

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, February 20, 2018
Time: 9:00 a.m.
Place: Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, 1st Floor
Honolulu, Hawaii 96813

Present: Wayne De Luz, Industry Member, Chairperson
Steven J. T. Chow, Esq., Public Member, Vice-Chairperson
Byron Hansen, Public Member
Larry Ignas, Public Member
Carl D. Johnsen, Public Member
Russell Wong, Industry Member

Kedin Kleinhans, Executive Officer
Mana Moriarty, Deputy Attorney General (“DAG”)
Lori Nishimura, Secretary

Guests: Lei Fukumura, Special Deputy Attorney General (“SDAG”)
Dave Rolf, Hawaii Automobile Dealers Association (“HADA”)

Call to Order: Chairperson De Luz called the meeting to order at 9:04 a.m. at which time quorum was established.

Approval of Minutes: It was moved by Mr. Johnsen, seconded by Mr. Hansen, and
December 19, 2017 unanimously carried to approve the minutes of the December 19, 2017
Meeting: Board meeting as circulated.

Executive Officer’s
Report:

- a. Introduction of New Board Member – Larry Ignas (Public)

Mr. Larry Ignas was welcomed by the Board. Mr. Ignas briefly introduced himself - retired police officer with the Chicago Police Department, owned and operated a security business, and is currently the General Manager at Alakea Corporate Tower.

Chairperson De Luz announced the Board will recess its meeting to go into adjudicatory matters and subsequently go into Executive Session; the meeting recessed at 9:07 a.m.

Chapter 91, HRS,

Adjudicatory Matters: a. In the Matter of the Motor Vehicle Salesperson's License of
Donovan T. Nachor; MVI 2017-38-L

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

After discussion, it was moved by Mr. Wong, seconded by
Mr. Hansen, and unanimously carried to approve the Settlement
Agreement for the Motor Vehicle Salesperson's License of
Donovan T. Nachor; MVI 2017-38-L.

The Board reconvened its meeting at 9:15 a.m., and immediately entered
into Executive Session.

Executive Session: At 9:15 a.m., it was moved by Mr. Wong, seconded by Mr. Hansen, 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).

EXECUTIVE SESSION

At 9:55 a.m., it was moved by Mr. Wong, seconded by Vice-Chairperson
Chow, and unanimously carried to return to the Board's regular order of
business.

Licensing:

a. Ratifications

Motor Vehicle Car Salesperson Transfers
Motor Vehicle Car Salesperson Licenses
Motor Vehicle Dealer Licenses
Motor Vehicle Dealer License – Relocation

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

b. Applications

(i) Brandi McKee
Motor Vehicle Salesperson

It was moved by Mr. Hansen, seconded by Mr. Johnsen,
and unanimously carried by majority vote (Chairperson
De Luz recused himself from decision-making, and

Mr. Wong voted nay) to approve the Motor Vehicle Salesperson application for Brandi McKee.

- (ii) Richard Glen Nicholson
Motor Vehicle Salesperson

It was moved by Mr. Wong, seconded by Mr. Hansen, and unanimously carried to approve the Motor Vehicle Salesperson application for Richard Glen Nicholson.

- (iii) David Reed
Motor Vehicle Salesperson

It was moved by Mr. Johnsen, seconded by Mr. Hansen, and unanimously carried to approve the Motor Vehicle Salesperson application for David Reed, subject to the Board's receipt of a letter signed by the dealer principal and proof of payment of any fines and/or proof of fulfillment of conditions of each sentence in accordance with the application instructions, and to authorize the Executive Officer to approve the application upon receipt of the letter and proof.

Vice-Chairperson Chow left the meeting at 10:00 a.m.

Legislation:

- a. HB 2433 (and subsequent drafts) Relating to Motor Vehicle Industry Licensing Act
This bill expands and/or clarifies various aspects of statutes regarding chapter 437, Hawaii Revised Statutes.
- b. SB 2490 (and subsequent drafts) Relating to Motor Vehicle Industry Licensing Act
This bill amends various aspects of statutes regarding chapter 437, Hawaii Revised Statutes.

Executive Officer Kleinhans stated that both bills share the same intent, but have differing languages.

Chairperson De Luz stated that the Hawaii Automobile Dealers' Association ("HADA") is "pushing" for legislation of these bills, and since he also sits on the HADA Board and has worked with HADA on some of the legislation, it wouldn't be prudent for him to vote.

Executive Officer Kleinhans provided an overview of each section as mentioned in both bills. Discussion on the contents of the bill were as follows.

The bills propose to allow a Motor Vehicle Salesperson ("Salesperson") to work at other Motor Vehicle Dealer ("Dealer")

location(s) in the same county affiliated by common ownership (which includes entities that share common owner through individuals, corporation, trusts or other entity). Executive Officer Kleinhans stated that if the Board votes to support this section, he is suggesting the Board add the following verbiage: “provided each motor vehicle dealer location affiliated by common ownership shall obtain approval from the Board before transferring salespersons between dealer locations”. He added that the current language might be difficult to enforce as there is a lack of language for an approval process. DAG Moriarty commented the Board should remove uncertainty and risk of a challenge in the language.

