

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 19, 2019  
Time: 9:00 a.m.  
Place: Queen Liliuokalani Conference Room  
King Kalakaua Building  
335 Merchant Street, 1<sup>st</sup> Floor  
Honolulu, Hawaii 96813

Present: Wayne De Luz, Industry Member, Chairperson  
Carl D. Johnsen, Public Member  
John Uekawa, Industry Member  
Russell Wong, Industry Member  
Kedin C. Kleinhans, Executive Officer (“EO”)  
Mana Moriarty, Deputy Attorney General (“DAG”)  
Christopher J. I. Leong, Deputy Attorney General (“DAG”)  
LaJoy Lindsey, Secretary

Excused: Steven J. T. Chow, Esq., Public Member, Vice-Chairperson  
Byron Hansen, Public Member  
Larry Ignas, Public Member

Guests: Gary Scheuring – Cutter  
Dave Rolf, Hawaii Automobile Dealers Association (“HADA”)

Call to Order: Chairperson De Luz called the meeting to order at 9:54 a.m. at which time quorum was established. He reported the meeting started late due to flight and traffic delays.

Approval of Minutes of the December 18, 2018 Meeting: It was moved by Mr. Wong, seconded by Mr. Hansen, and unanimously carried to approve the minutes of the October 16, 2018 Board meeting as circulated.

Executive Officer’s Report: None.

Licensing: At 9:55 a.m., it was moved by Mr. Johnsen, seconded by Mr. Wong, and unanimously carried to enter into Executive Session to consider and evaluate personal information relating to the individuals applying for licensure in accordance with HRS section 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 section 92-5(a)(4).

#### EXECUTIVE SESSION

At 10:28 a.m., it was moved by Mr. Wong, seconded by Mr. Johnsen, and unanimously carried to return to the Board's regular order of business.

a. Ratifications

Motor Vehicle Salesperson Transfers  
Motor Vehicle Salesperson Licenses  
Motor Vehicle Dealer Licenses

It was moved by Mr. Johnsen, seconded by Mr. Uekawa and unanimously carried to ratify the above lists for the licenses sought (as attached).

b. Applications

- (i) Mitsubishi Motors North America ("MMNA"), Inc.  
Motor Vehicle Distributor

It was moved by Mr. Wong, seconded by Mr. Uekawa and unanimously carried to approve MMNA's application for Motor Vehicle Distributor, subject to documentation acceptable to the EO that the relationship between the manufacturer (Mitsubishi Japan) and the distributor (MMNA, Inc.) is clearly established and acknowledged.

- (ii) Mark L. Benson  
Motor Vehicle Consumer Consultant

It was moved by Mr. Uekawa, seconded by Mr. Johnsen and unanimously carried (Mr. Wong abstained) to approve Mr. Mark L. Benson's application for Motor Vehicle Consumer Consultant.

- (iii) Daniel M. Ecklund  
Motor Vehicle Consumer Consultant

It was moved by Mr. Wong, seconded by Mr. Johnsen and unanimously carried to deny Mr. Ecklund's application for Motor Vehicle Consumer Consultant as he did not meet the stated requirements. Further, the Board delegated the authority to approve Motor Vehicle Consumer Consultant applications to its Executive Officer should an applicant meet the stated

requirements, subject to ratification at the following Board meeting.

EO Kleinhans will advise Mr. Ecklund that he does not meet the qualifications of a consumer consultant and will ask if he intended to submit a Motor Vehicle Salesperson application.

Mr. Johnsen inquired of the records process of making motions and establishing procedures for this Board. Chair De Luz replied that all motions and delegated procedures are recorded in the minutes. DAG Leong confirmed that it will be in the open session minutes. EO Kleinhans confirmed that minutes, Board determinations, and Board delegations to its Executive Officer are kept on file. Chair De Luz mentioned that we try to include as much as possible for public record.

- (iv) Jack P. Boxer  
Motor Vehicle Salesperson

It was moved by Mr. Wong, seconded by Mr. Uekawa and unanimously carried to conditionally approve the Motor Vehicle Salesperson application of Mr. Jack Boxer subject to him providing the application is properly signed by the Motor Vehicle Dealer, an updated letter from his current employer acknowledging that the Board be notified should his employment be terminated, and that Mr. Boxer comply with the terms of his probation. If these conditions are not met, the conditional license will be revoked and he may re-apply for licensure after a five-year period.

- (v) Iuliia V. Lawler  
Motor Vehicle Salesperson

It was moved by Mr. Wong, seconded by Mr. Uekawa and unanimously carried to approve Ms. Lawler's application for Motor Vehicle Salesperson.

Legislation:

EO Kleinhans updated the Board of three bills..

- a. Senate Bill No. 22 – Relating to Professional and Vocational Regulatory Programs

This bill would require the auditor to perform an evaluation of each board and program and establish a repeal date. EO Kleinhans explained that each board and program had sunset dates, or repeal dates, around the 1970s-1990s. Prior to each sunset date, the auditor would conduct an audit of the board and program and make recommendations. The Legislature would then draft a bill on whether the sunset date would be deferred.. This bill would re-establish the sunset review process. The

last audit was conducted in 1994 and the auditor recommended that the State and Legislature continue to regulate the industry.

EO Kleinhans reported that the bill has not been heard by the Commerce, Consumer Protection, and Health committee. The deadline for a hearing has passed however, it may be possible the bill could be re-referred to a single committee or brought up again next year.

Mr. Wong mentioned that he would be against this bill - as a Board member, he feels there is a valid purpose for this Board and many other boards. Mr. Wong stated that if the Board were to be repealed due to the auditor being unable to perform the audit prior to the sunset date, the bill and would be a disservice to the community as it is not consumer driven.

DAG Leong noted the current language of the bill separates an audit date from the repeal date. The bill does not establish sunset evaluation dates by law.

EO Kleinhans mentioned that the Division has drafted testimony opposing the repeals.

It was moved by Mr. Wong, seconded by Mr. Johnsen and unanimously carried to instruct EO Kleinhans to track this bill, and if there is a hearing, provide testimony in strong opposition if it remains in its current form.

b. House Bill No. 112 – Relating to Taxation

EO Kleinhans reported that this bill requires a tax clearance for any PVL license. Both the bill and its companion, Senate Bill No. 1114, were deferred by the Consumer Protection committees of the House and Senate.

c. House Bill No. 1528 – Relating to Commerce and Consumer Affairs

EO Kleinhans reported that this bill initially required DCCA to suspend all the licensing and registration fees for 8 years. The amended House Draft 1 of the bill no longer suspends fees for any licensure or registration. Instead, the measure now establishes criteria for the amounts of the fees and provides the cessation of fees should the PVL trust fund reach a certain amount. He added that this board does not have a trust fund.

Next Meeting: Tuesday, April 16, 2019  
9:00 a.m.  
King Kalakaua Building  
Queen Liliuokalani Conference Room  
335 Merchant Street, 1<sup>st</sup> Floor  
Honolulu, HI 96813

Adjournment:            There being no further business to discuss, the meeting adjourned at  
10:54 a.m.

Taken and recorded by:

/s/ LaJoy Lindsey

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LaJoy Lindsey, Secretary

Reviewed and approved by:

/s/ Kedin C. Kleinhans

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Kedin C. Kleinhans  
Executive Officer

1/17/19

[ ] Minutes approved as is.

[ X ] Minutes approved with changes. See Minutes of 4/16/19.