

CONDOMINIUM PROPERTY REGIME TASK FORCE
Department of Commerce and Consumer Affairs
State of Hawaii

MINUTES OF MEETING

Date: May 8, 2026

Time: 1:00 p.m.

In-Person Meeting Location: Queen Liliuokalani Conference Room
HRH King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii 96813

Virtual Participation: Virtual Videoconference Meeting – Zoom Webinar
<https://dcca-hawaii-gov.zoom.us/j/81993339218?pwd=iXpv80ZT30A1MHRMeZUbNxuEEix1Pv.1>

Present: Philip Nerney, Chairperson
Lila Mower, Vice Chairperson
Kealii Lopez, Member
Patti Thiele, Member
Raelene Tenno, Member
Kedin Kleinhans, on behalf of Dathan Choy, Department of Commerce and Consumer Affairs

Rochelle Araki, Technical Support
Tammy Norton, Technical Support

Absent: Carol Fukunaga, State Senator
Sean Quinlan, State Representative
Dathan Choy, Department of Commerce and Consumer Affairs

In-Person Guest(s): Richard Emery, Hawaii First Realty
Neil Fujitani, Real Estate Branch
Sandy Wong

Virtual Guest(s): Brooks Robinson
Dawn Smith
Gregory Misakian
Jeff Sadino
Victoria Bordignon

Agenda: The agenda for this meeting was posted to the State electronic calendar and filed with the Office of the Lieutenant Governor, as required by Hawaii Revised Statutes (“HRS”) section 92-7(b).

Call to Order: The meeting was called to order at 1:07 p.m., at which time quorum was established.

Mr. Choy was excused from the meeting. Prior notification of his non-attendance was received. Mr. Kleinhans was present on behalf of Mr. Choy as designated by the Department of Commerce and Consumer Affairs.

Review and
Approval of
Meeting
Minutes:

February 20, 2026

Upon a motion by Mr. Kleinhans, seconded by Vice Chair Mower, it was voted on and unanimously carried to approve the minutes of the February 20, 2026 meeting.

April 17, 2026

Vice Chairperson Mower requested the following amendments:

- Page 1, Virtual Guest(s), changing “c m” to “Christine Morrison”
- Page 2, Approval of Minutes of March 6, 2026, end of second paragraph, changing “problem” to “cause of disputes”
- Page 3, inserting a space between the last two paragraphs

Chairperson Nerney requested the following amendments:

- Page 3, end of paragraph 5, adding “with respect to fines” after “whose ruling”
- Page 3, beginning of paragraph 10, adding “by the Legislature” after “cannot be compelled”
- Pages 3-4, changing references of “c m” to “Christine Morrison”
- Page 6, end of paragraph 4, replacing the language that follows “He further noted concerns that...” with “...as bylaws are contracts, there are generally limits on what the Legislature can do to alter contracts.”
- Page 6, middle of paragraph 7, replacing “engage in” with “are motivated by”
- Page 6, middle of paragraph 7, replacing “those cases” with “cases where there is evidence of malice”
- Page 7, end of last paragraph, replacing “confirmed” with “indicated that small claims court’s decision would be final with respect to fines”

Guest, Gregory Misakian, requested to provide oral testimony. Chairperson Nerney recognized Mr. Misakian.

Mr. Misakian suggested the minutes be deferred citing the number and complexity of amendments requested by members.

Mr. Misakian inquired if the Task Force satisfied quorum requirements with the members present. Mr. Kleinhans responded that he was designated as the Department of Commerce and Consumer Affairs back-up to Mr. Choy and confirmed quorum requirements.

Upon a motion by Ms. Lopez, seconded by Ms. Thiele, it was voted on and unanimously carried to approve the minutes of the April 17, 2026 meeting with the amendments requested by Vice Chairperson Mower and Chairperson Nerney.

Discussion
Topic:
Condominium
Ombudsmen

Mr. Kleinhans reported that the Task Force elected to receive public testimony after it experienced a loss of quorum at its April 24, 2026 meeting, pursuant to section 92-2.5(d), HRS. He provided a summary of the public testimony, further noting that all written testimony for the April 24, 2026 meeting was redistributed to members for this meeting.

Chairperson Nerney opened the floor to public testimony.

Guest, Gregory Misakian, requested to provide oral testimony. Chairperson Nerney recognized Mr. Misakian.

Mr. Misakian summarized his written testimony regarding the indictment of a former property manager of Hawaiian Properties, noting that a condominium ombudsmen would be able to address these issues. He expressed concerns with regard to Associa purchasing Hawaiian Properties.

Mr. Misakian indicated that a condominium ombudsman should have enforcement authority and have the ability to refer cases to the Hawaii Attorney General. He expressed concerns that the Department of Commerce and Consumer Affairs and Regulated Industries Complaints Office are failing to support condominium unit owners. Ms. Lopez responded that she believes that the Department of Commerce and Consumer Affairs is doing what it is statutorily required to do.

Chairperson Nerney clarified that Hawaiian Properties had informed him they were not purchased by Associa.

Guest, Jeff Sadino, requested to provide oral testimony. Chairperson Nerney recognized Mr. Sadino.

Mr. Sadino expressed support for internal dispute resolution and mediation when appropriate, and for establishing a condominium ombudsman's office to investigate potential bad actors in the industry. He expressed personal concerns regarding the cost of attorney fees.

Guest, Brooks Robinson, requested to provide oral testimony. Chairperson Nerney recognized Mr. Robinson.

Mr. Robinson expressed skepticism on the success of a condominium ombudsman's office. He suggested that State agencies collect and analyze more association financial data, for example, the information on IRS Form 1120-H. Mr. Robinson also expressed concerns regarding the cost of attorney fees.

