

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 21, 2017
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
Russell Wong, Industry Member Vice Chairperson
Dennis Short, Industry Member
Carl D. Johnsen, Public Member
Byron Hansen, Public Member
Steven J. T. Chow, Esq., Public Member

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

Guests: Corianne Lau, Alston Hunt Floyd & Ing
Dave Rolf, HADA
Fred Kubota, HT & T
John Blalock, Buron’s Fire
Dan Moss, Island’s Best Auto
Lyle Ishida, Attorney for Volvo Car USA LLC
Nathan Reyes, Hawaii Specialty Vehicles

Call to Order: Chairperson De Luz called the meeting to order at 9:00 a.m. at which time quorum was established.

Approval of Minutes
December 20, 2016

Meeting: It was moved by Mr. Chow, seconded by Vice Chairperson Wong, and unanimously carried by to approve the minutes of the December 20, 2016 meeting as circulated.

Executive Officer’s
Report:

- a. Volvo Car USA LLC and Envy Hawaii LLC
dba Volvo of Honolulu – Media Reports

The Executive Officer stated that effective January 19, 2017, expiration June 30, 2018, Volvo Car USA LLC was issued license DIS 152, the date the copy of the executed agreement granting it the franchise to distribute motor vehicles in this State was received.

The Executive Officer was contacted by the Honolulu Star Advertiser reporter Dave Segal who stated that he had a copy of the Board's letter to Volvo Car USA LLC. Segal inquired about the letter, the Honolulu dealer and the North American distributor. Executive Officer informed Segal that the letter was addressed to the Distributor and that a courtesy copy was sent to the Honolulu dealer, ENVY HAWAII LLC, VOLVO OF HONOLULU. Executive Officer further stated that no contacts were received from other media.

The Executive Officer related that at the December 20, 2016 meeting, one of the Board members raised the issue of whether the Board's office notifies dealers if their manufacturer or distributor does not renew its license to which the Executive officer replied that if the matter presents itself, the office will notify the dealer.

Members agreed by consensus that the Executive Officer handled the matter appropriately. Members also stated that the Board's decision pertained to the distributor applicant and if the dealer decided to cease selling Volvo's it was the dealer's choice.

David Rolf stated that there are concerns about the letter. He questioned the Executive Officer's use of terminology "is not authorized to distribute motor vehicles in this State" in the letter. He further asked where in the licensing law are the term "no authorized" is used.

Chair De Luz acknowledged Rolf's comment and stated that the terminology "application is not approved" can be used in the future.

b. Meeting with Hawaii Automobile Dealer Association Executive Committee – Government Efficiency

The Executive Officer reported that DCCA Director Catherine Awakuni-Colon was invited to meet with the HADA Executive Board. DCCA Director asked the Executive Officer and Licensing Administrator to also attend the meeting.

Brian Kitagawa, Eric Fukunaga, Bill Van den Hurk, Stan Masamitsu, Mike Niethammer and David Rolf were present at the meeting.

Executive Officer related that there was discussion about the application process; that the Board is attached to the Professional and Vocational Licensing Division/DCCA, which has processing standards (15 to 20 business days for *complete* applications). In addition, there was discussion about the various laws that govern the Board's program of work, such as, the Sunshine law requirements, Uniformed Information Practices Act, etc.

The Executive Officer stated that the HADA Executive Committee members related that given the parameters within which the Board and

the Board's Office has to work, they were satisfied with the work being performed in the Board's Office.

David Rolf related that the HADA Executive Committee's goal was to impress upon DCCA the need for it to develop a culture of government efficiency. He stated that he receives calls from their memberships that applicants cannot get through to 586-3000. He further stated that DCCA is still doing paper and manual transmissions.

Board members asked the Executive Officer if PVL is aware that customers cannot get through to 586-3000, to which the Executive Officer replied in the affirmative. She related that both DCCA and PVL are concerned and are addressing the concerns. A member stated that this surely impacts the Executive Officer and her ability to get her work done with efficiency. As to David Rolf's concern that DCCA is still doing paper and manual transmission, the Executive Officer related that PVL is working with a Vendor toward a new software program.

Executive Session: At 10:00 a.m., it was moved by Mr. Chow, seconded by Vice-Chairperson Wong, 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 12:01 p.m., it was moved by Vice Chairperson Wong, seconded by Mr. Chow, and unanimously carried to return to the Board's regular order of business.

Licensing: a. Ratifications

Motor Vehicle Salesperson Transfers
Motor Vehicle Salesperson License
Motor Vehicle Dealer License
Motor Vehicle Dealer Relocation
Motor Vehicle Branch Office

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

b. Applications

- (i) Shawn A. McCormick – Motor Vehicle Salesperson

It was moved by Mr. Chow, seconded by Vice Chairperson Wong and unanimously carried to approve the above referenced application.

- (ii) Sheena E. Moreira – Motor Vehicle Salesperson

It was moved by Mr. Chow, seconded by Mr. Johnsen and unanimously carried to defer decision-making on the motor vehicle salesperson application subject to the Board's receipt of a letter from the dealer principal in which the dealer principal states that he/she is aware of the charges and why the dealership seeks to employ the applicant, and that the Executive Officer is authorize the to approve the application when the required letter is received.