The Board recessed at 10:41 a.m.

The Board reconvened its meeting at 10:53 a.m.

Mr. Wong commented that Dealers currently have to deal with issues of moving their Salesperson from one location to another and having to deal with providing transfer applications; this proposal would simplify their movement of a Salesperson. Chairperson De Luz added that company structure differs between Dealers: some are structured with a main premise and branch locations sharing the same license number, whereas others share a common owner, but their locations within the same county have different license numbers. Mr. Ignas commented this may eliminate the bulk of the paperwork that needs to be processed for Salesperson transfers. Executive Officer Kleinhans added that the bulk of paperwork would likely be in the beginning with an application submittal (paperwork to be determined) for the Board’s approval for common ownership. Once approved, Dealer locations affiliated through common ownership may freely transfer their Salespersons between those locations.

After further discussion, it was moved by Mr. Wong, seconded by Mr. Hansen, and unanimously carried by majority vote (Chairperson De Luz recused himself from decision-making) to state the Board supports the intent and provides the following comments on this section: add language to require Dealer locations to obtain Board approval before transferring Salespersons, and to suggest the following language: “...for which the license is issued during the term thereof, provided each motor vehicle dealer location affiliated by common ownership shall obtain prior approval from the board before transferring salespersons between dealer locations.” And to further define “common ownership” by changing “same ownership” to “same exact ownership” – as this will assist the Board in determining which locations are precisely affiliated by same common ownership.

Discussion ensued on the stop-sell orders (recall reimbursement) language that would require Motor Vehicle Manufacturers to pay Dealers 1.75% per month for the value of used vehicle grounded for lack of a repair part. Mr. Wong commented this would be good for both the consumer and the Dealer as it is good motivation for the Manufacturer and good for the industry.

After discussion, it was moved by Mr. Hansen, seconded by Mr. Johnsen, and unanimously carried by majority vote (Chairperson De Luz recused himself from decision-making) to support the intent of the amendments pertaining to reimbursement for stop-sell orders on used vehicles, and agree that stop-sell orders on used motor vehicles need some form of compensation, however, the Board did not take a position on the proposed reimbursement rate of 1.75%. The Board deferred the reimbursement rate to an agreement between HADA and interested Motor Vehicle Manufacturer ("Manufacturer") stakeholders. DAG Moriarty advised the Board to be aware they are leaving the percentage to be determined by two industries.

Discussion ensued on facility grandfather period, sales performance criteria, vendor choice, and data agreement. The Board discussed how they are supportive of those four measures. The provisions may benefit the consumer as the money that is saved by Dealers may be used for the consumer; "restructure money can be used to consumer repair".

After further discussion, it was moved by Mr. Wong, seconded by Mr. Hansen, and unanimously carried by majority vote (Chairperson De Luz recused himself from decision-making) to support facility grandfather period, sales performance criteria, and vendor choice.

Mr. Rolf of HADA arrived at the meeting and provided a copy of HADA's testimony for a legislative hearing that was held this morning on SB 2490. He briefly went over the recall reimbursement language; commenting that Manufacturers agree with the concept.

Discussion ensued on data protection. Mr. Wong expressed his support to protect non-public consumer information without restricting Manufacturer's ability to getting information for safety recalls, and commented the bill addresses this adequately – to protect the privacy of the consumer.

After discussion, it was moved by Mr. Wong, seconded by Mr. Hansen, and carried by majority vote (Chairperson De Luz recused himself from decision-making) to support the data agreement proposal to protect non-public information without

restricting a Manufacturer's ability to satisfy any safety or recall obligation.

Public Comment: None.

Next Meeting: Tuesday, April 17, 2017
9:00 a.m.
King Kalakaua Building
Queen Liliuokalani Conference Room
335 Merchant Street, 1st Floor
Honolulu, HI 96813

Adjournment: There being no further business to discuss, the meeting adjourned at 11:52 a.m.

Taken and recorded by:

/s/ Lori Nishimura

Lori Nishimura, Secretary

Reviewed and approved by:

/s/ Kedin Kleinhans

Kedin Kleinhans
Executive Officer

03/18

[] Minutes approved as is.

[X] Minutes approved with changes. See Minutes of April 17, 2018.

MOTOR VEHICLE INDUSTRY LICENSING BOARD MEETING

**RATIFICATION LISTS
Tuesday, February 20, 2018**

CAR SALESPERSON TRANSFERS

a. City and County of Honolulu

BECKER, Robert M.	Windward Auto Sales Inc. dba Windward Dodge
BERGADO, Wilber	Tony Hawaii Automotive Group Ltd dba Tony Hyundai
BURROUGHS, Kevin T.	Pacific Nissan Inc. dba Tony Nissan
CALLAHAN, Thomas	Wesley F. Tomlinson dba Island Auto Exchange
CHENG, Xi Jian	DH Auto LLC
CHONG, Mathew	Stoebner Holdings Inc. dba Honda Windward
FRANCISCO, Xavier	Auto City LLC
HOANG, Francis D.	Pacific Nissan Inc. dba Tony Nissan
KINGSLEY, Sang Un	Aloha Auto Group Ltd dba Aloha Kia/Aloha Hyundai
MAHOE, Keali'i K.	Hawaii Nissan Inc. dba New City Nissan
OKABE, Joseph S.	Servco Pacific Inc. dba Servco Auto Waipahu
SOBERANO, Vincent K.	Pacific Nissan Inc. dba Tony Nissan
WRIGHT, Ronald S.	Rainbow Chevrolet Inc. dba Cutter Chevrolet

