

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

MINUTES OF MEETING

Date: May 22, 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/82055516423?pwd=0MxlkFbutLfkCCdVb3Y3Ub55qYMdch.1>

Present: Philip Nerney, Chairperson
Lila Mower, Vice Chairperson
Dathan Choy, Department of Commerce and Consumer Affairs
Kealii Lopez, Member
Raelene Tenno, Member

Rochelle Araki, Technical Support
Tammy Norton, Technical Support

Absent: Carol Fukunaga, State Senator
Sean Quinlan, State Representative
Patti Thiele, Member
Kedin Kleinhans, Administrative Assistant

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

Virtual Guest(s): Gregory Misakian
Henry
Jeff Sadino
Marie
Sandy Wong
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 recessed at 1:00 p.m., due to lack of quorum.

The meeting was called to order at 1:14 p.m., at which time quorum was

established.

Members Fukunaga, Quinlan, and Thiele were excused from the meeting. Prior notification of Ms. Thiele's non-attendance was received.

Administrative Assistant Kleinhans was excused from the meeting. Prior notification of his non-attendance was received.

Guest, Lourdes Scheibert, requested to provide oral testimony. Chairperson Nerney recognized Ms. Scheibert.

Discussion of the
Regulatory
Framework and
Authority for a
Potential
Condominium
Ombudsman's
Office:

Ms. Scheibert provided testimony regarding the regulatory framework and authority for a potential condominium ombudsman's office. The agenda was taken out of order.

Ms. Scheibert expressed support in establishing a condominium ombudsman's office that could provide independent technical review and early intervention of disputes before legal fees begin to escalate. She added that such office collect complaint data, review recurring governance and reserve issues, and identify systematic failures, such as water intrusions or mismanagement of reserve funds, without serving as private counsel to condominium unit owners.

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

Mr. Misakian inquired of the purpose of the earlier recess. Chairperson Nerney responded that the Task Force did not have quorum at that time.

Mr. Misakian expressed concerns regarding the Chairperson's conduct of the meeting and suggested for the Task Force to utilize the timer feature on Zoom to monitor time for public testimony.

Ms. Misakian agreed with Ms. Scheibert and emphasized the need for a condominium ombudsman.

Discussion and
Consideration to
Adopt Rules to
Impose
Reasonable
Limits on Public
Testimony per
Agenda Item,
Including Repeat
Testimony on the
Same Agenda
Item:

Ms. Lopez requested for the Task Force to consider adopting the following rules concerning public testimony:

- Each testifier will be limited to five minutes of testimony per agenda item;
- One minute will also be provided for repeat testimony (i.e., a second appearance) on the same agenda item; and
- Two minutes will be provided for the specific person responding to a question from a Task Force member. This two-minute allowance applies only to the individual being questioned and does not permit any other person to respond or speak to the Task Force member.

Upon a motion by Mr. Choy, seconded by Vice Chairperson Mower, it was voted on and unanimously carried to adopt the above-mentioned rules concerning public testimony. The rules will go into effect at the next Task Force meeting.

Review and
Approval of
Meeting Minutes
of April 24, 2026:

Vice Chairperson Mower indicated her intent to abstain from voting on this agenda item as she was not present at the April 24, 2026 meeting. Chairperson Nerney determined that the Task Force no longer had sufficient votes to approve the minutes. The agenda item was deferred.

Discussion of the
Regulatory
Framework and
Authority for a
Potential
Ombudsman's
Office:

Mr. Choy reported that written testimony received for the meeting focused on what a condominium ombudsman could do, but did not address its implementation within existing frameworks, such as building inspections conducted by the City & County of Honolulu's Department of Planning and Permitting ("DPP").

Ms. Lopez expressed concerns regarding egregious content provided by some public testifiers, and reminded the public that Task Force members are volunteers.

Chairperson Nerney indicated that the Hawaii Real Estate Commission currently holds subpoena and cease-and-desist authority, and a condominium ombudsman with similar authority could be duplicative of this framework.

Ms. Lopez inquired whether the authority of the condominium specialists could be expanded. Mr. Choy responded that Delaware employs a model that requires associations to adopt written internal dispute resolution procedures. He added that an agency is also empowered to review an association's fining and appeals procedures, and invalidate any issued fines should the agency determine the association did not properly follow its procedures. Mr. Choy indicated that Hawaii could adopt Delaware's model if similar authority were provided to the Regulated Industries Complaints Office ("RICO").

Chairperson Nerney noted that courts typically evaluate process, rather than outcome, and cautioned that authorizing RICO to invalidate an outcome may create legal inconsistencies.

Vice Chairperson Mower stated that fines are often retaliatory actions and inquired whether adopting Delaware's model would be effective in tackling retaliatory fines.

