

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, August 23, 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
Steven J. T. Chow, Esq., Public Member
Carl D. Johnsen, Public Member
Dennis Short, Industry Member

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

Guests: Fred Kubota, H T & T Truck Center
Dave Rolf, Hawaii Automobile Dealers Association (“HADA”)

Call to Order: Chairperson De Luz called the meeting to order at 9:14 a.m. at which time quorum was established.

Additions/
Revisions to
the Agenda: It was moved by Vice Chairperson Wong, seconded by Mr. Johnsen and unanimously carried to add the minutes of the December 15, 2015 minutes to the agenda.

Approval of Minutes
December 15, 2015
February 23, 2016
and June 28, 2016

Meetings: It was moved by Mr. Short, seconded by Vice Chairperson Wong, and carried by majority vote (Mr. Chow abstained) to approve the minutes of the December 15, 2015 meeting as circulated.

It was moved by Mr. Short, seconded by Vice Chairperson Wong, and unanimously carried to approve the minutes of the June 28, 2016 meeting, with the following change: Page 2, New Business, a., paragraph 6, “Mr. Short stated that he sits on the BMW National Committee which meets three times per [week] month.”

Board members agreed by consensus to defer the minutes of the February 23, 2016 meeting.

Chair's Report:

Chairperson De Luz asked about the status of the letter that was to be sent to Governor Ige and Department of Transportation regarding motor vehicle transfer of ownership information.

The Executive Officer reported that the Chair's draft letter was received in the Board's office and that it was not finalized, nor mailed out. The Chair questioned why staff did not prioritize the letter. The Executive Officer stated that the issue is not under the Board's program of work, as related at the June 28, 2016 meeting. The Executive Officer also stated that the Board's office has limited resources.

Board members expressed consternation that the letter was not sent out in light of the serious concerns that the members had with the fact that vehicle owners who were not the initial owners are not being given recall notices. Some members related that given the increased regulations and issues that are being presented regarding the motor vehicle industry, it seems that DCCA should provide more resources to the Board.

Executive Officer's Report:

No report.

Chapter 91, Hawaii Revised Statutes, Adjudicatory:

Chairperson De Luz recessed the meeting at 10:15 a.m.

- a. In the Matter of the Motor Vehicle Dealer License of LITHIA OF HONOLULU-A, INC. dba ACURA OF HONOLULU, Respondent MVI 2016-16-L

SETTLEMENT AGREEMENT PRIOR TO FILING OF PETITION FOR DISCIPLINARY ACTION AND BOARD'S FINAL ORDER...

Chairperson De Luz reconvened the meeting at 10:23 a.m.

After discussion it was moved by Vice Chairperson Wong, seconded by Mr. Short, and unanimously carried to approve the Settlement Agreement in which:

1. The Respondent admits to the veracity of the allegations and that Respondent's acts violate HRS §§ 437-12(a) (no certificate of origin or its equivalent prior to sale), and 437-12(b) (failure to deliver ownership certificate within the time period specified).
2. Respondent enters into this Settlement Agreement as a compromise of the claims and to conserve on the expenses of proceeding with an administrative hearing on this matter.

3. Respondent agrees to pay a fine in the amount of ONE THOUSAND FIVE HUNDRED AND NO U.S. DOLLARS (\$1,500.00).
4. If Respondent fails to fully and timely comply with the terms of this Settlement Agreement as set forth, Respondent's license shall be automatically revoked upon RICO's filing of an affidavit with the Board attesting to such failure.

Licensing:

- b. Applications
- a. Ratifications – None.
- b. Applications
 - (i) Eldorado National (California) Inc. dba ENC – Motor Vehicle Manufacturer

It was moved by Mr. Johnsen, seconded by Mr. Chow and unanimously carried to defer the application for more information regarding final stage manufacturing.

- c. Dealer Service & Sales Agreements
 - (i) JN Group Inc.'s Request to Temporarily Sell Jaguar and Land Rover Vehicles at 720 Kapiolani Blvd. (MVB-94-4). August 1, to October 31, 2016.

William Crowley and Sheree Stewart were present to answer Board members' questions.

Ms. Stewart related that JN Group received authorization from Jaguar Land Rover North America for the location of 720 Kapiolani Boulevard, for the sale of new and certified pre-owned Jaguar and Land Rover vehicles, August 1, to October 31, 2016. Ms. Stewart stated that the move is necessitated by the loss of their lease and part of framework for when they move into the new dba Velocity Honolulu.

After discussion, it was moved by Vice Chairperson Wong, seconded by Mr. Hansen, and unanimously carried to approve the request.

It was moved by Mr. Chow, seconded by Mr. Johnsen to delegate to the Executive Officer, the authority to approve extension requests to sell the line makes at 720 Kapiolani Boulevard (MVB-94-4), provided that written authorization is submitted by Jaguar Land Rover North America, LLC.

- Old Business:
- a. Motor Vehicle Dealer Off-Premise Display Request, Application form and Approval Language

After discussion, Board members agreed by consensus that specific approval language should be placed on the Off-Premise Request form that comports with the Board's previous approvals regarding the same. The Executive Officer was directed to draft the language for review by the Board during a Board meeting.
 - b. Request for clarification from Steven C. Yarbrough: Request for clarification from Steven C. Yarbrough: Is a person who provides resources that allow a consumer to gather information relevant to a motor vehicle purchase, and never represents a consumer in any negotiations, required to obtain a motor vehicle consumer consultant license?

The Executive Officer reported that Mr. Yarbrough requested an extension and will be present at the October 18, 2016 meeting. Board members agreed by consensus to defer this matter to the October 18, 2016 meeting.

Correspondence: None.

Open Forum: Chairperson De Luz opened the floor to the audience.

David Rolf asked about the status of the letter the Board was going to send to Governor Ige regarding the contract for third parties to notify vehicle owners about manufacturer recalls. Chairperson De Luz stated that the letter did not go out.

David Rolf emphatically stated that he took many actions to get the contract signed including contacting Dept. of Transportation, going to the Governor's office and writing a letter that ". . . things have gone haywire. . ." He exclaimed that he went to full power to get the information out, to no avail. Striking the table, Mr. Rolf expressed astonishment that Board staff did not get the letter out.

Chairperson De Luz stated that a letter will be sent to Governor Ige.

Open Forum: None.

Next Meeting: Tuesday, August 23, 2016
9:00 a.m.
Queen Liliuokalani Conference Room
335 Merchant Street, 1st Floor
Honolulu, HI 96813

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Adjournment: There being no further business to discuss, the meeting adjourned at
12:51 a.m.

Taken and recorded by:

/s/Christine Rutkowski
Christine Rutkowski
Executive Officer

09/23

Minutes approved as is.

Minutes approved with changes. See Minutes of _____.