The Executive Officer requested clarification regarding the signature for these letters. There was a brief discussion about whether the signature of an officer of the company, or a manger of the dealership would be acceptable. After discussion, members agreed by consensus that whenever the Board requests a letter from the dealership pertaining to a salesperson employee, the only signature that the Board will accept will be that of the dealer principal.

- (iii) Charles K. Paulino – It was moved by Vice Chairperson Wong, seconded by Mr. Short and unanimously carried to defer decision-making on the motor vehicle salesperson application and request applicant's appearance at the next meeting.

- (iv) Ariens Company – Motor Vehicle Distributor

Board members reviewed the additional information applicant provided and found that questions from the previous meeting remain.

It was moved by Vice Chairperson Wong, seconded by Mr. Chow and unanimously carried to defer decision-making on the application for further information.

- (v) Chicago Scooter Company LLC - Motor Vehicle Distributor

Board members reviewed the information presented.

It was moved by Vice Chairperson Wong, seconded by Mr. Johnsen and unanimously carried to defer decision-making on the application for further information.

- (vi) Taylor-Dunn Manufacturing Company - Motor Vehicle Distributor

Board members reviewed the information presented.

It was moved by Vice Chairperson Wong, seconded by Mr. Chow and unanimously carried to approve the application subject to the Board's receipt of an executed dealer agreement with a Hawaii licensed motor vehicle dealer.

- (vii) Braun Industries, Inc. - Motor Vehicle Manufacturer

Board members reviewed the information presented.

It was moved by Vice Chairperson Wong, seconded by Mr. Chow and unanimously carried to defer decision-making on the application for further information.

- (viii) Corporation Micro Bird Inc. - Motor Vehicle Manufacturer

Board members reviewed the information presented.

It was moved by Vice Chairperson Wong, seconded by Mr. Chow and unanimously carried to defer decision-making on the application for further information.

- (ix) Grech Motors, Inc - Motor Vehicle Manufacturer

Board members reviewed the information presented.

It was moved by Vice Chairperson Wong, seconded by Mr. Chow and unanimously carried to approve the for vehicles that are upfitted on:

- 1) Ford E450, and F550;
- 2) Mercedes Sprinter Van; and
- 3) Dodge 28", 33", 4500 and 550 series, provided that the Board receives a copy of an executed dealer agreement with a Hawaii licensed dealer for the preceding line makes.

It was moved by Vice Chairperson Wong, seconded by Mr. Chow and unanimously carried to defer decision-making on the applicant's request for approval of vehicles upfitted on Freightliner for more information.

(x) Halcore Group, Inc.- Motor Vehicle Manufacturer

Corianne Lau, Esq. was present to answer any questions the members may have. She related that Halcore Group, Inc. is wholly owned by Rev. Group, which is authorized by General Motors to upfit its cab and chassis. The GM document reflects that Horton Emergency Vehicles, and Leader Emergency Vehicles, trade names registered to applicant are authorized to be built on GM cab and chassis.

After considerable discussion, it was moved by Mr. Chow, seconded by Vice-Chairperson Wong and unanimously carried to approve the above referenced application subject to Board's receipt of a copy of an executed agreement between the applicant and its parent company, REV Group, Inc. as pertains to the General Motors LLC Special Vehicle Manufacturer Converters Agreement for Bus & Ambulance and "Horton Emergency Vehicles" and "Leader Emergency Vehicles".

(xi) Taylor-Dunn Manufacturing Company- Motor Vehicle Manufacturer

Board members reviewed the information presented.

It was moved by Vice Chairperson Wong, seconded by Mr. Chow and unanimously carried to approve the application subject to the Board's receipt of an executed dealer agreement with a Hawaii licensed motor vehicle dealer.

(xii) Textron Inc. (E-Z-GO Division) - Motor Vehicle Manufacturer

Board members reviewed the information presented.

It was moved by Vice Chairperson Wong, seconded by Mr. Chow and unanimously carried to approve the application subject to the Board's receipt of an executed dealer agreement with a Hawaii licensed motor vehicle dealer.

New Business:

- a. 2017 Legislative Session (see attached)

Board members received a summary regarding Legislative Bills that could impact the Board's Program of Work.

- b. Agenda Topics and Filing of Agendas - For Example: "Executive Officer's Report – None"
Executive Officer was instructed to include the topic "Executive Officer's Report" on the agenda and if none, state "None".

- c. Applications for License Forms – Proposed Revision

- (i) Motor Vehicle Dealers
- (ii) Motor Vehicle Manufacturers, Final Stage Manufacturers and Distributors

The Executive Officer stated that the forms are being revised for readability and changes to aid applicants. As to manufacturers, final stage manufacturers, the Executive Officer related that it would help applicants for the instruction pertaining to OEM agreements and other documents the Board has been requiring to be included.

David Rolf questioned how the Executive Officer could even consider revising the application form for final stage manufacturers when there is no definition in HRS Chapter 437.

The Executive Officer explained that the Board has discussed and issued its informal, non-binding interpretation on these types of manufacturers.

Mr. Short stated that the industry should get together, develop compromise language and take action to amend the law, while keeping the Board in the loop on its status. He further stated that the Board has done its best to address the issue regarding these vehicles that are very important to the safety and welfare of the community.

6. Public Comment – None.

Next Meeting:

Tuesday, April 18, 2017
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
10:49 a.m.

Taken and recorded by

/s/

Christine Rutkowski
Executive Officer

3/12/17

Minutes approved as is.

Minutes approved with changes. See Minutes of _____.