

**PRESENTATION OF THE  
REAL ESTATE COMMISSION**

TO THE HOUSE COMMITTEE ON  
CONSUMER PROTECTION AND COMMERCE

TWENTY-NINTH LEGISLATURE  
Regular Session of 2017

Thursday, February 2, 2017  
3:00 p.m.

**TESTIMONY ON HOUSE BILL NO. 405, RELATING TO CONDOMINIUMS.**

TO THE HONORABLE ANGUS L.K. MCKELVEY, CHAIR,  
AND MEMBERS OF THE COMMITTEE:

My name is Nikki Senter, Chairperson of the Hawaii Real Estate Commission ("Commission"). The Commission does not support this bill, and submits the following comments.

One purpose of this bill is to establish a condominium unit owner hotline to provide unit owners with legal information in matters relating to disputes with boards of directors by adding a new section to chapter 514B, Hawaii Revised Statutes ("HRS"). The Commission already operates such a hotline at no cost to consumers pursuant to section 514B-64, HRS, to assist consumers with information, advice, and referral on any matter relating to chapter 514B, HRS, and condominiums. Thus, this proposed legislation is duplicative of existing government services and would unnecessarily divert education trust funds. In addition, the use of non-employee volunteers may create liability for the State.

Another purpose of this bill is to require that directors of residential condominium projects or associations with 20 or more units complete a

Commission designed, supervised, and administered mandatory online ethics course by adding a new section to chapter 514B, HRS.

The Commission strongly believes that overall education of unit owners and directors is the main ingredient for a healthy association of unit owners and creating an ethics course for directors is a step in the right direction. However, the Commission believes that pursuant to §26H-6, HRS, "New regulatory measures being considered for enactment that, if enacted, would subject unregulated professions and vocations to licensing or other regulatory controls shall be referred to the auditor for analysis. Referral shall be by concurrent resolution that identifies a specific legislative bill to be analyzed. . . ." As House Bill No. 405 proposes new regulatory controls over members of the board of directors of an association of unit owners, a sunrise analysis must be completed before consideration can be given to this measure.

The Commission also notes that the bill does not address the additional funding required to implement this new regulatory measure. For example, as of the 2015 – 2017 biennium, 1,689 projects registered with varying board sizes. Additionally, the bill proposes no mechanism by which unregistered associations will be included, as well as no enforcement mechanism for the new mandate. The bill also raises the spectre of government forced removal of voluntary board members duly elected by owners which is contrary to the self-governance condominium model adopted by the State. The Commission has consistently

heard that finding volunteer members to serve on an association's board is difficult. Requiring mandatory education for these volunteers may further make it problematic filling vacant seats. Should unit owners wish such a requirement, the owners may include such a proviso in their bylaws.

Finally, the Commission notes that while SECTION 7 of the bill proposes to amend section 514A-82, HRS, that section was superseded by section 514B-22, HRS, and that the proposed language in SECTIONS 3 and 7 of the bill regarding amending section 514B-71(a), HRS, does not mesh.

While the Commission strongly believes that overall education, including ethics, of unit owners and directors is paramount, the Commission does not support this bill for the aforesaid reasons.

Should the Committee decide to pass this measure out, the Commission requests that the language of the bill be amended by deleting SECTIONS 5 and 7 - 9, and amending SECTION 6, as follows:

"§ 514B - **Condominium education.** The commission shall have the authority to set content and other requirements for condominium education courses, providers, and instructors."

Thank you for the opportunity to provide testimony on House Bill No. 405.

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, January 27, 2017 1:45 PM  
**To:** CPCtestimony  
**Cc:** richard.emery@associa.us  
**Subject:** Submitted testimony for HB405 on Feb 2, 2017 15:00PM

**HB405**

Submitted on: 1/27/2017

Testimony for CPC on Feb 2, 2017 15:00PM in Conference Room 329

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Richard Emery	Associa	Support	No

Comments: I am concerned that the use of "legal" advice will impose liability to the state. The hotline should assist owners with discussion and arranging mediation services. The current condominium specialist may be able to perform this service now. It would be helpful to know how many calls the commission currently receives as to determine best value.

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**COMMITTEE ON CONSUMER PROTECTION AND COMMERCE**  
HEARING ON FEBRUARY 2, 2017 AT 3 PM  
**SUPPORT FOR HB405 and HB406**

Through nothing more sophisticated than emails, phone calls, and coffee klatches, Hui `Oia`i`o, a true grassroots and volunteer coalition, has grown such that Hui participants own and in reside in at least 135 condominium associations and a dozen community associations in Hawaii.

Our homes and properties range from affordable apartments to multi-million-dollar single family residences.

Many of our participants are currently or have been association board directors. Of those, many hold or held offices on these boards.

Thus, the Hui does not have, as one condo industry member suggested, an adversarial view of the “association,” e.g., the board.

Instead, having board experience, our vantage may be more insightful, more keen, and perhaps more critical than that of “ordinary” owners.

The Hui recognizes that owners need to understand the responsibilities of association living, including understanding the rules and laws which govern or are applicable to our associations. We recognize that some of the problems that owners encounter may be due to their own ignorance and we do not blindly assign all problems to the ignorance or misguidance of those who govern and/or manage associations or advise those that do.

Thus, the Hui supports the intent of HB405 to provide owners with a “hotline,” an inexpensive means to access legal guidance. We hope that owners will be served fairly and well in using the hotline.

We support HB405 and HB406 regarding training in ethics for board members, and recommend including a class in “respecting owner’s rights.”

But, we also support educational mandates, including ethics training, for the association managers upon whom many boards rely.

Additionally, we believe that it is irresponsible for Legislators to allow these association managers who handle millions of dollars in assets to do so without the accountability that licensure would encourage.

And we suggest that many association managers are responsible—whether wholly or partially—for the problems that associations and/or their owners suffer, but escape accountability because they are not licensed.

Currently, a manager who is terminated can reappear, largely unscathed, to work in the same or similar position because confidentiality rights prevent disclosure of their ‘mistakes.’

While we support HB405 and HB406, we feel that these measures are incomplete, focusing only on one side (owners, including board members) of the condo and association paradigm.

Mahalo.

Submitted by Lila Mower of Hui `Oia`i`o

January 31, 2017

Representative Angus L.K. McKelvey, Chair  
Representative Linda Ichiyama, Vice Chair  
Committee on Consumer Protection & Commerce  
415 South Beretania Street  
Honolulu, Hawaii 96813

Re: **Support for HB405**

Dear Chair McKelvey and Vice Chair Ichiyama:

I am a partner with the law firm of Porter McGuire Kiakona & Chow, LLP. Our firm represents condominium associations throughout the State of Hawaii, and I am active on the Community Association Institutes' Legislative Action Committee ("LAC") and a member of the Board of Directors for the Condominium Council of Maui ("CCM"). This testimony is not being submitted on behalf of either LAC or CCM.

I submit this testimony in support of HB405.

The idea of having a condominium owner hotline can only assist the association industry by educating owners and hopefully avoiding unnecessary disputes.

Thank you for your consideration.

Very truly yours,



Christian P. Porter

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, January 27, 2017 3:21 PM  
**To:** CPCtestimony  
**Cc:** kananik@hawaiianprop.com  
**Subject:** Submitted testimony for HB405 on Feb 2, 2017 15:00PM

**HB405**

Submitted on: 1/27/2017

Testimony for CPC on Feb 2, 2017 15:00PM in Conference Room 329

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kanani Kaopua	Individual	Oppose	No

Comments: I am a board member for a condo association, and make my living as a property manager. I know first hand how hard it is to get owners involved, let alone serve on their board of directors. Without a board, we can't hold board meetings, without a meeting, we can't make decisions and take actions specific to the upkeep and replacement of common elements throughout our property, annual budget, reserve funds, and so much more. This bill will make it impossible to get the required number of board member volunteers, and will in the end, disallow an association from making necessary repairs, hiring of contractors, and any other business required to maintain property values and aesthetic appeal. Please take this bill of the table for consideration. Thank you.

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, January 28, 2017 1:04 PM  
**To:** CPCtestimony  
**Cc:** akluvo@gmail.com  
**Subject:** Submitted testimony for HB405 on Feb 2, 2017 15:00PM

**HB405**

Submitted on: 1/28/2017

Testimony for CPC on Feb 2, 2017 15:00PM in Conference Room 329

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Arthur Kluvo	Individual	Oppose	No

Comments: As a board member for three associations, it is really difficult to get dedicated owners to serve as board members. Adding mandantory certification will make it even more difficult to get owners to serve as board members. In Hawaii there are two groups that already provide frequent training seminars for AOO's and Community Property Associations. They are seminars provided by Community Association Institute Hawaii (CAI Hawaii) and Hawaii Council of Community Associations (HCCA). Board members can get training from either group at a reasonable cost. Please don't add another layer of government bureaucracy that is unneeded and would duplicate training that is already offered by established groups.

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, January 28, 2017 9:45 AM  
**To:** CPCtestimony  
**Cc:** mrckima@gmail.com  
**Subject:** \*Submitted testimony for HB405 on Feb 2, 2017 15:00PM\*

**HB405**

Submitted on: 1/28/2017

Testimony for CPC on Feb 2, 2017 15:00PM in Conference Room 329

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Marcia Kimura	Individual	Support	No

Comments:

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, January 29, 2017 2:47 PM  
**To:** CPCtestimony  
**Cc:** lynnehi@aol.com  
**Subject:** Submitted testimony for HB405 on Feb 2, 2017 15:00PM

**HB405**

Submitted on: 1/29/2017

Testimony for CPC on Feb 2, 2017 15:00PM in Conference Room 329

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
lynne matusow	Individual	Oppose	No

Comments: I am a condo owner and board member. I object to being required to take online ethics courses. I object to my email address being given to a state agency. If someone wants to contact me, regular mail suffices. Email is hackable, spammable, and getting to be a burden. We have enough problems getting people to run for the board. My condo has 396 units, and most owners will not serve as board members. There is a proposal that board members will have to file financial disclosure forms. Now a proposal that their email address must be given out and that they have to take an ethics course. Owners will not run because of work constraints, too much time, health issues, etc. These are VOLUNTEER positions. In addition, most associations have professional paid staff to guide them as well as property management companies that can make sure the boards are operating ethically. Condo boards are not state agencies, like the Board of Regents, which make decisions which affect the entire state. Also, there are condo board members in the state who do not use computers. How will they take the course? How will they take the exam? The more obligations you put on board members who are busy with their full time jobs, other volunteer work, vetting proposals, reading contracts, and understanding their properties, the fewer people will be willing to serve. Lynne Matusow 60 N. Beretania, #1804 Honolulu, HI 96817 531-4260

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, January 30, 2017 8:26 AM  
**To:** CPCtestimony  
**Cc:** calaug@comcast.net  
**Subject:** \*Submitted testimony for HB405 on Feb 2, 2017 15:00PM\*

**HB405**

Submitted on: 1/30/2017

Testimony for CPC on Feb 2, 2017 15:00PM in Conference Room 329

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Paul Carow	Individual	Oppose	No

Comments:

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CPC JUD FIN  
Tuesday, January 31, 2017  
2:00 pm, Capitol Bldg., Rm 329

**To: Representative Angus K.L. McKelvey, Representative Matthew LoPresti  
Chair and Representative Linda Ichiyama, Vice Chair**

From: Dale A. Head (808) 696-4589 home (808) 228-8508 cell sunnymakaha@yahoo.com

**RE: Testimony In Support of HB 405, Relating to Condominiums, Hotline & Directors Ethics**

Aloha:

1. I testify in support of House Bill 405.
2. Presently there is often a palpable adversarial atmosphere whenever an owner may ask for information which Board Members or managing agents may be disinclined to provide. This results in a 'hide the documents game'. Oh yes, we may file a written complaint, with Regulated Industries Complaint Office, but only 30 days after having made an initial request.
3. A related item is examination of election materials. To do that some months ago I had to drive in from Waianae to a Bethel street address where I was told, "You have one hour to examine documents". Their policy is one hour per visit and they don't produce all of the documents thereby setting up an adversarial relationship. We don't hire these property management companies to then have them throw obstacles up in the faces of owners. Consider, whereas the Internal Revenue Service wants us to keep six years of back tax records, Hawaii requires holding election materials for only 30 days unless someone asks to examine them, then another 60 days is added after which, if any irregularities have been found or not, they are free to 'destroy the records (evidence)'. As my condo complex has 456 units, it would then cost me \$456 to get a copy of each proxy. (Yet, we were accustomed to getting a 97 pages long monthly financials PDF as an email attachment from our last agent). Since election materials are no longer confidential after an election, owners should be allowed to use a smart phone to simply take pictures of them rather than paying \$1 per page for a hard copy).
4. 'Hotline' - A 'Hotline' would be useful for any owner as we cannot get a straight answer oftentimes from a Board of Directors or managing agent. It is very very important to have a 3rd party available to seek information from. Ethics training for volunteer Board members is a must. For instance, we don't have any language regarding 'Ethics' or 'Conflicts of Interest' in our ByLaws at Makaha Surfside.
5. Please vote in favor of and pass House Bill 405. Willful withholding of documents is an act of deception which should not be allowed.

Respectfully, **Dale A. Head**

*Owner at Makaha Surfside in Waianae, Unit C-428 since October of 1987*

**Quote** - "When you see something that is not right, not fair, not just, you have a moral obligation to do something – to say something – and not be quiet." "You must have courage, you must be bold, and never ever give up". **U.S. Representative John Lewis.**

January 30, 2017  
Hearing Date: Tuesday, January 31, 2017  
Time: 2:00 pm  
Place: Conference Room 329

Committee on Consumer Protection & Commerce  
House of Representative, the 29th Legislature  
Regular Session of 2017

**RE: Testimony supporting HB405**

Dear Chair McKelvey, Vice Chair Ichiyama and Committee members:

I'm a condominium owner and support HB405. This service would benefit owners for answers to their certain concerns.

Just a push in the right direction can get an owner into researching further into other documents. In my experience our Project Documents, Robert's Rules and the Condo Law 514B can address the same Q & A's but which document prevails? I found being a participant in HUI `OIA`TO, we help each other to understand the law and our rights. Having this owner's hotline will benefit all owners.

As an example, 2 month ago, I requested by email to participate in the board meeting and for the agenda and supporting information with no reply. Our meetings are held every 2 months. When I attended the meeting, I debated with the President who told me that my participation will be recognized by Robert's Rules. I would have to ask to be recognized by the Chair to participate in discussion. I replied that the By-laws and 514B say that I can participate in the board meeting, however, the majority directors can vote against my participation. I asked that the minutes reflect that my participation was denied based on the By-law and 514B. The President's decision was final. My question, "Does Robert's Rules prevail over the By-laws and 514B?"

Proposed bill SB627 and SB370 addresses and details the definition of participation requested by an owner. Because these bills were introduced it tells me that my President's decision is used on other boards. I support SB627 and SB370.

Our Reserve Study is being reviewed and adjusted. I wanted to be part of this process. The concern is since 2007 one particular item has grown to, "Projects under \$55K to a large amount." I don't trust my board. I support an ethics course be completed by each Director because this is a volunteer board. They are not held responsible for bad decisions. I would like to see some kind of measurement of the Directors intent to seriously be committed to doing the work of maintaining the building and not just taking a seat or not attending the meetings or attend meetings sporadically.

Sincerely,  
Lourdes Scheibert  
Royal Court Condominium

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, January 30, 2017 1:20 PM  
**To:** CPCtestimony  
**Cc:** deborahjwilliams@hawaii.rr.com  
**Subject:** \*Submitted testimony for HB405 on Feb 2, 2017 15:00PM\*

**HB405**

Submitted on: 1/30/2017

Testimony for CPC on Feb 2, 2017 15:00PM in Conference Room 329

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Deborah Williams	Individual	Oppose	No

Comments:

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**Richard J. Port**  
1600 Ala Moana Blvd. #3100  
Honolulu, Hawaii 96815  
Tel 808-941-9624  
e-mail: [portr001@hawaii.rr.com](mailto:portr001@hawaii.rr.com)

**Measure:** HB 405 Relating to Condominiums  
**Date and Time of Hearing:** 3:00 p.m. Thursday, February 2, 2017  
**Committee:** Committee on Consumer Protection and Commerce

Aloha Rep. McKelvey and Members of the Committee,

Thank you for this opportunity to present my testimony regarding HB 405. As I pointed out in my testimony on another bill this session, this bill is a "cry for help". This bill will need some revisions and I am prepared to help if asked.

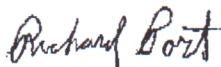
First: A condominium specialist should be able to provide legal information, not advice, to individuals who call the condominium specialist's office. Specifically, the information the condo specialist can and should provide is the precise language that chapter 514B includes, related to the problem the caller has cited. This advice should certainly be "free of charge". If this is not being done, there is certainly a need for some beefing up of the assistance being given within the consumer protection office. Moreover, if the problem is related to financial information a condo owner seeks, the condo specialist should refer the owner to RICO.

Second: Both board members, but especially property managers should be required to take an on-line course on Chapter 514B, not on ethics, although the course on Chapter 514B might also include information on civil rights and employee rights. I can state and provide examples of board and property manager violations of Chapter 514B.

Having served on Hawaii's Civil Rights Commission and having more than 35 years of experience involving HRS Chapter 514 A & B, I am willing and able to help with the establishment of such a course.

I believe that HB 405 can be amended and simplified, and I stand ready to help, but in any event I hope that your committee will move forward with the portion of HB 405 that is contained in HB 406.

Richard Port





**Hawaii Council of Associations  
of Apartment Owners**  
**DBA: Hawaii Council of Community Associations**  
1050 Bishop Street, #366, Honolulu, Hawaii 96813



February 1, 2017

**LATE**

Rep. Angus McKelvey, Chair  
Rep. Linda Ichiyama, Vice-Chair  
House Committee on Consumer Protection & Commerce

Re: Testimony Expressing Concern on  
HB405 and HB406 RELATING TO CONDOMIMUMS  
Hearing: Thurs., February 2, 2017, 2 p.m., Conf. Rm. #329

Chair McKelvey, Vice-Chair Ichiyama and Members of the Committee:

I am Jane Sugimura, President of the Hawaii Council of Associations of Apartment Owners (HCAAO dba HCCA). This organization represents the interests of condominium and community association members.

While HCAAO supports providing information to condo owners and has in its 40-years existence as a non-profit advocacy group for condo associations shown its support for educating condo owners and Boards, we have concerns about this bill.

The DCCA Real Estate Commission already has a call-in number where owners can talk to a condo specialist to get advice about condo matters. The condo specialist is trained to give information and not legal advice since (i) it is difficult to do in the time it takes to do a telephone call and (ii) the condo specialist is not an attorney. Also, the State of Hawaii probably should not be giving legal advice over the phone since that may expose the State of Hawaii to liability for the advice that may be given. As an attorney, I have the training to listen to concerns and follow up with advice; however, before giving any advice, I have to first determine the facts (and review documents, e.g., the condo Declaration, By-laws, House Rules or policies) and that cannot be done over the phone.

Also, we strongly object to amendment of HRS514B-71 to fund a telephone hot-line that would provide legal advice to owners in disputes with their boards since that is outside the original intent for the creation of that fund, which was to educate owners and boards to minimize and/or avoid disputes that could end up in expensive and time-consuming litigation that would negatively impact on the association's and owners' financial resources.




**Ethics Training.** Requiring all condo board members to take an ethics course as a condition to serving on the board is a monumental and almost impossible task and it may have the effect of discouraging people from volunteering to serve because now they will have to take this course. Also, just because you require someone to take the course and pass a test does not mean that that person will comply with everything that is covered by the course.

I have been serving on two boards for over 20 years and this bill implies that I and other long-time board members are not ethical and therefore we must take this course to become ethical. As a member of HCCA and as an officer and its president, I have been speaking at seminars and in property management training programs and for over 25 years on a board members' fiduciary duty and the business judgment rule – what do they mean and why is it important. So I know that we are getting through to some board members.

Rather than making the ethics course a condition to serving on the Board, you should make it a condition precedent for any board member who wishes to initiate punitive or disciplinary action or sanctions (other than taking action to collect delinquent payment or non-payment of assessments) against an owner or another board member or who wants to vote in support of that motion.

HCCA has produced 44 28-minute You Tube weekly videos on issues to educate condo owners, residents and board members – the program is called “Condo Insider” and it is a weekly live-streaming show on Think Tech Hawaii. We did this because we were told by legislators that condo owners were complaining that they could not go to seminars because they were too expensive or they had to work. The shows are on You Tube so they are available 24-7 and they are **FREE!** Attached is a listing of the shows that we have completed. There are already 4 programs on fiduciary duty and the business judgment rule so no one has an excuse for not being able to get educated on board ethics. Also, anyone can contact Think Tech Hawaii and let them know what issues they want to hear about on Condo Insider or who they want us to interview and we will do that show. We are also working on an educational classroom-type video with online testing and certification and we will share that program with the Real Estate Commission when we complete work on our curriculum, and maybe before the end of this year we may be in a position to initiate the online program that this bill is contemplating.







For the reasons set forth, HCCA respectfully requests that you defer this bill. If you have any questions, please feel free to contact me. Thank you for the opportunity to testify on this matter.







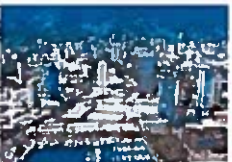

  
Jane Sugimura  
President









# HCCA

## Condo Insider









**Think Tech Hawaii**









	<b>Title</b>	<b>Presented by</b>	<b>Time</b>
1	 <b>Keys to Community Association</b> <a href="https://youtu.be/PAPHA33WH5s">https://youtu.be/PAPHA33WH5s</a>	Jane Sugimura and Richard Port	47
1		3/24/2016	
2	 <b>Dispute Resolution</b> <a href="https://youtu.be/_XQ7CU96LG4">https://youtu.be/_XQ7CU96LG4</a>	Chris Porter	46
2		3/31/2016	
3	 <b>Condominium Insurance Done Right</b> <a href="https://youtu.be/CSjxPi55y9I">https://youtu.be/CSjxPi55y9I</a>	Surita Savio	44
3		4/7/2016	
4	 <b>Robert's Rules of Order and Running a Good Meeting</b> <a href="https://youtu.be/XZ3Kp4uTNpo">https://youtu.be/XZ3Kp4uTNpo</a>	Steve Glanstein	47
4		4/14/2016	
5	 <b>Service, Assistanace and Emotional Support Animals</b> <a href="https://youtu.be/wmI0LJZUimc">https://youtu.be/wmI0LJZUimc</a>	Scott Sherley	45
5		4/21/2016	
6	 <b>Assisted Negotiation and Mediation in an Association Setting</b> <a href="https://youtu.be/7UuK1uHlh9g">https://youtu.be/7UuK1uHlh9g</a>	Gerald Clay	46
6		4/28/2016	



7		<b>Why Boards Get Sued - Association Living in Hawaii - Kim Becker and Pauli Wong</b>	Kim Becker and Pauli Wong	46
7		<a href="https://youtu.be/GZZyDJsMMzI">https://youtu.be/GZZyDJsMMzI</a>	5/5/2016	
8		<b>Fundamentals of Accounting</b>	Richard Emery	46
8		<a href="https://youtu.be/GZZyDJsMMzI">https://youtu.be/GZZyDJsMMzI</a>	5/12/2016	
9		<b>Budgeting and Reserve Study Issues</b>	Jonathan Billings	45
9		<a href="https://youtu.be/NOMCyMQDqcY">https://youtu.be/NOMCyMQDqcY</a>	5/19/2016	
10		<b>Condos in the 2016 Legislature</b>	Richard Emery	45
10		<a href="https://youtu.be/owP3pJLB8eI">https://youtu.be/owP3pJLB8eI</a>	5/16/2016	
11		<b>Employment Law &amp; Associations</b>	John Knoreck, Esq	28
11		<a href="https://youtu.be/0aOmWfZi7kc">https://youtu.be/0aOmWfZi7kc</a>	6/2/2016	
12		<b>Making Repairs to the Condo Project</b>	Dana Bergeman and Jane Sugimura	30
12		<a href="https://youtu.be/qxfVA2DAT9E">https://youtu.be/qxfVA2DAT9E</a>	6/9/2016	
13		<b>Major Building Issues</b>	Jim Reinhart	30
13		<a href="https://youtu.be/6SC9T5eN-5I">https://youtu.be/6SC9T5eN-5I</a>	6/16/2016	
14		<b>Hawaii's Foreclosure Law</b>	Na Lan	29
14		<a href="https://youtu.be/OYWHSCI1epI">https://youtu.be/OYWHSCI1epI</a>	6/26/2016	

15		<b>Cannabis Insider: Smoking and Marijuana in Condos</b>	Philip Nerney	28
15		<a href="https://youtu.be/hSXVzc73bPk">https://youtu.be/hSXVzc73bPk</a>	6/30/2016	
16		<b>Act 188 - Document Production to Owners</b>	Na Lan	29
16			7/7/2016	
17		<b>The Perks of Parliamentarians</b>	Steve Glanstein	29
17		<a href="https://youtu.be/AEqj0jcm3ds">https://youtu.be/AEqj0jcm3ds</a>	7/14/2016	
18		<b>Why Boards get Sued</b>	Pauli Wong & Kim Becker	29
18		<a href="https://youtu.be/gWLqs4umvo0">https://youtu.be/gWLqs4umvo0</a>	7/21/2016	
19		<b>Do's &amp; Don'ts of Insurance Claims</b>	Surita Savio	29
19		<a href="https://youtu.be/BHjj8t8d3hQ">https://youtu.be/BHjj8t8d3hQ</a>	7/28/2016	
20		<b>Fun Productive Board Meetings</b>	Steve Glanstein	29
20		<a href="https://youtu.be/c0SmKFIYdSI">https://youtu.be/c0SmKFIYdSI</a>	8/4/2016	
21		<b>Making Sense of Solar for Condos</b>	Karim Allana	29
21		<a href="https://www.youtube.com/watch?v=W5thj">https://www.youtube.com/watch?v=W5thj</a>	8/11/2016	
22		<b>Should Condo Managers be Licensed?</b>	Jane Sugimura	29
22		<a href="https://youtu.be/gWLqs4umvo0">https://youtu.be/gWLqs4umvo0</a>	8/18/2016	



23		<b>Condo Mortgage Market</b>	Laura Merrifield	29
23		<a href="https://youtu.be/rZh_cIYKSvw">https://youtu.be/rZh_cIYKSvw</a>	8/25/2016	
24		<b>Biggest Board Member Mistakes - Seven Deadly Sins by a Board of Directors</b>	Richard Ekimoto	29
24		<a href="https://youtu.be/PjFqJeOyLq8">https://youtu.be/PjFqJeOyLq8</a>	9/1/2016	
25		<b>Construction Litigation in Hawaii</b>	Charles "Dee" Hopper, Esq	29
25		<a href="https://youtu.be/p-LWTwa-FPM">https://youtu.be/p-LWTwa-FPM</a>	9/8/2016	
26		<b>Problems that Boards can Create</b>	Jane Sugimura	28
26		<a href="https://youtu.be/oQtV5khgsXE">https://youtu.be/oQtV5khgsXE</a>	9/15/2016	
27		<b>How the Legislature Works - Lobbyist Rules and Roles</b>	Alicia Maluafiti	28
27		<a href="https://youtu.be/6MabV9QYxvk">https://youtu.be/6MabV9QYxvk</a>	9/22/2016	
28		<b>Condo Dispute Resolution - Why Can't We Resolve This?</b>	Richard Port	28
28		<a href="https://youtu.be/w0DONKIBuBc">https://youtu.be/w0DONKIBuBc</a>	9/29/2016	
29		<b>Aging in Place - The Highs and Lows of Association Living</b>	Cameron DeCosta	28
29		<a href="https://youtu.be/txlBTwKMqjs">https://youtu.be/txlBTwKMqjs</a>	10/16/2016	
30		<b>Class Action Foreclosure Laws and Flaws</b>	Kapono Kiakona	29
30		<a href="https://youtu.be/xOwIAjaAamc">https://youtu.be/xOwIAjaAamc</a>	10/13/2016	

31		<b>Outsourcing Association Challenges</b>	NK Management	29
31		<a href="https://youtu.be/hjugEbwUDI4">https://youtu.be/hjugEbwUDI4</a>	10/20/2016	
32		<b>Tim Apicella: A Citizen Condo Advocate</b>	Jane Sugimura & Tim Apicella	28
32		<a href="https://youtu.be/Ekn4Vj6B4Gw">https://youtu.be/Ekn4Vj6B4Gw</a>	10/27/2016	
33		<b>The 2017 Legislature - What to Expect with the CAI LAC</b>	Christian Porter, Esq.	29
33		<a href="https://youtu.be/y9X_lkbi8xw">https://youtu.be/y9X_lkbi8xw</a>	11/3/2016	
34		<b>Update on Employment Law and Associations</b>	Richard Emery Mike Kozak	
34		<a href="https://youtu.be/PtMcoC16L7M">https://youtu.be/PtMcoC16L7M</a>	11/10/2016	28
35		<b>Board of Directors Duties - Balancing Your Fiduciary Duty and Conflicts of Interest</b>	Richard Emery Na Lan	
35		<a href="https://youtu.be/Vi8uEZOfUoE">https://youtu.be/Vi8uEZOfUoE</a>		28
36		<b>The Business Judgment Rule - How Directors Can Minimize Their Liability with Laree McGuire</b>		
36		<a href="https://youtu.be/rY6Ev7Jlq8U">https://youtu.be/rY6Ev7Jlq8U</a>	12/1/2016	28
37		<b>Housing Discrimination Issues Affecting Condos - Hawaii Civil Rights Commission</b>	Catherine Piazza, Hawaii Civil Rights Commission Jane Sugimura	
37			12/8/2016	28
38		<b>Primer on Sub Metering Utilities with Tyler Law</b>	Richard Emery Tyler Law, Hawaii Account Manager Multi-Family Utility Company	29
38		<a href="https://youtu.be/o4dvysAr5cl">https://youtu.be/o4dvysAr5cl</a>	12/16/2016	

39		<b>Avoid Fair Housing Mistakes</b>	Jane Sugimura Legal Aid Society	28
39		<a href="https://youtu.be/zAplwDui52Q">https://youtu.be/zAplwDui52Q</a>	12/22/2016	28
40		<b>The Golden Rules for House Rule Making and Enforcement</b>	Richard Emery Scott Sherley	39
40		<a href="https://youtu.be/4wrza60g0QQ">https://youtu.be/4wrza60g0QQ</a>	12/29/2016	39

**LATE**

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COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

Testimony Regarding HB 405

DATE: Thursday, February 2, 2017  
TIME: 3:00 PM  
PLACE: Conference Room 329

Dear Chair McKelvey and Members of the Committee:

I work as an attorney representing condominiums and other homeowner associations and I am testifying with concerns about HB 405.

The real estate commission already provides a condominium unit owner hotline in the form of three (3) condominium specialists who provide general "information, advice, and referral" as part of their statutory responsibilities under section 514B-63.

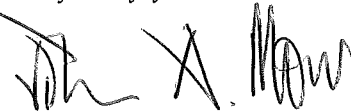
If the bill is proposing that the hotline will provide condominium unit owners with specific legal advice that creates an attorney-client relationship, that could raise some difficult issues. Certainly, those attorneys may be reluctant to volunteer for the service of providing specific legal advice over a toll-free hotline that establishes a formal attorney-client relationship. For example, the attorneys will have to do far more research and have appropriate insurance, unless the State is going to pay for any claim against the attorneys who staff the hotline.

If there is not going to be specific legal advice but just information, it seems the three condominium specialists should be given the opportunity to carry out their statutory duties before this bill is passed into law.

Finally, the bill also suggests that the real estate commission will spend a large part of its time trying to determine the income levels of the callers, to determine whether they will meet the income thresholds outlined in the bill.

Thank you for this opportunity to testify.

Very truly yours,



John A. Morris

JAM:alt



**LATE**

February 1, 2017

Hearing Date: February 2, 2017

Time: 3:00 PM

Place: Conference Room 325

Committee on Consumer Protection & Commerce  
House of Representatives, the 29<sup>th</sup> Legislature  
Regular Session of 2017

**RE: Testimony for Support of HB 405 and 406** , Authored by Lila Mower , Endorsed and Submitted by John White Sr.  
[jwhite888@gmail.com](mailto:jwhite888@gmail.com)

Aloha, Chair McKelvey, Vice Chair Ichiyama and Committee Members ,

Through nothing more sophisticated than emails, phone calls, and coffee klatches, Hui `Oia`i`o, a true grassroots and volunteer coalition, has grown such that Hui participants own and in reside in at least 135 condominium associations and a dozen community associations in Hawaii.

Our homes and properties range from affordable apartments to multi-million-dollar single family residences.

Many of our participants are currently or have been association board directors. Of those, many hold or held offices on these boards.

Thus, the Hui does not have, as one condo industry member suggested, an adversarial view of the "association," e.g., the board.

Instead, having board experience, our vantage may be more insightful, more keen, and perhaps more critical than that of "ordinary" owners.

The Hui recognizes that owners need to understand the responsibilities of association living, including understanding the rules and laws which govern or are applicable to our associations. We recognize that some of the problems that owners encounter may be due to their own

ignorance and we do not blindly assign all problems to the ignorance or misguidance of those who govern and/or manage associations or advise those that do.

Thus, the Hui supports the intent of HB405 to provide owners with a “hotline,” an inexpensive means to access legal guidance. We hope that owners will be served fairly and well in using the hotline.

We support HB405 and HB406 regarding training in ethics for board members, and recommend including a class in “respecting owner’s rights.”

But, we also support educational mandates, including ethics training, for the association managers upon whom many boards rely.

Additionally, we believe that it is irresponsible for Legislators to allow these association managers who handle millions of dollars in assets to do so without the accountability that licensure would encourage.

And we suggest that many association managers are responsible—whether wholly or partially—for the problems that associations and/or their owners suffer, but escape accountability because they are not licensed.

Currently, a manager who is terminated can reappear, largely unscathed, to work in the same or similar position because confidentiality rights prevent disclosure of their ‘mistakes.’

While we support HB405 and HB406, we feel that these measures are incomplete, focusing only on one side (owners, including board members) of the condo and association paradigm.

Mahalo.

by Lila Mower of Hui `Oia`i`o