Ms. Tenno joined the meeting at 1:37 p.m.

Guest, Victoria Bordignon, requested to provide oral testimony. Chairperson Nerney recognized Ms. Bordignon.

Ms. Bordignon shared her experience filing a complaint with the Regulated Industries Complaints Office and expressed concerns with receiving inconsistent guidance regarding the enforcement of chapter 467, HRS.

Ms. Bordignon suggested that the Task Force adopt another state's model of a condominium ombudsman office rather than establish a new model from scratch. She noted that the Legislature could also consider expanding the authority of the Regulated Industries Complaints Office.

Guest, Richard Emery, requested to provide oral testimony. Chairperson Nerney recognized Mr. Emery.

Mr. Emery recalled in 2010 that complaints could be heard by the Department of Commerce and Consumer Affairs' Office of Administrative Hearings, but that system was allowed to sunset.

Mr. Emery explained that the Supreme Court of Hawaii determined that buying into a condominium is essentially entering into a contract, and as such, a condominium ombudsman may experience difficulties overturning a decision within a private contract. He agreed with Ms. Bordignon's comment that the Legislature could simply expand the authority of the Regulated Industries Complaints Office, but suggested the Task Force consider guard rails for each of the various options.

Mr. Emery indicated that he would like more information regarding alternative dispute resolution subsidized by the Hawaii Real Estate Commission, such as who initiated the mediation and the cause of the dispute.

Vice Chairperson Mower described her experience finding discrepancies in association documents which alluded to the possibility that its election of board members was manufactured or manipulated. She also recalled providing documents which evidenced potential embezzlement of association funds to the police, but ultimately nothing transpired.

Vice Chairperson Mower expressed concerns that some mediators appear to be partial in mediations, noting that one mediator was found to have no experience with condominium issues. She suggested that a condominium ombudsman not be narrowly focused on disputes, noting that both the authorities of the Regulated Industries Complaints Office and the Real Estate Branch condominium specialists could be expanded.

Chairperson Nerney recalled that Sen. Fukunaga determined that a lot of the proposed functions of a condominium ombudsman presently exist within the

Department of Commerce and Consumer Affairs. Ms. Lopez questioned why the Task Force was created if the aforementioned authorities and functions already exist. Ms. Lopez added that something significant needs to be done, noting that Nevada's regulatory framework seemed effective.

Guest, Victoria Bordignon, requested to provide oral testimony. Chairperson Nerney recognized Ms. Bordignon.

Ms. Bordignon suggested for the Legislature to adopt California's David-Stirling Act. She also expressed support in licensing all association managers who manage real estate.

Guest, Greg Misakian, requested to provide oral testimony. Chairperson Nerney recognized Mr. Misakian.

Mr. Misakian indicated that the intent of the condominium ombudsman is for assistance. He explained that the ombudsman could steer disputing parties to the right place and help a unit owner or board member determine their next step. Mr. Misakian stated that he received no help from the Department of Commerce and Consumer Affairs or the Regulated Industries Complaints Office.

Guest, Brooks Robinson, requested to provide oral testimony. Chairperson Nerney recognized Mr. Robinson.

Mr. Robinson expressed concerns that attorneys benefit from the current regulatory framework and noted the number of condominium bills introduced each legislative session.

Guest, Sandy Wong, requested to provide oral testimony. Chairperson Nerney recognized Ms. Wong.

Ms. Wong expressed skepticism that a condominium ombudsman would be the "silver bullet". She explained that an individual may no longer view the condominium ombudsman as a neutral party if the ombudsman renders a decision against that individual's favor.

Ms. Wong suggested for unit owners who are unhappy with their boards to consider running for the board; however, she also recognized that some unit owners face potential retaliation. Ms. Tenno added that she was labeled by her board as an "obstructionist" for being vocal and calling out unpermitted work.

Chairperson Nerney acknowledged that issues inevitably arise in condominiums and suggested to explore and address any deficiencies within the Department of Commerce and Consumer Affairs. He requested Task Force members to compile a list of functions of the Department of Commerce and Consumer Affairs to compare and determine the functions of

a proposed condominium ombudsman. Mr. Kleinhans noted that the bills referenced in Mr. Misakian's testimony, House Bill No. 2453 and Senate Bill No. 3309, could be used as a starting point.

Discussion ensued regarding meeting decorum, public participation, and characterizations of individuals. Mr. Misakian expressed concerns that the Chairperson was showing disrespect and mocking the public. Ms. Bordignon expressed concerns that the Chairperson's remarks appear to display disdain toward condominium unit owners. After tense exchanges between the Chairperson and testifiers, Ms. Lopez emphasized the need for respectful dialogue and advised Chairperson Nerney that owner testimony, regardless of numbers, reflected real and significant concerns.

Guest, Richard Emery, requested to provide oral testimony. Chairperson Nerney recognized Mr. Emery.

Mr. Emery stated that there is no truth to Hawaiian Properties being purchased by Associa.

Next Meeting: May 22, 2026
1:00 p.m.

Queen Liliuokalani Conference Room
HRH King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii 96813

And Virtual Videoconference – Zoom

Adjournment: The meeting adjourned at 3:09 p.m.

Reviewed and approved by:

/s/ Philip Nerney

(Mr.) Philip Nerney
Chairperson

Taken and recorded by:

/s/ Kedin Kleinhans

(Mr.) Kedin Kleinhans
Administrative Assistant

PN:kck
06/05/26 (Date Drafted)

() Minutes approved as is.

() Minutes approved with changes: