

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, December 9, 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
Stan Masamitsu, Industry Member, Vice-Chairperson
Wayne De Luz, Industry Member
Carl D. Johnsen, Public Member
Dennis Short, Industry Member Donald Touchi, Public Member
Donald Touchi, Public Member

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

Absent: Wendee Wilson, Public Member

Guests: Tommy Hollenbeck, Nations Bus Corporation
Corianne Lau, Alston Hunt Floyd & Ing
R. Erik & Denise Soderholm, Soderholm Sales & Leasing
Jeffrey P. Miller, Bushnell & Miller
Adrienne Kauhane, Infiniti of Honolulu

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

Additions/Revisions to Agenda: Dee Daily – Application for Consumer Consultant Reconsideration. Upon a motion by Mr. Touchi, seconded by Mr. Johnsen, it was unanimously carried to add the matter to the agenda.

Approval of Minutes of Previous Meetings: It was moved by Mr. Touchi, seconded by Mr. De Luz, and unanimously carried to approve the meeting minutes of October 28, 2014, as circulated.

Chair's Report: None.

Executive Officer's Report: None.

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. De Luz, seconded by Mr. Short, it was unanimously carried to ratify the above lists for the licenses sought (as attached).

At 9:12 a.m., it was moved by Mr. Touchi, seconded by Mr. De Luz, 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 10:41 a.m., it was moved by Mr. Touchi, seconded by Mr. Johnsen and unanimously carried to return to the Board's regular order of business.

Applications

Manuel Ancheta – Deferred from October 28, 2014 Meeting

After the review of additional documents submitted, it was moved by Mr. Johnsen, seconded by Mr. Touchi, and unanimously carried to approve the application for a salesperson's license subject to Mr. Ancheta providing the Board with additional information from his employer.

Lynne P. Matias – Deferred from October 28, 2014 Meeting

After the review of additional documents submitted, it was moved by Mr. De Luz, seconded by Mr. Touchi, and unanimously carried to approve the application for a salesperson's license for Ms. Matias.

Tacita Vasquez – Motor Vehicle Salesperson

Board members reviewed the application and documents submitted.

It was moved by Mr. De Luz, seconded by Mr. Touchi, and unanimously carried to approve the application for a salesperson's license for Ms. Vasquez.

Adrienne K.A. Kauhane – Motor Vehicle Salesperson

Board members reviewed the application and documents submitted.

It was moved by Mr. Johnsen, seconded by Mr. De Luz, and unanimously carried to approve the application for a salesperson's license for Ms. Kauhane.

Nations Bus Corp. – Motor Vehicle Dealer

Tom Hollenbeck of Nations Bus Corp. (Nations), along with Nations attorney, Corianne Lau, appeared before the Board. Ms. Lau stated that she is representing Nations and is authorized to speak on its behalf. The Executive Officer requested for Ms. Lau to submit a letter to the Board stating that she is representing Nations. Ms. Lau stated that she will submit the letter.

Nations is a licensed dealer on Kauai. Mr. Hollenbeck is the licensed salesperson for the Kauai office. Nations is applying for a dealer's license on Oahu. Documents were submitted reflecting Mr. Hollenbeck would be the salesperson for the Oahu premise. Deputy Attorney General Tam asked Mr. Hollenbeck how the logistics for staffing the office in Honolulu was going to work, since he is located on Kauai. Hawaii law does not allow a salesperson to be employed for more than one licensed dealer. Mr. Hollenbeck stated that David Meck will staff and oversee the Oahu office; he will be flying in from California off and on to accomplish this. He added that in the alternative, Charles Osborne, who lives in Florida could be the salesperson for Honolulu. The question was posed to Ms. Lau, how will Nations staff the dealership in light of the fact that their proposed salespersons are so far distant from the premise? Ms. Lau requested confirmation that if Mr. Hollenbeck relocates to Honolulu, then a replacement would have to be found for him; salespersons have to be able to staff the premises. The Executive Officer confirmed.

It was moved by Mr. Touchi, seconded by Mr. Johnsen, and unanimously carried to defer decision-making on this application subject to the submittal of a letter from applicant's attorney, Ms. Lau, that she is authorized to represent Nations Bus Corp. and application for license – motor vehicle salesperson or other document confirming that each premise will have its own salesperson who will staff the respective premises.

JN Group, Inc. dba Jaguar Land Rover Honolulu – New Branch Location

Board members reviewed the application and documents submitted.

It was moved by Mr. Short, seconded by Mr. Johnsen, and unanimously carried to approve the application for a new branch location for JN Group, Inc. dba Jaguar Land Rover Honolulu.

The Braun Corporation – Motor Vehicle Manufacturer

Board members reviewed the application and documents submitted.

It was moved by Mr. Johnsen, seconded by Mr. Short, and unanimously carried to approve the application as well as the Honda and Toyota Agreements, but withhold action on approving the Chrysler Agreement and Bailment Pool subject to the submittal of additional information.

New Business:

- (a) Request from Sean James PR regarding “Is a motor vehicle salesperson’s license necessary for trainers who greet and register customers for specialized sales events?”

Sean Bodie submitted an email asking whether their Trainers needed to be licensed. He explained that the process entails:

1. The most important part of our service involves helping the dealer find potential buyers within their existing customer database. To do this, we use proprietary software to identify target customers.
2. Targeted customers are sent invitations to a special event.
3. We train the sales staff on how the event is to be run and how to invite and deal with customers.
4. When customers arrive at the dealership they are greeted and registered by our Trainers and then turned over to a salesperson from the dealership.

Our trainers' role with the customer is to:

- greet the customer;
- explain to the customer how the sales process will work;
- convey whatever sales incentives may be in place from the manufacturer and from the dealer;
- learn information that will be necessary for the sales person to be able to best help the customer; and finally,
- to then turn the customer over to a member of the dealerships' sales team, with all of the information gathered, for the actual sale.

He added that they are paid a Training fee, and in some cases, a bonus for helping the dealership achieve sales targets.

After a brief discussion, and citing to HRS §437-1.1, definition of a “salesperson”, and HRS §437-2, it was moved by Mr. Touchi, seconded by Mr. De Luz, and unanimously carried to issue the following non-binding interpretation for educational purposes that based solely on the information provided, the Trainers are

engaged in the sales process for which a Hawaii salesperson's license is required.

(b) RICO Motor Vehicle Industry Advisory Committee

RICO reported that, at the Board's suggestion, it contacted HADA and HIADA for possible names of individuals to serve on the advisory committee. HIADA submitted its recommendation for whom RICO is requesting the Board's approval. RICO has not yet received any recommendations from HADA.

It was moved by Mr. De Luz, seconded by Mr. Touchi, and unanimously carried to approve the individual for the Motor Vehicle Industry Advisory Committee.

Old Business: Deferred from October 28, 2014 Meeting

(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

Deputy Attorney General Tam cited the following sections:

HRS §437-2(a) regarding licenses

HRS §437-7(j)(2) regarding application for issuance or renewal of license

HAR §16-86-6(b) regarding manufacturer/manufacturer factory branch

Deputy Attorney General Tam stated that the State issues one license to motor vehicle manufacturers/distributors; it does not issue a statewide license. A manufacturer doing business in one county cannot do business in another county unless it has a franchise agreement with a Hawaii licensed dealer licensed to distribute its line-make in that county. It is a requirement that a dealer have a physical presence in that respective county.

The Board will take into consideration changing the application form and license cards to indicate that the license is valid in all counties.

The reference to HAR §16-86-6(b) is not applicable because under HRS chapter 437, the Board has no authority to license a manufacturer factory branch, factory representative, distributor branch or distributor representative.

After a brief discussion, it was moved by Mr. Masamitsu, seconded by Mr. Touchi, and unanimously carried to review the application form for manufacturers to indicate whether it is applying for a license in all counties or only in a specific county, and to change the license card to indicate that the license is valid in all counties.

Open Forum: None.

