting, voted unanimously to allow motor vehicle manufacturers ("Manufacturers") to display and conduct motor vehicle drive and ride (i.e. test drives) at the 2016 First Hawaiian International Auto Show ("Show"), provided that under no circumstance shall any Hawaii motor vehicle dealer ("Dealer") be identifiable in or on:

- The display areas of the Show;
- The motor vehicles that are being displayed;
- The motor vehicles that are being used for the test drives;
- Any and all Dealer's salespersons or staff who are present at the Show (e.g., the staff may wear "Ford" nametags, not "Honolulu Ford" nametags); and
- Any literature that is displayed or handed out at the Show.

Any violations of these conditions shall subject the Dealer and Dealer's salespersons to action by the Regulated Industries Complaints Office, Department of Commerce and Consumer Affairs.

The Board based this decision solely on the testimony it received from the Hawaii Automobile Dealers Association ("HADA") that the Show's intent is to feature the vehicles of the Manufacturers and not the Dealers.

The Executive Officer stated that Mr. Rolf reported that the 2016 First Hawaiian International Auto Show held from March 18 – 20 did not have ride and drives and was not a Manufacturer's Show.

There was a brief discussion about the auto show and the Off-Premise display.

- Correspondence:
- a. April 19, 2016 request from Tony Auto Group to place up to six (6) motor vehicles at the Wheeler Army Air Field (WAAF) Auto Resale Lot for sale with conditions.

There was a brief discussion that the premise in question is Federal property/jurisdiction.

After further discussion, it was moved by Mr. Hansen, seconded by Vice Chairperson Wong and unanimously carried to defer the request from Tony Auto Group for more information.

- b. April 19, 2016 Hawaii Automobile Dealers Association (HADA) request to permit a motor vehicle dealer, who owns multiple dealerships in a county operating under varying business ownership structures, to be able to assign salespersons to the dealer's multiple dealerships.

The Executive Officer stated that the Board has discussed other requests of this nature. Basing its informal decision and citing to Hawaii Revised Statute chapter 437-7(j)(2), the Board previously found that a motor vehicle salesperson can be employed by only one licensed dealer.

After further discussion, it was moved by Vice Chairperson Wong, seconded by Mr. Hansen and unanimously carried to defer the request from HADA to permit a motor vehicle dealer, who owns multiple dealerships in a county operating under varying business ownership structures, to be able to assign salespersons to the dealer's multiple dealerships.

Legislation:

The following bills did not survive this legislative session:

- a. HB2098 Relating to the Motor Vehicle Industry Licensing Act
- b. SB2525 Relating to the Motor Vehicle Industry Licensing Act

Open Forum:

None.

Next Meeting:

Tuesday, June 21, 2016
9:00 a.m.
Queen Liliuokalani Conference Room
335 Merchant Street, 1st Floor
Honolulu, HI 96813

Chair De Luz and Mr. Hansen informed the Board that they will not be able to attend the June 21, 2016 meeting.

Adjournment: There being no further business to discuss, the meeting adjourned at
11:57 a.m.

Reviewed and approved by:

Taken and recorded by:

/s/Christine Rutkowski
Christine Rutkowski
Executive Officer

/s/Christine Hironaka
Christine Hironaka
Secretary

05/16

Minutes approved as is.

Minutes approved with changes. See Minutes of _____.

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

April 26, 2016

RATIFICATION LISTS

CAR SALESPERSON TRANSFERS

a. City and County of Honolulu

Alsup, Stuart	Gill Island Motors, Inc.
Antonio, Normanuel	Cutter Chrysler Jeep Dodge Inc.
Benedict, Matthew K.	Hawaii Nissan Inc.
Cabillon, Trudy R.	Servco Toyota Honolulu
Camacho, Clifford M.	Lithia of Honolulu BGMCC LLC
Clark, Lori Ann	Aloha Kia Airport
Cox, Joseph A.	Gill Island Motors, Inc.
DeMello, Michael C.	Pacific Nissan dba Tony Nissan
Edwards, John	Choice Automotive LLC
Hartner, Gunnar L.	Tony Hawaii Corp dba Tony Honda
Heinze, Richard W.	Valley Freightliner Inc. dba Freightliner of Hawaii
Hirsch, Ronald	Tony Hawaii Automotive Group dba Tony Volkswagen
Kawamura, John	Tony Hawaii Corp dba Tony Honda
Kim, Curtis T.	Santos Used Cars
Kume, Chad R.	Cutter Chrysler Jeep Dodge Inc.
Lamping, John J.	Gill Island Motors, Inc.
Lancaster Jr., Paul	Tony Hawaii Automotive Group dba Tony Volkswagen
McGurn, Sur D.K.	Envy Hawaii LLC
Mendias, Miguel A.	Gill Island Motors, Inc.
Moriyasu, Akira	Cycle City, Ltd.
Morris, Jeffrey K.	TopValueAuto.Com
Owens, Joana	GAC Auto Group, Inc. dba Cutter Mazda of Honolulu
Palmer, Nathaniel	Aloha Auto Group, Ltd.
Patterson, Rodney	Autosource LLC
Pestano, Joseph A.	Autosource LLC
Price, Mark W.	Aloha Kia Leeward
Ratcliffe, Cory D.	Cutter Chrysler Jeep Dodge Inc.
Sharp, Barton	Cutter Chrysler Jeep Dodge Inc.
Trask, Charles	Servco Toyota Windward
Tucker, Michael F.	Aloha Kia Leeward
Van Den Hurk, Derrick	Aloha Kia Leeward
Vinole, Raymond R.	Gill Island Motors, Inc.
Wagner, Christopher F.	Tony Hawaii Automotive Group dba Tony Volkswagen
Wood, Christin G.	Autosource LLC
Young, Bernard K.B.	Hawaii Nissan Inc.