b. County of Maui

BIRINGER, Jeremy J.	Shelly Eurocars LLC dba BMW of Maui
HO, Ivan C. H.	Ohana Auto Sales LLC
HUTCHISON, Timothy P.	Valley Isle Motors
TAKUSHI, Treyson D. A.	Servco Lexus Maui
LUDWICK, Linda	Jim Falk Automotive Inc.

c. County of Kauai

DOTARIO, Cory Joel	Midpac Auto Center Inc.
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d. County of Hawaii

COX, Joseph A.	Pre-Owned Motor Cars Ltd
MINEMOTO, Kelson K.	Big Island Toyota Inc.
VALENTIN, Delvin D.	Plan B Investment Inc. dba 1260 Auto Group

CAR SALESPERSON LICENSES

MAUI EDUARDO P <ALVAREZ<	JIM FALK MOTORS OF MAUI INC
HAWAII MARIA M <AULD<	BIG ISLAND MOTORS INC
OAHU ALEXCIS L <BENHAM<	ALOHA AUTO GROUP LTD
OAHU BREANNA M <BLACK<	ALOHA AUTO GROUP LTD
HAWAII REECE A <BONHAM<	KONA AUTO CENTER INC
KAUAI AARON K <BRAUN<	SERVCO PACIFIC INC
KAUAI TONY D <BRUN<	KUHIO AUTO GROUP
OAHU KEVIN T <BURROUGHS<	CUTTER CHEVROLET
OAHU ALEX R <CHRISTMAN<	CUTTER FORD ISUZU
MAUI SHIRO <EMEJWA<	JIM FALK MAZDA
HAWAII CHRISTIAN K <FAHNLANDER<	BIG ISLAND TOYOTA INC
OAHU DAVID H <FUJIKAWA<	ST FUJIKAWA
OAHU ROBERT K <FUJIKAWA<	ST FUJIKAWA
OAHU SAMUEL T <FUJIKAWA<	ST FUJIKAWA
OAHU FREDDIE S <GALVADORES<	CUTTER FORD INC
OAHU KENNETH N L <HOAPILI<	NEW CITY NISSAN
MAUI ASHLEY D <JARDINE<	JIM FALK MAZDA
OAHU MAXIMILIAN D <JIMENEZ<	NEW CITY NISSAN
OAHU KHARI A <KAALUND<	CYCLE CITY LTD
OAHU GHAZI <KHANCHEL<	DARREL M CRAIL
OAHU TROY K Y <LEE<	ST FUJIKAWA
OAHU MARCUS A <LEWIS<	JN GROUP INC
OAHU KEVIN <LORA<	CUTTER CHEVROLET
HAWAII SINA S <MCCORMICK<	BIG ISLAND HONDA - HILO
OAHU BRONSON T K <MURRAY<	TCA AUTO
HAWAII QUINN A <NELSON<	BIG ISLAND TOYOTA INC
KAUAI WILLIAM F <NORRIS<	KUHIO AUTO GROUP
OAHU KEENAN N <OLIVAS<	CUTTER FORD ISUZU
MAUI CHRISTIAN M <REGAN<	MAUI AUTO LLC
OAHU JESSICA K <SASAKI<	PACIFIC AUTO PUTLET INC
OAHU TEMERA L <SHEFFER<	JN CHEVROLET
OAHU ALAN M <SUZUKI<	ST FUJIKAWA LLC

CAR SALESPERSON LICENSES - CONTINUED

OAHU MINGO R <TANKERSLEY<	ALOHA AUTO GROUP LTD
OAHU ALEXANDER J <TAYLOR<	CUTTER MAZDA OF HONOLULU
MAUI PURLIDALYN M <TYRONE<	JIM FALK MOTORS OF MAUI INC
OAHU KEKUAILOHIA T <UEMOTO<	HONOLULU BIMMER SERVICE INC
OAHU BYRON M <VAN BILJUN<	HONOLULU FORD
OAHU CRISSAR KARL B <VILLEJO<	RAINBOW CHEVROLET INC
OAHU MARISSA L <WAGNER<	TONY NISSAN
HAWAII STEVEN M <WARD<	BIG ISLAND TOYOTA INC
MAUI JORDAN M <WOODS<	JIM FALK MOTORS OF MAUI INC

MOTOR VEHICLE DEALER LICENSE

MVD 1060	AUTO CITY LLC
MVD 1061	AHMEDED E CHERGUI
MVD 1062	ST FUJIKAWA LLC

MOTOR VEHICLE DEALER LICENSE - RELOCATION

MVD 999	TESLA INC
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