Next Meeting: Tuesday, February 17, 2015
9:00 a.m.
Queen Liliuokalani Conference Room
335 Merchant Street, 1st Floor
Honolulu, HI 96813

Adjournment: There being no further business to discuss, the meeting adjourned at 11:20 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
1/8/15

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

MOTOR VEHICLE INDUSTRY LICENSING BOARD

RATIFICATION LISTS Tuesday, December 9, 2014

CAR SALESPERSONS

CS	GAC AUTO GROUP INC	OAHU NESTOR ERNESTO M <ABARA<
CS	JA & SA INC	OAHU SAMER M A <ABELJAWAD<
CS	SAHARA SERVICES LLC	OAHU AJMAT <ALI<
CS	CUTTER FORD INC	OAHU PAUL A <BANKS<
CS	LITHIA OF HONOLULU-BGMCC LLC	OAHU MARY A <BATTEN<
CS	GILL ISLAND MOTORS INC	OAHU VICTORIA K <BOLES<
CS	CYCLE CITY LTD	OAHU ANTHONY W <BURRIS<
CS	WAIPAHO USED CARS LLC	OAHU ERICSON CADIZ <CANESO<
CS	CUTTER CJD INC	OAHU JOSEPH J <CHAVEZ<
CS	COUNTRYSIDE CARS LLC	OAHU DANIEL K <CLARK<
CS	AUTO X-CHANGE INC	OAHU SHAUN <CONDRY<
CS	SERVCO PACIFIC INC	OAHU WILLIAM <COUSINO< JR
CS	HAWAII AUTOMOTIVE RTLING	OAHU ANGELA L <DEOCAMPO<
CS	CHOICE AUTOMOTIVE LLC	OAHU REGINALD J <DEVEAS<
CS	ALOHA AUTO GROUP LTD	OAHU WEI-CHING <FANG<
CS	ALOHA AUTO GROUP LTD	OAHU ELISA L <FASAVALU<
CS	BEST AUTO GROUP INC	OAHU JOHN D <FRYE<
CS	CUTTER CHRYSLER JEEP DODGE INC	OAHU DANNY M <GANIER<
CS	KING INFINITI OF HONOLULU LLC	OAHU MELISSA M <GETTY<
CS	LOS ANGELES TRUCK CENTERS LLC	OAHU LEATRICE L <GOMES<
CS	CUTTER BUICK GMC INC	OAHU MARC A <GREENE<
CS	GAC AUTO GROUP INC	OAHU MICHAEL J <HIGA<
CS	STOEBNER HOLDINGS INC	OAHU EARL S <HUANG<
CS	J/R KONA ACQUISITION LLC	HAWAII SHAYNE K H K <JOHNSON<
CS	ALOHA AUTO GROUP LTD	KAUAI SHANNON D <JONES<
CS	HONOLULU FORD INC	OAHU BRITTANY E <KALEO-CASTILLO<
CS	ALOHA AUTO GROUP LTD	OAHU HEE JIN <KANG<
CS	LITHIA OF HONOLULU-V LLC	OAHU DAVID J <KILDAHL<
CS	TONY HAWAII CORPORATION	OAHU JOSEPH P <LACUESTA<
CS	ALOHA AUTO GROUP LTD	OAHU JOHN E <MANGLONA<
CS	AUTO X-CHANGE INC	OAHU CHARLES M <MARSHALL< JR
CS	FIRST NATIONAL AUTO GROUP INC	OAHU KAMRAN <MILANI<
CS	HAWAII NISSAN INC	OAHU JONATHAN T <MORRIS<
CS	KING WINDWARD NISSAN LLC	OAHU DERRICK H <MURAKAMI<
CS	RAINBOW CHEVROLET INC	OAHU VINCENT G <OKAMURA<
CS	HILO AUTO SALES LLC	HAWAII RICHARD N <OTANI< JR
CS	ALOHA AUTO GROUP LTD	OAHU KALEO M <PINE<
CS	VALLEY ISLE MOTORS LTD	MAUI KYLEE K <POAIPUNI-PASCO<
CS	JN GROUP-INC	OAHU LUIS M <REYES<
CS	ALOHA AUTO GROUP LTD	OAHU DONALD R K <RIVERA-LUNG<
CS	JA & SA INC	OAHU JAD YOUSELF <SARAMAH<
CS	SERVCO PACIFIC INC	OAHU MIKE <SOHN<
CS	LITHIA OF HONOLULU-V LLC	OAHU CHRIS C <STARKEY<
CS	JIM FALK MOTORS OF MAUI INC	MAUI CONNER L <WALLACE<
CS	JONES MAUI LLC	MAUI KELLY M L <WALLACE<
CS	SERVCO PACIFIC INC	OAHU LINA <YI<
CS	TONY HAWAII CORPORATION	OAHU DANIEL <ZABRESKY<

BRANCH

MVB-959-2 Bayview Auto Sales LLC