b. County of Maui

Ho, Ivan C.H.	Jim Falk Motors of Maui Inc.
Moriyasu, Akira	Servco Lexus Maui
Zigler, Mark	Jim Falk Motors of Maui Inc.

c. County of Kauai

Azbill, David W.	Ohana Motors, Inc.
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CAR SALESPERSON LICENSES

a. City and County of Honolulu

ADVANTAGE AUTO LLC	OAHU	TYRONE B <BROWN<
ALOHA AUTO GROUP LTD	OAHU	FRANK A <BLAS<
ALOHA AUTO GROUP LTD	OAHU	MATTHEW C <STOELTJE<
AUTO CONNECTION LLC	OAHU	IGOR <PUSKIC<
BEST AUTO GROUP INC	OAHU	TROY M <STRAHL<
CYCLE CITY LTD	OAHU	SEAN-MICHAEL N <ORTIZ<
ENVY HAWAII LLC	OAHU	DAVID C <SARKINE<
HONOLULU FORD INC	OAHU	RODNEY P <PATTERSON<
HONOLULU FORD INC	OAHU	SARAH JUAN H <KIM<
INTERNATIONAL HOUSE LLC	OAHU	OLEKSANDR <KARPUS<
JN GROUP INC	OAHU	ALICIA L <THURMAN<
JN GROUP INC	OAHU	KELLY R <PATRICK<
LINNE F HOLMBERG	OAHU	KENT W <ALLEY<
LITHIA OF HONOLULU-A INC	OAHU	JARED J <MINATO<
LITHIA OF HONOLULU-BGMCC LLC	OAHU	JUSTIN <WOOD<
LITHIA OF HONOLULU-V LLC	OAHU	DARIEN M <SATO<
LITHIA OF HONOLULU-V LLC	OAHU	RANDY W <FAULKNER<
PACIFIC NISSAN INC	OAHU	LAURA L <SANITMORE<
PACIFIC NISSAN INC	OAHU	LOUIS P <PRIMAVERA<
QIU'S COMPANY INC	OAHU	EDISON <CHEN<
SERVCO PACIFIC INC	OAHU	BRENT W K <CARTER<
SERVCO PACIFIC INC	OAHU	MARK S <IKEHARA<
TELESEEK AUTO LLC	OAHU	JAVE <ROSALES<
TELESEEK AUTO LLC	OAHU	KIMBERLY L <PAEZ<

b. County of Hawaii

ALOHA AUTO GROUP LTD	HAWAII	OLINA K K <LEE<
BIG ISLAND TOYOTA INC	HAWAII	BRANDON M D <POLLARD<
BIG ISLAND TOYOTA INC	HAWAII	DAVID R <ROBERSON<
INTER PACIFIC MOTORS INC	HAWAII	BILLIE M <MARTINES<
INTER PACIFIC MOTORS INC	HAWAII	ERNEST R <ASHE<
SHELLY EUROCARS LLC	HAWAII	KARL K <LONG<

c. County of Maui

JIM FALK AUTOMOTIVE INC	MAUI	MARK M <SMELTZER<
JIM FALK AUTOMOTIVE INC	MAUI	PETER K <SARMIENTO<
JIM FALK MOTORS OF MAUI INC	MAUI	JONALYNN M <MENOR<
LITHIA OF MAUI-H LLC	MAUI	DIANNE G <LAYUGAN<
VALLEY ISLE MOTORS LTD	MAUI	CECIL W <JOHNSON<

d. County of Kauai

OHANA MOTORS INC	KAUAI	KENNY R <KRAFT<
OHANA MOTORS INC	KAUAI	SHANNON Q <AIONA<

MOTOR VEHICLE DEALER RELOCATION – None.

MOTOR VEHICLE BRANCH OFFICE – None.

MOTOR VEHICLE DEALER LICENSE

MVD-1027 VALLEY FREIGHTLINER INC
MVD-1028 INTERNATIONAL HOUSE LLC

MOTOR VEHICLE DISTRIBUTOR LICENSE – None.

MOTOR VEHICLE MANUFACTURER LICENSE – None.

MOTOR VEHICLE AUCTION – None.

MOTOR VEHICLE CONSUMER CONSULTANT – None.