Chairperson Nerney noted that small claims court could also function as the agency in Delaware's model.

Vice Chairperson Mower expressed skepticism regarding RICO capacity to effectively carry out the duties of Delaware's model. Ms. Tenno agreed.

Discussion of the
Legislative
Reference Bureau
Study "Five
States'
Approaches to
Aspects of
Condominium
Law," Focusing
on the Topic of
"State Regulation
and Enforcement
of Condominium
Operations and
Governance":

Ms. Tenno suggested to increase the education provided, by real estate licensees, for example, during the point-of-sale of a condominium purchase. She added that Real Estate Branch condominium specialists could also improve its educational efforts.

Discussion ensued whether real estate licensees should be required to obtain a specialized condominium license designation and/or to enhance the continuing education required for license renewal. Mr. Choy indicated that a specialized license designation appeared to be similar to the "permit to practice" for licensed certified public accountants.

Chairperson Nerney invited guest, Neil Fujitani of the Real Estate Branch, to comment. Mr. Fujitani speculated that the industry could be unlikely to support specialty real estate licensing. Ms. Lopez inquired whether the Hawaii Real Estate Commission has the authority to require mandatory condominium content in continuing education core courses. Mr. Fujitani confirmed.

Chairperson Nerney opened the floor to public testimony.

Guest, Lourdes Scheibert, requested to provide oral testimony. Chairperson Nerney recognized Ms. Scheibert.

Ms. Scheibert expressed support for the creation of a condominium ombudsman which could address disputes involving water damages. She also expressed support to require mandatory education of condominium board members.

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

Mr. Sadino encouraged Task Force members to acknowledge the existence of persistent problems in condominium governance and expressed support in establishing a permanent condominium task force due to the complexity of condominium governance issues. Mr. Sadino asked Chairperson Nerney whether he agrees that it is a problem that a person has to spend \$100,000 to have access to the justice system. Chairperson Nerney summarized public court documents pertaining to Mr. Sadino's dispute, and indicated that a government official is not going to be able to tell a condominium association not to exercise its remedies in that circumstance.

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

Mr. Emery expressed support in implementing targeted changes to RICO and the Hawaii Real Estate Commission, compared to a broad condominium ombudsman model. He also suggested that condominium specialists could collect more data on, for example, governance complaints. Vice Chairperson Mower agreed on the collection of more data.

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

Mr. Misakian expressed support in establishing a neutral condominium ombudsman's office to address instances of corruption, fraud, and misuse of authority within condominiums. He also expressed concerns regarding the efforts of RICO, Real Estate Branch condominium specialists, and the Hawaii Real Estate Commission in addressing condominium issues.

Mr. Misakian apologized for a mistake he provided in written testimony that referenced Hawaiian Properties being purchased by Associa – instead, Touchstone has been acquired by Associa.

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

Ms. Wong expressed support toward the efforts of DCCA and the Real Estate Branch condominium specialists. She also expressed concerns regarding the proposal to establish a mandatory three-member appeals panel which could be problematic for condominium governance.

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

Ms. Bordignon expressed support in requiring the licensure of frontline condominium managers, adding that such licensure could become the most effective reform. She inquired whether the required sunrise analysis could be waived as a study was already done by the Legislative Reference Bureau.

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

Mr. Sadino stated that his lawsuits are public knowledge and asked Chairperson Nerney whether he agrees that it is a problem that a person has to spend \$100,000 to have access to the justice system.

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

Mr. Misakian commented that the discussion between Chairperson Nerney and Mr. Sadino regarding Mr. Sadino's public lawsuits is inappropriate and disturbing. He expressed concerns regarding the absence of the two legislator members of the Task Force, and also requested that the Chairperson respect Mr. Sadino and members of the public.

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

Ms. Bordignon expressed concerns regarding the back-and-forth dialogue and inquired why such dialogue is allowed to continue.

Discussion ensued on whether the Task Force has sufficient time to discuss and compile its recommendations to the Legislature prior to its June 30, 2026 sunset.

Vice Chairperson Mower inquired whether RICO could attend the next Task Force meeting. Mr. Choy will route a request for RICO's attendance.

Chairperson Nerney stated that the remaining Task Force meetings will be essentially decision-making. He requested for administrative staff to organize the agenda for the remaining meetings to ensure the Task Force is able to consider and take action on all items where the Task Force had discussed and developed a general consensus.

Next Meeting: June 5, 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 3:31 p.m.

Reviewed and approved by:

/s/ Philip Nerney

(Mr.) Philip Nerney
Chairperson

PN:kck
06/30/26 (Date Drafted)

() Minutes approved as is.

() Minutes approved with changes:

Taken and recorded by:

/s/ Kedin Kleinhans

(Mr.) Kedin Kleinhans
Administrative Assistant

DRAFT