

LIQUOR COMMISSION
DEPARTMENT OF LIQUOR CONTROL
COUNTY OF MAUI, STATE OF HAWAII

TRANSCRIPT OF PROCEEDINGS
REGULAR MEETING

Held at the Department of Liquor Control Conference Room, David K. Trask, Jr. Office Building, 2145 Kaohu Street, Room 108, Wailuku, Maui, Hawaii, commencing at 9:00 a.m., on Wednesday, March 8, 2017.

Reported by: Tonya McDade, CSR, RPR, CRC
CSR Maui, Inc.
Wells Street Professional Center
2145 Wells Street, Suite 302
Wailuku, Hawaii 96793
(808)244-3376
reporters@csrmaui.com

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APPEARANCES

- Robert Tanaka, Chairperson
 - Darren Lopez, Vice-Chairperson
 - Nane Aluli, Commissioner
 - Dawn Bicoy, Commissioner
 - William Kennison, Commissioner
 - Dana Souza, Commissioner
 - Roy Umeno, Commissioner
 - Stephen West, Commissioner
- STAFF PRESENT:
- Edward Kushi, Jr., First Deputy Corporation Counsel
 - Glenn Mukai, Director
 - Mark Honda, Deputy Director
 - Karilee Yoshizawa, Supervising Investigator
 - Layne Silva, Senior Investigator
 - Sarah Cordeiro, Secretary to Boards/Commissions II

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(Wednesday, March 8, 2017, 9:00 a.m.)

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CHAIR TANAKA: (Gavel.) Liquor Commission meeting called to order. Roll call, Sarah.

MS. CORDEIRO: Sarah Cordeiro, Liquor Control.

COMMISSIONER BICOY: Dawn Bicoy.

COMMISSIONER KENNISON: Willy Kennison.

COMMISSIONER WEST: Good morning. Stephen West.

COMMISSIONER ALULI: Aloha. Nane Aluli.

MR. KUSHI: Ed Kushi.

CHAIR TANAKA: Good morning. Bob Tanaka.

VICE-CHAIR LOPEZ: Good morning. Darren Lopez.

COMMISSIONER SOUZA: Dana Souza.

COMMISSIONER UMENO: Roy Umeno.

DIRECTOR MUKAI: Glenn Mukai, Liquor Control.

DEPUTY DIRECTOR HONDA: Mark Honda of Liquor Control.

MS. YOSHIZAWA: Kari Yoshizawa, Liquor Control.

MR. LAYNE SILVA: Layne Silva, Liquor Control.

(Audio feedback.)

CHAIR TANAKA: Who was talking so loud? Okay. You have your agenda for March 8, 2017. If there's no questions, may I have a motion for approval?

COMMISSIONER WEST: So moved.

COMMISSIONER SOUZA: Second.

1 CHAIR TANAKA: Moved and seconded. All in
2 favor, say "aye."

3 (Response.)

4 CHAIR TANAKA: You also have your Commission
5 minutes of February 8th and Executive Session summary of
6 February 8th, 2017. If there's no questions or comments,
7 may I have a motion for approval?

8 COMMISSIONER WEST: So moved.

9 COMMISSIONER ALULI: Second.

10 CHAIR TANAKA: Moved and seconded. All in
11 favor, say "aye."

12 (Response.)

13 CHAIR TANAKA: Opposed, "no."

14 (No response.)

15 CHAIR TANAKA: Motion carried. Let's go on to
16 General Licensing Matters. Item A -- Item A through P.
17 If there's no questions or comments, may I have a motion
18 for confirmation?

19 COMMISSIONER SOUZA: So moved.

20 COMMISSIONER WEST: Second.

21 CHAIR TANAKA: Okay. Moved and seconded. All
22 in a favor, say "aye."

23 (Response.)

24 CHAIR TANAKA: Opposed, "no."

25 (No response.)

1 CHAIR TANAKA: Motion carried. Okay.
2 Unfinished Business, Application Number 09, Drink
3 Enterprises, LLC.

4 MR. KAWAGISHI: Chairman Tanaka, Members of the
5 Liquor Commission, Michael Kawagishi on behalf of Drink
6 Enterprises, LLC. And with me today is Michael Kash, who
7 is the sole member of the company.

8 CHAIR TANAKA: Thank you. Kari -- or Layne.

9 MR. LAYNE SILVA: Application Number 09,
10 Dispenser General, Category C(ii), applicant is Drink
11 Enterprises, LLC, a registered Hawaii limited liability
12 company, doing business as Spanky's Riptide applying for a
13 Dispenser General License Category C(ii).

14 The application was submitted on September 19,
15 2016, the preliminary hearing was held on November 9,
16 2016. The notice of mailing was done on November 9, 2016
17 with the affidavit submitted on November 10th, 2016.

18 The public hearing was held on January 11, 2017.
19 Action was deferred pending completion of a protest
20 investigation and confirmation of when Michael George Kash
21 will be able to attend in person.

22 A check of the affidavit of mailing, along with
23 the accompanying documents, revealed that the applicant
24 reported that there were 53 owners and lessees situated
25 within 100 feet of the proposed premises, and that 53

1 owners and lessees situated within 100 feet of the
2 proposed premises.

3 The applicant reported that there are 378 owners
4 and lessees situated within 500 feet of the proposed
5 premises, and that all 378 owners and lessees situated
6 within the 500 feet of the proposed premises were
7 notified.

8 The Department received 32 written testimonies
9 for this item, 26 of which were disqualified because they
10 were either duplicates or coming from outside the --
11 outside 500 feet from the proposed premises, which left
12 six testimonies.

13 There are 38 registered voters identified within
14 the list of owners and lessees situated within 500 feet.

15 All six protest letters received were from
16 registered voters, all requesting for a condition to be
17 placed on the license that the premises close at or around
18 10:00 p.m. At the time of this report, the investigator
19 has not qualified nor disqualified the registered voters.

20 The Commission requested, in a letter dated
21 February 24th, 2017, that Michael George Kash be present
22 at the hearing.

23 Correspondence received on February 27, 2017,
24 via email from authorized agent Michael Kawagishi, stated
25 that Michael George Kash will make himself available for

1 the March or April Commission hearing.

2 When information via email of the placement on
3 the agenda for March 8th, 2016 [sic], Mr. Kawagishi
4 responded via email that he will do his best to have him
5 here.

6 Section 08-101-30(j), application of the Rules
7 of the Liquor Commission states, in part, "The Commission
8 shall grant or deny any liquor license application within
9 90 calendar days after the hearing, or within 120 days
10 thereafter, if, in its discretion, the Commission extends
11 the 90 days to 120 days and gives public notice of the
12 same." March 8, 2017 is the 119th day.

13 CHAIR TANAKA: Okay. Thank you. Michael, you
14 get anything else to add?

15 MR. KAWAGISHI: Not at this time.

16 CHAIR TANAKA: Okay. Layne, I get one question.
17 What -- what is the percentage of testimony within the
18 500-foot area?

19 MR. LAYNE SILVA: We don't have the exact
20 percentage, but it's far less than half.

21 CHAIR TANAKA: Okay. So they're within that.
22 Okay. Before we have any questions, I'm gonna open this
23 to the public. Any public testimony for this item?

24 MR. LAYNE SILVA: Vidella Nagasaki.

25 MS. NAGASAKI: Hi.

1 CHAIR TANAKA: Please state your name, if you
2 represent an organization, say so. You have three
3 minutes.

4 MS. NAGASAKI: I am Vidella Nagasaki, I live at
5 131 Shaw Street, catty-corner from Spanky's. I have lived
6 there for 20 years, more.

7 And since -- since Spanky's has been closed at
8 10:00, it's been relatively peaceful. And I've been much
9 appreciative of that.

10 Prior to, when it was allowed to stay open, I
11 can hear -- I can hear the establishment very well. And,
12 before, I had to move my bedroom from one side of the
13 house to the other because of the noise that came into my
14 bedroom. Not just the -- how should I say it? The good
15 times everybody was having, but the -- what happened in
16 the parking lot next to my house afterwards, and that
17 would go on 'til probably 3:00 in the morning, including
18 beer bottles over my fence, hitting my car, urinating on
19 said property, and the things that go on.

20 10:00, there's still people wandering around.
21 And it isn't quite that calm outside. So there's not so
22 much of that going on. And the police are still cruising
23 around, so it's pretty good.

24 And I would request that -- that it would be to
25 the benefit of all that live within that area that value

1 their sleep, that Spanky's would please close at 10:00.

2 I'm not aware if they put up the doors because I
3 can still hear the -- the football games and everyone is
4 yelling and cheering and everything. But that's not so
5 bad, it's in the daytime. So, yeah, it's --

6 I suffer from PTSD. And it -- it's unnerving
7 just -- just to say the least. I have a couple Jack
8 Russell terriers, they're very activated by the late night
9 noise, which gets the whole house up. And so it's -- it's
10 been a struggle. It's been a struggle with the late
11 night.

12 Thank you very much for hearing me. And please
13 take into consideration there are actually quite a few
14 people around in that area that don't want to get
15 involved. So thank you.

16 CHAIR TANAKA: Thank you.

17 COMMISSIONER WEST: I have a question for you.

18 MS. NAGASAKI: Sure.

19 COMMISSIONER WEST: Why don't they want to get
20 involved?

21 MS. NAGASAKI: Fear of repercussions.

22 COMMISSIONER WEST: Okay.

23 MS. NAGASAKI: Anything else?

24 CHAIR TANAKA: Any other -- any other questions?

25 COMMISSIONER ALULI: Yeah, I've got a

1 question --

2 MS. NAGASAKI: Sure.

3 COMMISSIONER ALULI: -- Chair. Are you saying
4 that because of the intrusions on your well-being, most of
5 that has been instigated by Spanky's, or is there hard
6 proof of that or --

7 MS. NAGASAKI: Instigated meaning that they did
8 it intentionally? No.

9 COMMISSIONER ALULI: Do you think it was as a
10 result of them -- they were patrons of the bar that came
11 over close to where you live?

12 MS. NAGASAKI: Oh, yeah. Yes. Because now that
13 they're not open late, there's no cars in the parking lot
14 next to my house. When they were open late, the parking
15 lot was full. And so there was people constantly in and
16 out. And their little -- you know, people don't stop
17 drinking just because they leave the bar. So --

18 COMMISSIONER ALULI: So has all of that activity
19 stopped, the activity that --

20 MS. NAGASAKI: The late night stuff?

21 COMMISSIONER ALULI: -- affected your home.

22 MS. NAGASAKI: Oh, yeah. Yeah. It's been --
23 it's been pretty peaceful in the evenings. 10:00, I can
24 deal with 10:00. I probably don't go to sleep until
25 11:00, anyway, but it's quiet out there. It's quiet in

1 the parking lot now. And it's -- it's much nicer. I
2 don't have that stuff going on that -- yeah.

3 COMMISSIONER ALULI: Okay. Thank you.

4 CHAIR TANAKA: Thank you. Next? Anybody else?
5 If there's nobody else, okay, close this. Any questions
6 by the Commissioners to the applicant?

7 COMMISSIONER WEST: You know, during her
8 testimony, you were sitting there and you were shaking
9 your -- your head and you were smiling and --

10 MR. KASH: No, no disrespect, just nobody's ever
11 given me a decibel reading. We been there five years,
12 never had an underage. We close our doors at 10:00 at
13 night. We do our own decibel readings. We're way within.
14 The ocean decibel reading is about 60 to 70. Gonna close
15 down the ocean, too? It's just -- it's outlandish.

16 That parking lot, first off, it's for Feast at
17 Lele, it's for the luau every night. So 100 people, 200
18 people come out of that luau every night at 9:30, 10:00,
19 who, you know, they're all jacked up from being at a luau.
20 Why does it fall on me?

21 As far as people throwing beer bottles, that's
22 their deal.

23 There's a -- shut down Whaler's grocery store,
24 if people are -- they're not walking out of my bar with a
25 bottle of beer.

1 They just -- there's so many -- you know, blame
2 it on -- I don't know. There's Betty's Cafe, there's
3 like -- the luau is seven days a week, 365 days a year.
4 The entire parking lot is Feast at Lele.

5 My -- my -- my guys, we're the local place, they
6 just walk down. I mean, I just -- it just -- it's
7 unnerving.

8 She's, basically, putting us out of business.
9 If this was my only place of business, I -- I'd be
10 homeless right now.

11 It took me five months just to get a license
12 back at 9:30. I lost my clientele, my reputation. I
13 mean, I'm just trying to sell the place. I want nothing
14 to do with Maui anymore, guys. You know, had a five-year
15 run, missed a couple commas on a application, and this is
16 where we're at.

17 Show me any noise complaints in the last five
18 years on paper. Show me one decibel reading from a
19 professional sound company. There is none. Just a little
20 meter, you go to Home Depot and buy one. We have ours.
21 Where's theirs? There's no documentation other than her
22 word.

23 We're next to Lahaina Shores Hotel. We gave you
24 the letter. It's 200 rooms. Not one complaint in five
25 years. How is that possible? They're right next door to

1 us. She's down the street. (Inaudible).

2 CHAIR TANAKA: Well, thank you. I think you got
3 your point across.

4 MR. KASH: Okay.

5 CHAIR TANAKA: Any other questions? Kari --

6 MS. YOSHIZAWA: Yes.

7 CHAIR TANAKA: -- right now, they have a
8 condition on the closing?

9 MS. YOSHIZAWA: Yes, they do close at 10:00.
10 That was a condition placed by the Commission on the
11 temporary license.

12 CHAIR TANAKA: You have no problem closing at
13 10:00? I notice in the investigator's report --

14 MR. KASH: No. I'm out of business. I'm out of
15 business. We've lost half our sales, we lost all of
16 our clients. Who's gonna come to a bar at 9:00 if last
17 call is at 9:30? We kick out 40 to 50 people a night. We
18 close our doors. That was the condition you gave me three
19 years ago. We do our own decibel readings. I mean, I did
20 my work. We would have a ledger, this and that, we just
21 stopped doing it because --

22 COMMISSIONER KENNISON: When you say you out of
23 business -- you'll be out of business -- going out of
24 business because --

25 MR. KASH: Well, I'm losing \$15,000 in sales a

1 month, yeah. I mean, I don't know. Maybe she would like
2 to buy the bar or make it into a flower shop.

3 CHAIR TANAKA: That's beside the point. Kari,
4 one more question. Any other facilities within that 808
5 Front Street has that condition?

6 MS. YOSHIZAWA: No.

7 CHAIR TANAKA: Who -- who else is situated in
8 that --

9 MS. YOSHIZAWA: Betty's Beach Cafe and the
10 retail store, Whaler's retail store.

11 CHAIR TANAKA: Ah, Dispenser General.

12 MS. YOSHIZAWA: Pacific'O and Feast at Lele, the
13 luau that he is speaking of.

14 CHAIR TANAKA: The luau and them, then?

15 MR. KASH: Yeah, there's one other restaurant.

16 MS. YOSHIZAWA: Pacific'O.

17 COMMISSIONER KENNISON: What time they close.

18 MS. YOSHIZAWA: They're allowed 'til 2:00 a.m.

19 COMMISSIONER WEST: What time -- what time would
20 you like to close?

21 MR. KASH: You got to talk to my landlord.

22 We're at the point of being evicted because we can't pay
23 the rent. So, I mean -- and if I can't get a decent

24 license -- I could live with 12:00, 12:30, maybe, but I'd
25 have to get a rent reduction from my landlord, but it

1 would be doable. I mean -- I mean, I would like -- let me
2 ask you this: If I -- if I -- if I went with the last
3 call at 12:00, got everybody out by 12:30, you know, down
4 the road, if I sold the place, would you give the next guy
5 2:00, because that's what the value would be to him?

6 COMMISSIONER WEST: Well --

7 COMMISSIONER ALULI: I don't think so.

8 COMMISSIONER BICOY: Yeah.

9 MR. KASH: I'm just saying.

10 MR. KAWAGISHI: Yeah, I think the Commission is
11 under the assumption that the parking lot is under the
12 control of Drink Enterprises, and that is not the case.
13 That is a public parking lot that is utilized --

14 COMMISSIONER WEST: Right.

15 MR. KAWAGISHI: -- not only by customers and
16 tenants within the 505 area, but, also, some of -- the
17 rest of the Lahaina town.

18 COMMISSIONER WEST: Right. Right. I'm -- I'm
19 not under that assumption.

20 COMMISSIONER ALULI: I don't think anybody is
21 under that assumption.

22 COMMISSIONER WEST: -- what Lahaina is --

23 MR. KAWAGISHI: Spanky's Riptide, as far as I
24 know, has never had a violation for the sound ordinance.

25 COMMISSIONER KENNISON: What other -- what

1 other -- what other bars or restaurants park in there?

2 MR. KAWAGISHI: There's --

3 MR. KASH: First, Feast at Lele takes up the
4 whole parking lot. Come 6:00, whatever time the lieu
5 starts, it's all Feast at Lele, the entire parking lot,
6 all the way 'til 10:00 at night. It's a fact. You know,
7 we got the hotel next to us. Obviously, those people are
8 just walking over. I mean, how can we have no problems
9 with a place that's literally, I don't know, 50 feet from
10 my building, with all those tenants, and no complaints in
11 five years? No noise, no -- you know, that's it. 20 feet
12 away.

13 CHAIR TANAKA: Riptide is where in conjunction
14 with Spanky's?

15 MR. KASH: What?

16 MR. KAWAGISHI: Spanky's Riptide is the name of
17 the premises.

18 COMMISSIONER ALULI: Spanky's Riptide.

19 CHAIR TANAKA: Okay. So the other Dispenser
20 General, where is it situated?

21 MR. KASH: It's in the back, ocean side.

22 COMMISSIONER ALULI: Feast at Lele is on the
23 other side, it's on the beachfront.

24 MR. KAWAGISHI: Spanky's Riptide is fronting
25 Front Street, and most of the other premises are on the

1 ocean side.

2 COMMISSIONER ALULI: Yeah. And they close --
3 Betty's closes -- Betty's closes at what time? What time
4 does Betty's --

5 MR. KASH: Probably midnight.

6 COMMISSIONER ALULI: 9:00? Okay. Because
7 they're primarily a dinner restaurant.

8 MR. KASH: That's true.

9 MR. KAWAGISHI: Yeah.

10 CHAIR TANAKA: Okay. Any other questions?

11 COMMISSIONER WEST: How many employees do you
12 employ?

13 MR. KASH: Not many. Maybe cooks, four, a dozen
14 and a manager.

15 COMMISSIONER WEST: 12?

16 MR. KASH: We don't -- our food sales --

17 COMMISSIONER ALULI: It's not primarily food
18 sale.

19 MR. KASH: Yeah, I wish it was.

20 CHAIR TANAKA: Okay. Before I call for a
21 motion, Mike, let me get this correct. You're requesting
22 a license with no conditions, am I correct?

23 MR. KAWAGISHI: That was the original request
24 when the application was submitted, yes.

25 CHAIR TANAKA: Yeah, okay. So the Commission

1 has the authority to put conditions on the license if we
2 gonna approve it. What is the pleasure of the
3 Commissioners?

4 COMMISSIONER ALULI: 12:00.

5 COMMISSIONER WEST: 12:00.

6 COMMISSIONER ALULI: I say we give them until
7 12:00.

8 COMMISSIONER WEST: Kelp keep people working.

9 MR. KASH: Last call at 12:00 and then --

10 COMMISSIONER WEST: Yeah.

11 CHAIR TANAKA: Okay. Let's have a motion.

12 COMMISSIONER WEST: Okay. I move to approve the
13 application for public hearing and process the application
14 for publication.

15 DIRECTOR MUKAI: This is a public hearing.

16 CHAIR TANAKA: This is public hearing.

17 COMMISSIONER WEST: Oh, okay. All right. So I
18 move to approve the application conditioned on the
19 applicant completing the remaining application
20 requirements to the satisfaction of Department of Liquor
21 Control.

22 MR. KASH: Okay.

23 COMMISSIONER WEST: And you'll close -- stop
24 serving alcohol at 12:00.

25 MR. KASH: That's right.

1 COMMISSIONER BICOY: And close at 12:30?

2 MR. KASH: Just gotta get the people out.

3 COMMISSIONER WEST: Just stop serving alcohol at
4 12:30.

5 MR. KASH: Right.

6 COMMISSIONER SOUZA: We need a closing time,
7 though.

8 MR. KASH: 12:30.

9 COMMISSIONER WEST: 12:30, okay.

10 MR. KASH: Thank you.

11 COMMISSIONER KENNISON: Second.

12 CHAIR TANAKA: Okay. Moved and second. All in
13 favor, say "aye."

14 (Response.)

15 CHAIR TANAKA: Opposed, "no."

16 COMMISSIONER UMENO: No.

17 COMMISSIONER SOUZA: No.

18 CHAIR TANAKA: Motion carried.

19 MR. KAWAGISHI: Thank you.

20 CHAIR TANAKA: Four -- five ayes, two no.
21 Motion carried.

22 MR. KASH: Thank you.

23 CHAIR TANAKA: Let's go on to Preliminary
24 Hearings. Application Number 17, PGP.

25 MR. SARRAUDE: Good morning. My name is Gabriel

1 Sarraude, I'm a member of PGP Entertainment LLC. I'm here
2 on behalf of my partners and I.

3 CHAIR TANAKA: Thank you. Layne.

4 MR. LAYNE SILVA: Application Number 17,
5 Dispenser General C(ii). PGP Entertainment Limited
6 Liability Company, a registered Hawaii limited liability
7 company doing business as Lava Rock Bar & Grill, applying
8 for a Dispenser General License, Category C(ii). Members
9 of the member-managed LLC is listed in the investigator's
10 report.

11 Applicant has submitted a copy of a Kihei Kalama
12 Village lease by and between PGP Entertainment Limited
13 Liability Company doing business as Lava Rock Bar & Grill,
14 tenant, the Kihei Kalama Partners as the landlord,
15 effective October 28, 2016. The leased premises will be
16 used solely for a sitdown full-service sports bar and
17 restaurant for breakfast, lunch and dinner.

18 Tenant will soundproof the space to allow deejay
19 and dancing after 10:00 p.m., and premises will close by
20 1:30 a.m. Sound emanating from the space cannot be over
21 the allowable 83 decibel reading as stated in the Bar
22 Owner Association agreement and monitored nightly by
23 security.

24 The term of this lease shall be for five years
25 and eight months. The term commencement date is November

1 1st, 2016. And the term expiration date is June 30th,
2 2022.

3 The proposed premises, containing approximately
4 5,900 square feet of floor space, is situated on the
5 second floor with both elevator and stair access, that
6 includes indoor and outdoor seating, located at 1945 South
7 Kihei Road, Suite H, Kihei, Maui, Hawaii.

8 There are no schools or churches located within
9 a radius of 500 feet.

10 Hauli's Life's a Beach, Kahale's Maui's Local
11 Dive Bar, Ambrosia Martini Lounge, The Dog & Duck Irish
12 Pub, Ohana Seafood Bar & Grill, Paia Fishmarket South
13 Side, and Three's Bar and Grill are licensees of the same
14 class and kind located within a radius of 500 feet. There
15 are three Restaurant General, one Restaurant Beer and
16 Wine, and one Retail General license located within a
17 radius of 500 feet. There are 118 licenses of this class
18 and kind currently issued within Maui County.

19 Applicant initially plans to be open seven days
20 a week, from 7:00 a.m. to 2:00 a.m. Applicant is aware of
21 the hours during which a Dispenser General License may be
22 open for the sale of liquor. Applicant is aware that if
23 they wish to open at 7:00 a.m., that they would need to
24 submit a permit application to request an extension of
25 hours.

1 Site inspection was conducted of the proposed
2 premises on January 30th, 2017.

3 Information contained within the DLC-006 and
4 DLC-008 Form submitted by Gabriel Fernando Sarraude and
5 Pablo Javier Santiensanio --

6 MR. SARRAUDE: Sanio, yes.

7 MR. LAYNE SILVA: -- indicated that they had
8 been convicted for a violation of law other than a minor
9 traffic violation. Information received during the
10 criminal history background checks revealed that Gabriel
11 Fernando Sarraude and Pablo Javier Santiensanio have both
12 been convicted for a violation of law other than minor
13 traffic violation. They both have submitted letters of
14 explanation.

15 All documents necessary for the issuance of a
16 liquor license have not been submitted. Those items are
17 listed in the investigator's report.

18 The noted allowable 83 decibel level as noted in
19 the lease agreement far exceeds that of the allowable
20 maximum permissible dba levels as noted in the current
21 Rules of the Liquor Commission.

22 CHAIR TANAKA: Do you have anything to add?

23 MR. SARRAUDE: I just want to say that we know
24 all the concerns about the community in the area. And
25 when -- and my partners and I would just like to take this

1 opportunity to do business there. We promised ourself
2 that we will now do the best we could to, you know, solve
3 these problems even before we open. And that's how we
4 (inaudible). We doing all the demo already for soundproof
5 the walls, we have architect working on permits to enclose
6 the lanai. So after 10:00, the lanai will be shut down
7 and everybody will be inside on a soundproof area where
8 the noise probably will not come out as it used to.

9 We -- also, we working with a nonprofit
10 organization to -- to do our recycle in the mornings. So
11 we're not -- at nighttime or anytime of the day, they're
12 breaking glass moving from one side to another, won't make
13 any noise, and -- and also help, you know, the community
14 in that way. We doing a lot of things to make sure that
15 the neighbors are more excited about us and happy.

16 CHAIR TANAKA: Thank you.

17 MR. SARRAUDE: You're welcome.

18 CHAIR TANAKA: Before I open it to questions,
19 any public testimony? Okay. Seeing none, any questions
20 by the Commissioners? I have one question. Kari, this is
21 in Kihei Kalama Village, right?

22 MS. YOSHIKAWA: Yes.

23 CHAIR TANAKA: Any condition on the existing
24 dispensers?

25 MS. YOSHIKAWA: Currently, in that area, no.

1 When it was presented before the Commission with noise
2 concerns coming from Kihei Kalama Village, it was noted
3 from the licensees that the landlord would now be
4 restricting the noise through the lease agreement and
5 trying to control it that way.

6 CHAIR TANAKA: Okay. So what is -- what is the
7 acceptable decibel level?

8 MS. YOSHIZAWA: Depending what zoning the
9 complainant is coming from, it can go all the way up to 60
10 maximum dba.

11 CHAIR TANAKA: And according to --

12 MS. YOSHIZAWA: It's 83 in the lease agreement.

13 DIRECTOR MUKAI: Yeah. For the class in zoning
14 they are in right now, from 7:00 a.m. to 10:00 p.m. is 60
15 decibels, and from 10:00 p.m. to 7:00 a.m., it's 50
16 decibel. So the 83 far exceeds what the Commission rules
17 calls for.

18 CHAIR TANAKA: I kind of confused now. So the
19 industry standard is 60 decibel?

20 DIRECTOR MUKAI: Yes, that's the Commission
21 rules. It's in line with State Department of Health.

22 CHAIR TANAKA: 83 decibels is higher, then?

23 DIRECTOR MUKAI: Yes.

24 CHAIR TANAKA: So they actually exceeding the
25 standards?

1 MS. YOSHIZAWA: The landlord, yes.

2 CHAIR TANAKA: Yeah. So the 83 decibels are
3 what -- they still can be cited?

4 DIRECTOR MUKAI: Yes.

5 COMMISSIONER WEST: Do our investigators carry
6 the decibel --

7 DIRECTOR MUKAI: We have sound meters and they
8 are trained. They are re -- due for recertification. Our
9 sound meters is it's currently up to be recalibrated.

10 COMMISSIONER WEST: So they don't carry it with
11 them nightly?

12 DIRECTOR MUKAI: No. When we have a sound
13 complaint, then we go out and do the measurement.

14 CHAIR TANAKA: I have question for the
15 applicant.

16 MR. SARRAUDE: Yes.

17 CHAIR TANAKA: Who -- you said landlord made
18 this condition, 83 decibels?

19 MR. SARRAUDE: Yes.

20 CHAIR TANAKA: All right. Where did they get
21 the 83 decibels from?

22 MR. SARRAUDE: Well, I'm not too completely
23 sure, but I believe it's the Bar Association on the area
24 for Kihei Kalama Village. The -- the -- I believe it was
25 a lot of complaints before, and they make this Bar

1 Association and, I guess, they come out with that level of
2 noise. I believe, and I'm not sure, but I will say that
3 the level noise is 83 inside -- I believe inside the
4 building, not outside. So which is going through walls,
5 probably be minor when you go to the parking lots areas.
6 That's what I believe.

7 CHAIR TANAKA: So does your lease specifically
8 state that?

9 MR. SARRAUDE: Yes.

10 CHAIR TANAKA: Within the premises, 83 decibel,
11 outside you have to meet the standard?

12 MR. SARRAUDE: Probably. Probably that's what
13 they're trying to do.

14 CHAIR TANAKA: Now what happened if you go above
15 that 83? They cancel your lease?

16 MR. SARRAUDE: If they have a complaint -- after
17 three complaint, it a fine. After five complaints, I
18 think they can cancel the lease. Yes.

19 CHAIR TANAKA: Do we have that as part of the
20 application?

21 COMMISSIONER KENNISON: I think it's do -- I
22 think --

23 MR. SARRAUDE: I think it's included on the --
24 in the lease.

25 MS. YOSHIZAWA: There was noted, in the lease,

1 as indicated in the investigator's report, regarding the
2 83 and referencing the Bar Owners Association agreement.
3 The Bar Owners Association agreement was not attached to
4 the lease, so we're not sure what the agreement states.

5 COMMISSIONER UMENO: So when you take a reading,
6 is it inside or outside?

7 DIRECTOR MUKAI: It's taken at the complainant
8 property line.

9 COMMISSIONER UMENO: Oh.

10 VICE-CHAIR LOPEZ: So the 83 is from the
11 property line, not inside the establishment?

12 DIRECTOR MUKAI: Yes.

13 COMMISSIONER KENNISON: I remember, because I
14 was involved, when they had that bar association, you
15 know, they set up that -- that noise decibel levels, yeah.
16 Now, because they done that, and you're saying 83, you
17 don't have any complaints, if they using that as the
18 reading?

19 DIRECTOR MUKAI: Well, the Commission always
20 felt that whatever is within the premises is up to the
21 licensee, but any noise coming outside, then they're
22 subject to the Commission rules. So like Lahaina, I know
23 one place where it's completely soundproof, the place
24 above Hard Rock, before they had a disco, they could
25 exceed, maybe go about 90 or 100 decibels within, but,

1 outside, it would be way below the maximum allowable by
2 the Commission.

3 VICE-CHAIR LOPEZ: I have a question for you.

4 MR. SARRAUDE: Yes.

5 VICE-CHAIR LOPEZ: So is that an open air
6 restaurant and bar, grill you have or --

7 MR. SARRAUDE: Well, right now, it's -- it's a
8 full floor and it have -- a half of it is a open area.
9 The other half is -- have walls and windows. But what we
10 doing is taking all those -- I mean, we keeping the
11 windows, but, from the inside, so gonna be all frame up
12 and -- and have four layers of different materials to stop
13 the noise from coming -- going through.

14 VICE-CHAIR LOPEZ: So you're doing the
15 corrections now to help --

16 MR. SARRAUDE: Yes.

17 VICE-CHAIR LOPEZ: -- cut down the sound?

18 MR. SARRAUDE: And, actually, that's part of the
19 deal with the landlord, in order to -- to get this
20 place and this lease going. And we gonna close with some
21 glass, soundproof glass, the lanai, so they still can have
22 the view for the ocean for the clients, but, at 10:00,
23 that is going to be all shut down and the glass --
24 soundproof glass will stop the noise from going that way,
25 ocean side way.

1 CHAIR TANAKA: I think -- I think if the
2 Commissioners recall, we had some problems with that
3 facilities from the condo. What condo was that where they
4 were facing?

5 DIRECTOR MUKAI: Island Surf.

6 CHAIR TANAKA: Island Surf, you guys remember,
7 and the people used to come and complain about the noise.
8 And we -- I think we made a condition that you guys had to
9 close all the facilities at 10:00 or something like -- but
10 no condition of stop serving alcohol. Any -- we had any
11 complaints from them after that, if you know, of noise
12 complaints?

13 MS. YOSHIZAWA: I don't recall specifically. It
14 was, I believe, Rita's over there. And prior to that was
15 Lulu's Kihei.

16 CHAIR TANAKA: Yeah. Okay. Any other questions
17 by the Commissioners?

18 COMMISSIONER SOUZA: So this restaurant is
19 upstairs, correct?

20 MR. SARRAUDE: Yes.

21 COMMISSIONER SOUZA: Yeah.

22 CHAIR TANAKA: Okay. If there's no questions,
23 may I have a motion?

24 COMMISSIONER WEST: I move to approve the
25 Application Number 17 for public hearing and to process

1 the application for publication.

2 VICE-CHAIR LOPEZ: Second.

3 CHAIR TANAKA: Moved and seconded. All in
4 favor, say "aye."

5 (Response.)

6 CHAIR TANAKA: Opposed, "no."

7 (No response.)

8 CHAIR TANAKA: Motion carried. Thank you.

9 MR. SARRAUDE: Thank you.

10 CHAIR TANAKA: Application Number 18, Hoku Nui
11 Restaurant.

12 MR. JORGENSEN: Good morning, Chairman Tanaka,
13 Members of the Commission and staff. My name is Dave
14 Jorgensen, appearing on behalf of Hoku Nui Restaurant dba
15 Makawao Steak House. And with me this morning is
16 Michael -- Erik Frost who is the principal of the company.

17 CHAIR TANAKA: Thank you. Layne.

18 MR. LAYNE SILVA: Application 18, Dispenser
19 General Category C(ii). Hoku Nui Restaurant LLC, a
20 registered Hawaii liability company doing business as
21 Makawao Steak House applying for a Dispenser General
22 License, Category C(ii).

23 Manager of the manager-managed LLC is listed in
24 the investigator's report.

25 Applicant has submitted a copy of a restaurant

1 and equipment lease by and between Makawao Courtyard LLC,
2 a California limited liability company, as the landlord,
3 and Hoku Nui Restaurant LLC, a Hawaii limited liability
4 company, as the tenant, effective January 5th, 2017. The
5 term of this lease shall be for 59 months beginning
6 February 1st, 2017.

7 The proposed premises, containing approximately
8 4,962 square feet of floor space, is located within the
9 Makawao Courtyard at 3612 Baldwin Avenue, Makawao, Maui,
10 Hawaii.

11 There are no schools, churches or licenses of
12 the same class and kind located within a radius of 500
13 feet. There is one Retail General and one Dispenser Beer
14 and Wine license located within a radius of 500 feet.
15 There are 116 licenses of this class and kind currently
16 issued within Maui County.

17 The applicant initially plans to be open seven
18 days a week from 8:00 a.m. to 11:00 p.m.

19 A site inspection was conducted of the proposed
20 premises on January 30, 2017.

21 Information contained within the DLC-006 and
22 DLC-008 Forms submitted by Erik Poul Frost indicated that
23 he had been convicted for violation of law other than
24 minor traffic violation. Information received during the
25 criminal history background check revealed that Erik Frost

1 had not been convicted for a violation of law. He has
2 submitted a letter of explanation.

3 All documents necessary for the issuance of a
4 liquor license have not been submitted. Those items are
5 listed in the investigator's report.

6 CHAIR TANAKA: Thank you. Anything else to add,
7 Dave?

8 MR. JORGENSEN: Just that my clients have
9 started operating under a temporary license up at Makawao
10 Steak House and are currently operating while this process
11 proceeds. We're both available for any questions.

12 CHAIR TANAKA: Okay. Before I have the
13 Commissioners ask any questions, anybody in the audience
14 have any public testimony? Okay. Seeing none, any
15 questions by the Commissioners? Okay. If there's no
16 questions, may I have a motion?

17 COMMISSIONER WEST: I move to approve
18 Application Number 18 for public hearing and to process
19 the application for publication.

20 COMMISSIONER KENNISON: Second.

21 CHAIR TANAKA: Moved and seconded. All in
22 favor, say "aye."

23 (Response.)

24 CHAIR TANAKA: Opposed, "no."

25 (No response.)

1 CHAIR TANAKA: Motion carried.

2 MR. JORGENSEN: Thank you very much.

3 MR. FROST: Thank you.

4 CHAIR TANAKA: Application Number 19, Umami
5 Corporation.

6 MR. KAWAGISHI: Chairman Tanaka, Members of the
7 Liquor Commission, Michael Kawagishi on behalf of the
8 Umami Corporation. With me today is Kyoko Sakugawa, who
9 is the sole officer.

10 CHAIR TANAKA: Thank you. Layne.

11 MR. LAYNE SILVA: Application Number 19,
12 applicant Umami Corporation, a registered Hawaii
13 corporation, doing business as To Be Named, applying for a
14 Dispenser General License, Category C(ii).

15 The officer, director and stockholder of the
16 corporation is listed in the investigator's report.

17 Applicant has submitted a tenant lease for
18 Azeka's Shopping Center by and between Ronin Properties,
19 LLC, a Delaware limited liability company as the landlord
20 and Umami Corporation as the tenant, dated December 12th,
21 2016.

22 The site inspection was conducted of the
23 proposed premises on January 30th, 2017.

24 The proposed premises, consisting of
25 approximately 768 square feet of floor space, is located

1 within the Azeka Shopping Center Makai located at 1280
2 South Kihei Road, Suite Number 120, Kihei, Maui, Hawaii.

3 Restroom facilities are located outside of the
4 premises, approximately 170 feet in the mauka Wailea
5 direction.

6 There are no schools or churches located within
7 500 feet.

8 Amigo's Mexican Food, Diamond's Ice Bar & Grill,
9 Fork & Salad, Island Art Party, Miso Phat Sushi, Nalu's
10 South Shore Grill, Roasted Chiles, Shearwater Tavern,
11 Sushi Paradise, and Vietnamese Cuisine are licenses of the
12 same class and kind and located within a radius of 500
13 feet.

14 There is one Restaurant Beer and Wine, one
15 Dispenser Beer and Wine, two Restaurant General and three
16 Retail General licenses, and one Retail Beer and Wine
17 license located within a radius of 500 feet. There are
18 118 licenses of this class and kind currently issued
19 within Maui County.

20 The applicant initially plans to be open seven
21 days a week, from 8:00 a.m. to 2:00 a.m.

22 In the opinion of this investigator, the
23 applicant appears to be fit and proper, and does not
24 appear to be disqualified by any provision as stated
25 within Section 281-56 HRS from obtaining or exercising a

1 license.

2 All documents necessary for the issuance of a
3 liquor license have not been submitted. Those items are
4 listed in the investigator's report.

5 CHAIR TANAKA: Thank you. Anything else to add?

6 MR. KAWAGISHI: Not at this time. Oh, no, just
7 that the premises is under renovation at this time.

8 CHAIR TANAKA: Okay. I'm gonna open it to the
9 public. Any public testimony? Okay. Seeing none, any
10 questions by the Commissioners?

11 MR. KUSHI: Excuse me, question. Layne.

12 MR. LAYNE SILVA: Yes.

13 MR. KUSHI: On the Personal History Statement:
14 Question, "Are you a U.S. citizen?" She says, "No." And,
15 "If not, permanent resident. (Green card)"

16 MR. KAWAGISHI: She has a permanent resident
17 card, yes.

18 MR. KUSHI: Green card?

19 MR. KAWAGISHI: I believe that's what they call
20 a green card.

21 CHAIR TANAKA: I have one question, Mike. All
22 the facilities within that area that has a Dispenser
23 General License uses the same restroom?

24 MR. KAWAGISHI: No. Nearby, within close
25 proximity, there is the Thai restaurant that has its own

1 restrooms inside of the premises and Nalu's South Shore
2 Grill, which is probably about 125 feet away, has its own
3 restroom facilities. The rest of them are located across
4 the street, for the most part. And I'm not sure about
5 Vietnamese cuisine, which is about 200 feet away.

6 CHAIR TANAKA: Towards South Kihei Road?

7 MR. KAWAGISHI: Towards South Kihei Road.

8 CHAIR TANAKA: Okay. They have their own?

9 MR. KAWAGISHI: I'm not sure if they have their
10 own.

11 CHAIR TANAKA: So who -- who utilize that
12 restroom besides she gonna use it?

13 MR. KAWAGISHI: That would be the other retail
14 tenants within.

15 CHAIR TANAKA: I'm talking about any Dispenser
16 General liquor licensed premises.

17 MR. KAWAGISHI: No. I believe --

18 CHAIR TANAKA: She's the only one?

19 MR. KAWAGISHI: That would be the only licensed
20 premises that would be using that restroom.

21 CHAIR TANAKA: Okay. Any other questions by the
22 Commissioners? Okay. If there's no questions, may I have
23 a motion?

24 COMMISSIONER WEST: I move to approve
25 Application Number 19 for public hearing and process the

1 application for publication.

2 COMMISSIONER KENNISON: Second.

3 CHAIR TANAKA: Moved and seconded. All in
4 favor, say "aye."

5 (Response.)

6 CHAIR TANAKA: Opposed, "no."

7 (No response.)

8 CHAIR TANAKA: Motion carried.

9 MR. KAWAGISHI: Thank you.

10 CHAIR TANAKA: Okay. Let's go on to Other
11 Licensing Matters. Pashmina's & Gift Inc.

12 MR. JORGENSEN: Good morning, Chairman Tanaka,
13 Members of the Commission and staff. My name's Dave
14 Jorgensen, I'm appearing on behalf of applicant Pashmina's
15 & Gift Inc. dba Kamana Indian Cuisine. And I do
16 apologize. My client was coming in from Hilo and I
17 haven't heard from him, so I don't know. I apologize and
18 he apologized for not being here.

19 CHAIR TANAKA: Okay. Kari.

20 MS. YOSHIZAWA: Pashmina's & Gift Inc. doing
21 business as Kamana Indian Cuisine, Dispenser General,
22 Category C(ii) license, at 1881 South Kihei Road, B1,
23 Kihei, Maui, Hawaii, requesting an extension to exercise
24 the liquor license pursuant to Section 08-101-34(c) of the
25 Rules of the Liquor Commission, County of Maui. License

1 granted by the Commission on October 12, 2016, to expire
2 on April 9, 2017. The applicant is requesting a six-month
3 extension.

4 CHAIR TANAKA: Thank you. Anything else to add?

5 MR. JORGENSEN: My understanding is we have
6 everything except the CO, the health clearance, and,
7 obviously, the insurance that they'll get immediately
8 prior to opening. So it's just things took, frankly, not
9 as long as I thought they would, but longer than we hoped.
10 So we are asking for the six months and are optimistic
11 that will be enough.

12 CHAIR TANAKA: Okay. Thank you. I'm gonna open
13 it to the public. Any public testimony on this item?
14 Okay. Seeing none, any questions by the Commissioners?

15 COMMISSIONER WEST: Dave, you're sure six months
16 is going to be enough? Will you take a year?

17 MR. JORGENSEN: I would accept a year if the
18 Commission is willing to grant a year. Again, optimistic
19 it will be done sooner than that, but -- the contractor is
20 very on it, but a year would be appreciated. And better
21 to have longer than necessary than not enough time. So I
22 would modify my request to request a year extension.

23 CHAIR TANAKA: Okay. Any other questions?

24 MR. KUSHI: Chair, question for staff. If we
25 give 'em six months or a year, right now, they pay the

1 annual fee, the liquor license fee, even though they're
2 not open?

3 DIRECTOR MUKAI: No.

4 MS. YOSHIZAWA: No.

5 MR. KUSHI: So they -- they pay only --

6 MS. YOSHIZAWA: When the license is issued.

7 MR. KUSHI: But six months in this case would go
8 past the annual. So do they pay two years worth?

9 MS. YOSHIZAWA: No.

10 MR. JORGENSEN: Once the license is issued,
11 we -- the applicant starts paying.

12 COMMISSIONER KENNISON: Regardless, yeah?

13 MR. KUSHI: They should pay twice.

14 CHAIR TANAKA: Yeah, the Department needs money.

15 MR. KUSHI: It's not our fault they not open.

16 CHAIR TANAKA: Okay. If there's no other
17 questions, may I have a motion?

18 COMMISSIONER WEST: I move to give you an
19 extension of one year.

20 COMMISSIONER KENNISON: Second.

21 CHAIR TANAKA: Moved and seconded. All in
22 favor, say "aye."

23 (Response.)

24 CHAIR TANAKA: Motion carried. Thank you.

25 MR. JORGENSEN: Thank you very much. And on

1 behalf of myself, my office and my clients, I want to
2 appreciate and thank Mr. -- Commissioner West and
3 Commissioner Kennison for their service. Thank you very
4 much.

5 COMMISSIONER KENNISON: Thanks.

6 CHAIR TANAKA: Okay. Let's go on to Item B,
7 Craig Nakamura, Status Report.

8 MR. NAKAMURA: Good morning, Mr. Chair, Members
9 of the Commission. Craig Nakamura, attorney on behalf of
10 the applicant. And this is Mr. Greg Peros, who is the
11 general manager of the Maui Beach Hotel, and Kyoko Kimura,
12 who is also here representing the hotel.

13 I guess, Mr. Chair, I could start. There's a
14 couple -- actually two matters on the agenda.

15 CHAIR TANAKA: Before -- before you get started,
16 let me ask you one question.

17 MR. NAKAMURA: Yes.

18 CHAIR TANAKA: You know, I don't think this was
19 ever confirmed. Are you legally representing D.H.
20 Investments [sic]?

21 MR. NAKAMURA: Yes.

22 CHAIR TANAKA: You are?

23 MR. NAKAMURA: Yes, I am.

24 CHAIR TANAKA: Okay. So that's -- we got that
25 clear? Go ahead. Say what you want.

1 MR. NAKAMURA: We -- we -- unfortunately, we are
2 here again today. You know, there are actually two
3 matters on the agenda. The first addressing the status of
4 the application as requested by the Commission, and the
5 second relating to a request for an extension of the
6 temporary liquor license. And the Commissioners may
7 recall, those of you who were here, that, the last
8 meeting, we decided that what would be done would be we
9 would be proceeding with a separate -- a different liquor
10 license application, this one on behalf of D&H Investment,
11 and that the temporary liquor license would continue. And
12 so the purpose of today's meeting was to just get an
13 update as to the status and to consider a request for an
14 extension of the temporary liquor license, if needed.

15 So the first item on the status of the
16 application. We are proceeding with the application,
17 however, we have not been able to file it yet.

18 Mr. Huang -- D.H. Investment is David Huang --
19 he has had some -- we've had some difficulties with
20 obtaining his tax clearance. He had, apparently, some
21 returns that need to be filed for both his State and
22 Federal return. And he, also, has some issues with
23 respect to the Department of Labor, certain filings that
24 need to be done for the Department of Labor.

25 So we're working on those at this time. Some of

1 those issues are -- just take some time to complete. And
2 we need to make sure who is responsible for doing them.
3 Like, for example, he has an accountant who is supposed to
4 be filing those returns, he thought the returns were
5 filed, he's checking into that.

6 The labor issues, I think they are requiring
7 copies of certain insurance certificates and that type of
8 thing. And, again, he has a service, I think it's called
9 Pro Serve, or one of those employment services that's
10 supposed to be doing that on his behalf, and checking to
11 see whether or not those were done.

12 He also has an issue regarding his Social
13 Security card. He -- he has -- I think I mentioned
14 previously, his name -- he's, actually -- I think he's a
15 national -- or he's a citizen now, but he originally is
16 from China. And so, you know, he took -- he took the name
17 David, although that wasn't his given name. And then so
18 there's been some issues with issuing his -- his Social
19 Security card in the proper name. We thought it had been
20 done. He did apply for it, he said, back in November, but
21 he hasn't received it yet. So we had him go down and
22 reapply for a Social Security card.

23 So all in all, just meant to say that we are
24 working on it. If you look at the Director's Report,
25 you'll see that English is not -- it doesn't say this, but

1 English is not Mr. Huang's first language. He has a
2 little difficulty comprehending. I spoke to him one day
3 and told him to send me copies of the documents that he
4 had completed. Instead, he faxed them to the Liquor
5 Department. Kari was nice enough to call me and tell me
6 that she had received them, you know, but that's the kind
7 of mixup that can occur. And that's the kind of delays.

8 And we have been working on this very hard. I
9 promise, Mr. Tanaka, Chairman, we've been calling him
10 every day. I mean, every day. I don't know what else I
11 can do, but try to remind him and to try and get this
12 thing going. We are -- you know, we really do want to get
13 this application completed and -- and get the license
14 issued.

15 So I'd be happy to answer any questions about
16 the status.

17 CHAIR TANAKA: Is he aware that him
18 procrastinated --

19 MR. NAKAMURA: He's -- he's --

20 CHAIR TANAKA: -- he may not get his license?

21 MR. NAKAMURA: Mr. Chairman, I -- I told him. I
22 can't tell you how many times I've told him that. I've
23 given him deadlines. I email him. I talk to him. My
24 staff talks to him. The management talks to him. He's
25 got -- apparently, has multiple restaurants on the various

1 islands, he travels a lot, he doesn't always get his
2 email. It's a little bit -- it's not like just dealing
3 with one person on Maui where I can, you know, have him
4 come in every day or just get him in my office and tell
5 him what needs to be done and signed, you know, we got
6 documents that need to be signed and notarized and
7 originals returned. And he just has a little difficulty
8 with that. So -- but we have been trying. And we have
9 been telling him a deadline. I -- I gave him a deadline
10 of two weeks ago. And I hoped to have the application
11 filed by then, knowing that this hearing was coming up.
12 But, you know, then we ran into problems with the tax
13 clearance. So --

14 CHAIR TANAKA: You said he get restaurants in
15 other islands. What happening, how he getting tax
16 clearance and all those things?

17 MR. NAKAMURA: You know, I -- I can't tell you
18 that. I don't know what the process, you know, was in --
19 on the other islands for him and when he obtained the
20 licenses. But, again, you know, the tax clearance issue
21 is a -- is a recent issue. In other words, the returns
22 that they were looking at him not filing were in the last
23 quarter of 2016 - oh, 2015, relatively new. He's probably
24 had his licenses before then in the other islands. It's
25 just unfiled tax returns. I don't know, you know, why --

1 I can't give you a reason why they weren't filed or if
2 they were filed and misplaced or who was responsible for
3 filing them, but, you know, it's -- it's an old return and
4 that should be -- that should be done.

5 CHAIR TANAKA: I think he should be made aware
6 that if he gonna procrastinate like this, he not gonna get
7 any license, he cannot operate.

8 MR. NAKAMURA: Mr. --

9 CHAIR TANAKA: That's the end result, that's
10 gonna to happen.

11 MR. NAKAMURA: Well, I understand, Mr. Chair.
12 I have -- as I said, I did tell him that. I told him
13 that. In fact, I told him that --

14 CHAIR TANAKA: Yeah. And he still not -- he
15 still not responding?

16 MR. NAKAMURA: I told him that we had to come to
17 this hearing today to report on the status and that I
18 needed to have the application filed. I gave him a
19 deadline two weeks ago to file -- you know, that I needed
20 to have the application filed. And, you know, again, I
21 don't know if he has difficulty reading English or he
22 can't comprehend it or exactly what's going on, but my
23 staff has also spoken to him, we've spoken to him,
24 management has spoken to him. And we're doing the best we
25 can.

1 We're not -- we're not -- it's not coming from
2 my office. We're not delaying. We're trying to get this
3 done. We desperately want to get this application done.

4 We're running into these issues -- and you guys
5 are going to see we're going to run into an issue
6 regarding the issuance of the temporary license. So we
7 don't want to have to deal with these issues. I don't
8 want to have to keep coming every month to talk about the
9 Maui Beach Hotel.

10 CHAIR TANAKA: Yeah, we don't want to see you
11 too often.

12 MR. NAKAMURA: I know. I know. I got a lot of
13 other work to do.

14 COMMISSIONER WEST: Tired already.

15 MR. NAKAMURA: I really don't want to be doing
16 this, you know. I can assure you that we have been -- we
17 have been after him every day, every day.

18 CHAIR TANAKA: Okay. Well, before we get
19 started, I gonna open it to the public for any public
20 testimony on this item. Okay, seeing none, Commissioners
21 have any questions?

22 COMMISSIONER SOUZA: Is there another company
23 that can run the restaurant?

24 MR. NAKAMURA: I haven't looked into that. I
25 don't think -- I don't think the hotel owner has really

1 looked into that, you know. I know they were -- he
2 mentioned that -- you know, you might recall he was here
3 several months ago and he mentioned the reasons why he
4 actually had the Hotel license, why he held the license
5 and why it took him a while to find the manager for the
6 restaurant. So -- and there were certain conditions that
7 he placed on the restaurant operator in terms of its
8 employees, you know, not releasing any employees and
9 keeping a certain level of pay. So I'm sure those same
10 conditions would apply. I don't know -- I don't think
11 he's gone through the effort yet of finding another
12 operator.

13 I think the alternative, you know, again,
14 unfortunately, is we go back to the other situation where
15 the hotel applies for the license. And you're gonna see
16 in Kari's report that some issues have been raised
17 regarding the application itself. And just to point it
18 out real briefly, you know, this is -- Maui Beach Hotel,
19 I'm sure everybody has been to and familiar with the Maui
20 Beach Hotel. Okay. They got the one room downstairs, I
21 don't know, used to be called the Red Dragon Room when I
22 used to go there a lot, you know, the Chinese restaurant
23 downstairs. It's got a kitchen. There's some banquets
24 there now. There's another room upstairs by the pool,
25 that's -- there's a kitchen, bar. Used to be some

1 banquets up there, buffet up there, also. And they're not
2 physically attached. Right. I mean, there's no --
3 they're upstairs and downstairs, but there's no interior
4 hallway joining the two. Okay. So that's created a
5 problem because the Department is telling us that we can't
6 apply for one license because they're not physically
7 attached. So we have to apply for two separate licenses.
8 Okay. I mean, at least they were kind enough to tell us
9 that. You know, we asked that question because we thought
10 that might be an issue. And they were kind enough to tell
11 us that, yeah, we can't have one because they're not
12 physically attached. Okay.

13 This is a little bit different situation. I
14 just applied for a license in Honolulu, same situation.
15 And they let me apply for one license. But, here, we have
16 to apply for two separate licenses. So, I mean, we're
17 willing to do that, it's just double the paperwork, you
18 know, but if -- if the Commission would be willing to give
19 us some leeway on that so that we could apply for one
20 license, we certainly would appreciate that as well.

21 CHAIR TANAKA: All you gotta do is change the
22 floor plan and submit the same application.

23 MR. NAKAMURA: That -- that's correct, we have
24 two separate floor plans, we have two separate --

25 CHAIR TANAKA: Shouldn't be too much of a

1 problem.

2 MR. NAKAMURA: Yeah.

3 CHAIR TANAKA: My concern is you saying you
4 getting hell of a time vet the guy, get his tax clearance,
5 and he get license operating in Honolulu or where else.
6 He must had the same problem to get that license there.

7 MR. NAKAMURA: I can't -- I didn't represent him
8 with respect to those other licenses.

9 CHAIR TANAKA: Can you -- can you contact
10 Honolulu or whoever, Honolulu Liquor Department or Kauai
11 or Big Island, where the hell he get his restaurant and
12 find out?

13 MR. NAKAMURA: Let me explain the tax clearance
14 issue. The tax clearance has to be current. Okay. I
15 think it's within 30 --

16 MS. YOSHIZAWA: 60 days.

17 MR. NAKAMURA: Yeah, 60 -- 30 -- 60 days -- 60
18 days, okay. So if he was able to get a tax clearance
19 somewhere else, it doesn't mean that, you know, it would
20 apply or -- we cannot use the same tax clearance.

21 CHAIR TANAKA: I know. I know. But that means
22 he not paying his taxes, then.

23 MR. NAKAMURA: Well, that means -- in this
24 situation, the report is that he hasn't filed his return.
25 It doesn't mean he's not paying his taxes, but he hasn't

1 filed his return.

2 COMMISSIONER WEST: That was for 2015?

3 MR. NAKAMURA: Yes. Or for December 2015. I
4 think that was like a -- either a quarterly or a annual,
5 you know, end of year return, GET return.

6 MR. KUSHI: This is his corporate return?

7 MR. NAKAMURA: Yes.

8 COMMISSIONER BICOY: GE return or corporate
9 return?

10 MR. NAKAMURA: GE.

11 COMMISSIONER BICOY: Those are very different.

12 MR. NAKAMURA: GE on the corporation. So the
13 corporation --

14 COMMISSIONER ALULI: So he's a year in arrears,
15 then?

16 MR. NAKAMURA: Not -- again, not necessarily in
17 arrears. Right.

18 COMMISSIONER KENNISON: He just didn't file
19 his --

20 COMMISSIONER ALULI: He didn't file.

21 MR. NAKAMURA: It's just that he didn't file the
22 return. He could have -- he could have paid the taxes and
23 not filed the return.

24 COMMISSIONER ALULI: Return.

25 MR. NAKAMURA: They're not saying he didn't pay

1 his taxes, they're saying he's not filing his return, he
2 hasn't filed his return.

3 COMMISSIONER BICOY: So it's that annual
4 reconciliation?

5 MR. NAKAMURA: I can't tell you exactly what it
6 is. Okay. So a lot of this is done online now, so we
7 have a report, you know, regarding the tax forms, you
8 know, it says Form Type G49, you know, that kind of thing.
9 So we have a report as far as the name of the form, the
10 number of the form that he has yet to file, and that's it.
11 So, you know, we go back to -- we get this report, we go
12 back to Mr. Huang, and we say, look, it's saying, you
13 know, these returns have not been filed. He said I gotta
14 talk to my accountant. Okay. So then we get in touch
15 with the accountant. And now the accountant's telling us,
16 well, we thought we filed those returns. So he's got to
17 go back and check and see if those returns are filed and
18 so on and so forth. So --

19 CHAIR TANAKA: He gotta -- he gotta shape up the
20 accountant. Kari, question.

21 MS. YOSHIZAWA: Yes.

22 CHAIR TANAKA: All the other counties have they
23 renewal at the same time?

24 MS. YOSHIZAWA: Yes, fiscal year.

25 CHAIR TANAKA: Fiscal year. So he gonna get

1 that problem again, then, when they go and look for renew
2 with all the other residences?

3 MR. NAKAMURA: That's -- that's correct. I
4 mean, assuming they catch it. You know, maybe it could
5 have been, too, that -- sometimes we've had situations
6 where we do one tax clearance one year, everything is
7 okay, we do one tax clearance the next year and then they
8 come up with something like this that was for two years
9 ago. So --

10 CHAIR TANAKA: I don't know, this guy.

11 MR. NAKAMURA: Yeah, I -- I agree with you. I
12 agree with you. I mean --

13 COMMISSIONER BICOY: So --

14 CHAIR TANAKA: Maybe he's not a responsible
15 person --

16 MR. NAKAMURA: Well, we're pushing him.

17 CHAIR TANAKA: -- to -- to obtain a liquor
18 license.

19 MR. NAKAMURA: Well, I -- I'm assuming he has
20 liquor licenses in other jurisdictions, too.

21 CHAIR TANAKA: You would think so, yeah. So
22 he --

23 COMMISSIONER BICOY: Well --

24 CHAIR TANAKA: -- should get all these things in
25 line.

1 COMMISSIONER BICOY: Excuse me. I'm sorry. So
2 looks like the G49 is the annual general excise, yeah.
3 So, I mean, it's just the annual reconciliation to show
4 the breakdown that you did pay.

5 MR. NAKAMURA: Exactly.

6 COMMISSIONER BICOY: So it's not that he didn't
7 pay it.

8 MR. NAKAMURA: Exactly. Exactly.

9 COMMISSIONER BICOY: The fact that he didn't
10 file the annual return, the conciliation return.

11 MR. NAKAMURA: Got it. So that's the kind of
12 thing they're getting him -- they're not telling us -- you
13 know, they won't tell us at this point if he owes any tax
14 until they see the return. Right?

15 COMMISSIONER KENNISON: Yeah.

16 COMMISSIONER BICOY: So that's not as major.

17 COMMISSIONER ALULI: Yeah, it's not as major.
18 It's a minor reconciliation. Because he's paid his GET,
19 his monthly GETs. At the end of the year, you have to
20 file that G49.

21 MR. NAKAMURA: Yeah. I believe that's the
22 case --

23 COMMISSIONER ALULI: Yeah.

24 MR. NAKAMURA: But, you know, we need to follow
25 up definitely and find out. So that's what we're working

1 on.

2 COMMISSIONER ALULI: So are gonna move to Item
3 C, then, or we're still on B?

4 CHAIR TANAKA: Yeah. Any other questions?

5 MR. KUSHI: Couple questions, Chair. For staff,
6 what's holding up the Savio license?

7 MR. NAKAMURA: Okay. So I can answer that.

8 MR. KUSHI: No, no. I'm asking them.

9 MR. NAKAMURA: Okay. Okay.

10 MS. YOSHIZAWA: The application --

11 MR. KUSHI: Same issue?

12 MS. YOSHIZAWA: -- is incomplete.

13 MR. KUSHI: Vetting of the --

14 MS. YOSHIZAWA: We did not vet. And there is --
15 they need to get their tax clearance up to date. I
16 believe it expired on February 13th.

17 MR. KUSHI: For the Hotel license?

18 MS. YOSHIZAWA: For the Hotel application. And
19 we are missing -- staff did review it this morning, the
20 application. And I believe they're missing a couple
21 documents; Certificate of Good Standing for Savio EA
22 Growth Ventures, Savio Manager, Inc., Savio MBH Owner,
23 LLC, and Savio Maui Mezz LLC.

24 MR. KUSHI: The main issue, correct me if I'm
25 wrong, is the vetting --

1 MS. YOSHIZAWA: Vetting.

2 MR. KUSHI: -- of the operator.

3 MS. YOSHIZAWA: Yes.

4 MR. KUSHI: Questions for the applicant. You've
5 been operating on the temporary license for --

6 MR. NAKAMURA: That's correct.

7 MR. KUSHI: Going on -- you have employees
8 working at this licensed premises?

9 MR. NAKAMURA: Yes, we do.

10 MR. KUSHI: Who pays them? What -- who signs
11 their paycheck, Savio or D.H.?

12 MR. PEROS: For food and -- for food and
13 beverage, Food Service Hawaii runs their -- their human
14 resources. So -- so the payroll.

15 MR. NAKAMURA: So they have these -- let me
16 explain. So I found out that they have these companies
17 now.

18 MR. KUSHI: Yeah.

19 MR. NAKAMURA: Okay. And what they do is they
20 actually employ, so to speak, technically employ the
21 individuals that work at -- at these hotels. I think it's
22 because it has to do with cost savings and efficiency and
23 benefits and that kind of thing. So if you're asking who
24 technically employs these people and who signs these
25 paychecks, a lot of times, in current operations, it's

1 these employment companies like Pro Service. I think
2 there's three or four of them that, actually, do it. But
3 they're actually employees, you know, so they're employees
4 of this company, but they are --

5 MR. KUSHI: Who pays Pro Service?

6 MR. PEROS: D.H. Investment does.

7 MR. KUSHI: Not Savio?

8 MR. PEROS: Not Savio. Savio pays for the
9 hotel. The hotel is also run by Pro Service Hawaii.

10 CHAIR TANAKA: So it's just like a contract,
11 then?

12 MR. NAKAMURA: Exactly.

13 MR. PEROS: Yes.

14 MR. NAKAMURA: Exactly. Can I explain one other
15 thing?

16 MR. KUSHI: So they're not unionized, then?

17 COMMISSIONER KENNISON: The restaurant not.

18 MR. PEROS: Not the restaurant. The hotel is.

19 COMMISSIONER KENNISON: The hotel is.

20 MR. NAKAMURA: The -- the -- what we were
21 proceeding with -- and just to kind of clarify -- you
22 know, there is a hotel application pending -- I mean, or
23 that's been submitted, but pursuant to the last hearing, I
24 believe -- I'm a little confused because we've had so many
25 hearings -- but I think where -- the direction we were

1 going in is, instead of going for a Hotel license, we were
2 going to apply for a Dispenser license for -- under
3 Mr. Huang. Okay. But the Hotel license is still pending
4 and we haven't been able to get the Dispenser license
5 filed yet.

6 MR. KUSHI: We understand that.

7 MR. NAKAMURA: I'm sorry?

8 MR. KUSHI: We understand that.

9 MR. NAKAMURA: Yeah. Okay.

10 MR. KUSHI: The main reason why is because D.H.

11 MR. NAKAMURA: Yes.

12 MR. KUSHI: And, unfortunately, that time
13 expiration is coming up.

14 MR. NAKAMURA: That's right.

15 MR. KUSHI: And to my understanding, Savio
16 cannot get a second extension. We'll get into that later.

17 MR. NAKAMURA: Yes.

18 CHAIR TANAKA: Okay. Any -- any other questions
19 on this item? Let's go on to the next one, letter from
20 Mr. Nakamura about extension. I think Kari get something
21 to share with the Commission. Kari.

22 MS. YOSHIKAWA: Yes, Chair. Thank you.

23 Memo dated March 3rd, 2017, memo to Glenn Mukai,
24 Director from Liquor Control Officer Karilee Yoshizawa
25 regarding Savio MBH Owner LLC doing business as Maui Beach

1 Hotel, requesting for an extension of a temporary hotel
2 liquor license.

3 The purpose of the memo is to research and
4 provide information to the Director relating to current
5 liquor laws and rules pertaining to the applicant's
6 request for an extension to their second temporary license
7 set to expire on April 13th, 2017.

8 The licensed premises is located at 170
9 Kaahumanu Avenue, Kahului, Maui, Hawaii.

10 A letter requesting an extension of their
11 current temporary license has been received from Savio MBH
12 Owner LLC doing business as Maui Beach Hotel. Attorney
13 and authorized agent Craig Nakamura is requesting, on
14 behalf of the licensee, to extend their temporary license
15 for an additional 120 days.

16 Savio MBH Owner LLC doing business as Maui Beach
17 Hotel is currently operating on their second temporary
18 liquor license granted by the Commission, effective
19 December 15, 2016, up to and including April 13, 2017.

20 Background information: At the August 10, 2016
21 Liquor Commission meeting, the Liquor Commission granted a
22 temporary license to be issued to Savio MBH Owner LLC
23 doing business as Maui Beach Hotel and that they are
24 required to submit their application for a temporary
25 license and acceptable floor plan within two weeks.

1 TEM-03, first temporary liquor license issued to
2 Savio MBH Owner LLC doing business as Maui Beach Hotel
3 effective August 12, 2016, up to and including December 9,
4 2016.

5 Through investigation it was found that Savio
6 MBH Owner LLC had submitted an application that did not
7 meet the requirements for a hotel liquor license and the
8 liquor license application contained false and misleading
9 information.

10 It was found that D.H. Investments [sic], Inc.
11 was currently operating and managing the food and beverage
12 operations for the hotel. At the time of the application,
13 Savio MBH Owner LLC did not have the use and exclusive
14 control of the entire licensed premises as the hotel rooms
15 were being managed separately by Hotel Management Services
16 LLC.

17 At the November 9, 2016 Liquor Commission
18 meeting, the Liquor Commission approved to allow Savio MBH
19 Owner LLC to continue to operate on its temporary liquor
20 license and that the application be returned to the
21 Department.

22 On December 1st, 2016, an email was sent to
23 authorized agent and attorney Craig Nakamura, requesting
24 an update as to the status of the application and when the
25 Department could expect to receive the application as the

1 applicant continued to operate on a Hotel Temporary
2 license with no application on file. Craig Nakamura
3 responded that they would be filing a Dispenser license
4 application for D.H. Investment, Inc.

5 The Department continued to consult and update
6 Corporation Counsel regarding the application status of
7 Savio MBH Owner LLC doing business as Maui Beach Hotel.

8 On December 5th, 2016, the Department received
9 an email request from attorney Nakamura's office
10 requesting an extension to their Hotel temporary liquor
11 license as the temporary license was set to expire on
12 December 9, 2016.

13 The Department forwarded to Corporation Counsel,
14 for their review and determination, the request for an
15 extension of a Hotel temporary liquor license.

16 After careful review by Corporation Counsel and
17 meeting with this Department's personnel, it was
18 determined that the Director is prevented from
19 administratively issuing a temporary license until the
20 applicant has complied with all requirements as set forth
21 by the Rules of the Liquor Commission, County of Maui, and
22 Chapter 281, Hawaii Revised Statutes.

23 A letter was received -- or reviewed by
24 Corporation Counsel and sent, and received by the
25 applicant on December 9, 2016, informing the applicant

1 that the temporary license, TEM-03 issued to Savio MBH
2 Owner LLC doing business as Maui Beach Hotel, expires at
3 midnight on December 9, 2016.

4 At the December 14, 2016 Liquor Commission
5 meeting, the Liquor Commission allowed for a second
6 temporary license to be issued to Savio MBH Owner LLC
7 doing business as Maui Beach Hotel provided that they
8 re-submit the Hotel license and bring their license
9 application up to speed within 120 days.

10 TEM-03A, second temporary liquor license issued
11 to Savio MBH Owner LLC doing business as Maui Beach Hotel,
12 effective December 15, 2016 up to and including April 13,
13 2017.

14 On February 22nd, 2017, the Department did
15 receive, via fax, from David Huang, an incomplete Personal
16 History Statement questionnaire, a guaranty that was not
17 notarized, and the second page of the criminal history
18 form, FBI privacy notice.

19 Documents were returned via mail to David Huang.
20 Attorney Nakamura was informed via telephone that the
21 Department received documents via fax from David Huang
22 which were incomplete and not acceptable. Attorney
23 Nakamura apologized and reported that those document were
24 to be sent to his office and that he, David Huang, is
25 confused.

1 On February 25, 2017, an email from Attorney
2 Nakamura's office was received. The email stated that
3 they were preparing the liquor license application for
4 D.H. investment, Inc. The email stated that the
5 application is to cover three separate areas within the
6 hotel, which is not connected. They would like to inquire
7 on how to proceed under one liquor license application.

8 Attorney Nakamura's office was informed that as
9 they had confirmed that those areas were not connected, to
10 meet the current requirements, an applicant for a
11 Dispenser license would need to file separate application
12 for each area.

13 Rules of the Liquor Commission. Section
14 08-101-24, temporary licenses. A temporary license of any
15 class and kind may be granted under the following
16 conditions:

17 (1), The premises shall have been operated under
18 a license of the same class, kind and category issued by
19 the Commission at least one year immediately prior to the
20 date of filing of the application for temporary license,
21 except as otherwise provided by -- approved by the
22 Commission; or to any premises that have been operated
23 under a license of the same class, kind and category
24 issued by the Commission at least one year prior to the
25 license being revoked or canceled, provided that the

1 license application must be filed within 90 days of the
2 surrender of the previous license or the closing of
3 business;

4 (2), The license of the same class, kind and
5 category then in effect for the premises shall be
6 surrendered in such manner and at such time as the
7 Commission shall direct;

8 (3), The applicant for a temporary license shall
9 filed with the Commission an application for a license of
10 the same class, kind and category currently or previously
11 in effect for the premises;

12 (4), The application for a temporary license
13 shall be accompanied by a license fee in such amount as
14 may be prescribed by the Commission. If the application
15 is denied or withdrawn, the fee which accompanied the
16 application shall become a realization of the County
17 Liquor Fund;

18 (5), A temporary license shall be for a period
19 of not in excess of 120 days. The license may be renewed
20 at the discretion of the Commission for not more than one
21 additional 120-day period upon payment of such additional
22 fee as may be prescribed by the Commission and upon
23 compliance with all conditions required in this rule.
24 When a temporary license has expired and no permanent
25 license has been issued, the sale and service of liquor

1 shall cease until the permanent license is issued;
2 provided that, when applicable, the license shall be
3 properly renewed;

4 (6), A temporary license shall authorize the
5 licensee to purchase only by payment in currency, check or
6 certified check for the liquor before or at the time of
7 delivery of the liquor to the licensee, except as
8 otherwise provided by the Commission rule;

9 (7), A temporary license shall contain the same
10 restrictions and/or conditions as placed on the previous
11 license;

12 (8), A temporary license shall terminate upon
13 the issuance of the transferred or new license, denial or
14 withdrawal of the transfer or new application, or at
15 midnight on the 120th day on the first temporary license
16 or midnight on the 120th day on the second temporary
17 license after being effected or issued.

18 Hawaii Revised Statutes: Section 281-32,
19 Licenses, temporary. A temporary license of any class and
20 kind specified in Section 281-31 may be granted under the
21 following conditions:

22 (1), The premises shall have been operated under
23 a license of the same class, kind and category issued by
24 the Liquor Commission at least one year immediately prior
25 to the date of filing of the application for a temporary

1 license, except as otherwise approved by the Commission;

2 (2), The license of the same class, kind and
3 category then in effect for the premises shall be
4 surrendered in such manner and at such time as the
5 Commission shall direct;

6 (3), The applicant for a temporary license shall
7 have filed with the Commission an application for a
8 license of the same class, kind and category currently or
9 previously in effect for the premises;

10 (4), The application for a temporary license
11 shall be accompanied by a license fee in such amount as
12 may be prescribed by the Commission. If the application
13 is denied or withdrawn, the fee which accompanied the
14 application shall become a realization of the County;

15 (5), A temporary license shall be for a period
16 of not in excess of 120 days. The license may be renewed
17 at the discretion of the Commission for not more than one
18 additional 120-day period upon payment of such additional
19 fee as may be prescribed by the Commission and upon
20 compliance with all conditions required in this section
21 and Section 281-31. When a temporary license has expired
22 and no permanent license has been issued, the sale and
23 service of liquor shall cease until the permanent license
24 is issued; provided that, when applicable, the license
25 shall be properly renewed;

1 (6), A temporary license shall authorize the
2 licensee to purchase liquor only by payment in currency,
3 check or certified check for the liquor before or at the
4 time of delivery of the liquor to the licensee, except
5 that otherwise provided by Commission rule; and

6 (7), Sections 281-52 and 281-54 and Sections
7 281-56 to 281-61 shall not apply to any application for a
8 temporary license.

9 As of the date of this report, the Department
10 has not received any additional documents to complete the
11 application for a Hotel liquor license for Savio MBH Owner
12 LLC doing business as Maui Beach Hotel or a dispenser
13 license application for D.H. Investment, Inc.

14 Savio MBH Owner LLC doing business as Maui Beach
15 Hotel continues to operate on a temporary to Hotel liquor
16 license, to expire on April 13, 2017. The Hotel license
17 application for Savio MBH Owner LLC doing business as Maui
18 Beach Hotel is incomplete and does not meet the minimum
19 requirements for the filing of the liquor license
20 application.

21 Current Rules of the Liquor Commission and the
22 Hawaii Revised Statutes allows for only two temporary
23 licenses to be issued for a period of 120 days each, for a
24 combination of 240 days. When a temporary license has
25 expired and no permanent license has been issued, the sale

1 and service of liquor shall cease until the permanent
2 license is issued.

3 Memo dated March 3rd, 2017, to Robert Tanaka,
4 Chairperson, Liquor Commission, and Members, from Glenn
5 Mukai, Director, regarding temporary license. Request by
6 Savio MBH Owner LLC for extension of temporary liquor
7 license, TEM-03A.

8 The Department received a request dated February
9 13, 2017 from Craig Nakamura, legal counsel for Savio MBH
10 Owner LLC doing business as Maui Beach Hotel to be placed
11 on the Commission's agenda to request an extension of its
12 temporary license, TEM-03A for an additional 120 days.

13 Savio MBH Owner LLC doing business as Maui Beach
14 Hotel was issued temporary license, TEM-03, effective
15 August 12, 2016, up to and including December 9, 2016, and
16 TEM-03A, effective December 15, 2016 up to and including
17 April 13, 2017.

18 The Department forwarded the request along with
19 Section 281-32, Hawaii Revised Statutes, to the Department
20 of the Corporation Counsel for review, comment and
21 direction.

22 The Department of the Corporation Counsel
23 provided the following after its review of and not limited
24 to the Rules of the Liquor Commission and Hawaii Revised
25 Statutes:

1 A temporary license shall be for a period of not
2 in excess of 120 -- 120 days. The license may be renewed
3 at the discretion of the Commission for not more than one
4 additional 120-day period.

5 A temporary license shall terminate upon the
6 issuance of the transferred or new license, denial or
7 withdrawal of the transfer or new application, or at
8 midnight on the 120th day on the first temporary license
9 or midnight on the 120th day on the second temporary
10 license after being affected or issued.

11 When a temporary license has expired and no
12 permanent license has been issued, the sale and service of
13 liquor shall cease until the permanent license is issued;
14 provided that, when applicable, the license shall be
15 properly renewed.

16 The law does not provide the Department the
17 authority or discretion to approve the extension requested
18 of the temporary license TEM-03A or the issuance of a
19 third temporary license.

20 The Department does not have the authority or
21 discretion to take any action that is contrary to State
22 law or the Rules of the Liquor Commission.

23 The Department is required to comply with the
24 Hawaii Revised Statutes and the Rules of the Liquor
25 Commission. Failure to comply may subject the County of

1 Maui, the Department and/or its employees to civil or
2 criminal liabilities.

3 The Department has the option to submit a
4 proposed bill to the State Legislature to amend Section
5 281-32, or request an opinion from the State Attorney
6 General.

7 Corporation Counsel is the chief legal adviser
8 to the County, this Department and its Board and
9 Commission. And any person who fails to comply with any
10 advisory may subject such person to be personally liable
11 for his or her actions.

12 CHAIR TANAKA: Thank you. Any other comment?

13 MR. NAKAMURA: Just that I ask the Commission to
14 consider that, you know, we're here today in March, almost
15 a year since -- the entire background and basis for the
16 last year -- or nine months work on this matter has been
17 the fact that the renewal application for the hotel was
18 denied by the Department due to a minor problem which was
19 the fact that the renewal application did not have the
20 original signature on it. And so on June 15th of 2016,
21 the renewal was denied. And we have been, since that
22 time, just been trying to file a new application and going
23 through various different issues with respect to that
24 application. So it's a very unique and unusual situation.
25 We ask the Commission to consider that in granting our

1 request for an additional extension.

2 CHAIR TANAKA: Thank you. Okay. I gonna
3 recommend Commission go into executive session.

4 COMMISSIONER KENNISON: Yeah.

5 CHAIR TANAKA: We may have some legal legalities
6 involving this that we can confer with our attorney here.

7 MR. NAKAMURA: Before doing that, can I just
8 suggest one thing? I thought of one potential
9 alternative. I don't know -- I don't think it's ever been
10 done, but instead of requesting a third or a second
11 extension of the temporary license, that we reissue a
12 temporary license? I didn't see anything -- I studied the
13 rules and the statute, I didn't see anything specifically
14 that denied the reissuance of a temporary license. So we
15 would have a new temporary license instead of seeking an
16 extension.

17 CHAIR TANAKA: Well, that's part of the
18 legalities we're going to have to go through.

19 MR. NAKAMURA: Thank you.

20 CHAIR TANAKA: So we have a motion --

21 COMMISSIONER WEST: So moved.

22 CHAIR TANAKA: -- to go into Exec -

23 VICE-CHAIR LOPEZ: Second.

24 COMMISSIONER ALULI: Second.

25 CHAIR TANAKA: Moved and seconded. All in

1 favor, say "aye."

2 (Response.)

3 CHAIR TANAKA: Let's go into exec session.

4 (Executive Session, 10:22 a.m. to 10:55 a.m.)

5 CHAIR TANAKA: Liquor Commission meeting called
6 back to order. Before we get started on the item, counsel
7 have one question for the staff.

8 MR. KUSHI: Kari.

9 MS. YOSHIZAWA: Yes.

10 MR. KUSHI: For the record, for this matter, do
11 you have an official application filed with the Department
12 by D.H. Investments [sic] for Dispenser General license?

13 MS. YOSHIZAWA: No.

14 CHAIR TANAKA: Okay.

15 MR. KUSHI: Was there ever one filed and was
16 kicked back?

17 MS. YOSHIZAWA: No. But it's noted in the
18 report that the Department did receive incomplete Personal
19 History Statement from David Huang, the second page only.

20 MR. KUSHI: Okay. That's okay. So as we speak
21 today, there's no official --

22 MS. YOSHIZAWA: There's no official application.

23 MR. NAKAMURA: So the -- okay.

24 CHAIR TANAKA: Okay. Let's -- okay. Going back
25 to Mr. Nakamura's letter to the Commission, the response

1 is based on HRS Commission cannot give an extension to the
2 temporary liquor license. Okay. You got that, Craig?

3 MR. NAKAMURA: Yes, sir.

4 MR. KUSHI: For the hotel.

5 CHAIR TANAKA: For the hotel. Now, the
6 Commission -- Commission propose -- proposes this: That
7 based on HRS, Commission has -- our interpretation has the
8 authority to allow -- approve otherwise what HRS states in
9 allowing a temporary license. Okay. So this is what the
10 Commission proposes: That the Commission will allow
11 applicant to file for a temporary license. And the
12 applicant D.H. Investment, after he submits a complete
13 application to the staff -- when I say complete, the staff
14 gotta be satisfied with the application. Now, the
15 temporary -- request for a temporary license shall be made
16 after the application by D.H. Investments [sic] has been
17 approved by the staff. Temporary license is good for 120
18 days. We feel that it's sufficient time for D.H.
19 Investment to go through the regular process of obtaining
20 a Dispenser General License. We will not entertain
21 another extension of a temporary license. So it behooves
22 the applicant to get on his okole and get everything in
23 before -- I would suggest before our next meeting, April
24 12, because, April 13, the Hotel temporary license
25 expires. If he's -- if his application is not in before

1 that, then he cannot sell alcohol until such time that he
2 submits a complete application. You understand now --

3 MR. NAKAMURA: Understand.

4 CHAIR TANAKA: There's no misunderstanding now.

5 MR. NAKAMURA: Just one clarification, typically
6 and I'll check with staff, but I believe that we apply for
7 the temporary license as a part of and at the same time
8 that we filed our application for Dispenser license. So
9 it will be filed at the same time, not after acceptance.

10 CHAIR TANAKA: Well, whatever, but the
11 application gotta be complete.

12 MR. NAKAMURA: I understand.

13 CHAIR TANAKA: Otherwise, staff will not issue a
14 temporary license.

15 MR. NAKAMURA: Right. I understand.

16 COMMISSIONER SOUZA: So we should clarify,
17 complete or accepted?

18 CHAIR TANAKA: Complete and accepted --

19 COMMISSIONER SOUZA: Complete and accepted.

20 CHAIR TANAKA: -- by the Department. I like
21 make that sure so that Craig don't misunderstand. You
22 gotta vet everybody, too, now.

23 MR. KUSHI: Clarification, Mr. Chair, for the
24 record, the application he's talking about is for a
25 Dispenser General.

1 MR. NAKAMURA: Understand.

2 MR. KUSHI: Not another hotel. Okay. Hotel one
3 continues until April 13th, and it dies after April 13th.

4 MR. NAKAMURA: One other -- I understand.

5 MR. KUSHI: So the application the Chair is
6 talking about is for a Dispenser General by D.H.
7 Investments [sic] or any other operator that you may want
8 to choose.

9 MR. NAKAMURA: Yes.

10 MR. KUSHI: Okay. And it needs to be filed,
11 hopefully, before Savio's extension expires.

12 MR. NAKAMURA: I understand.

13 MR. KUSHI: Once that's filed, then the
14 Commission is saying the Department will give them --
15 they're saying the Department should -- or suggest the
16 Department give them a temporary license and continue with
17 their full application.

18 MR. NAKAMURA: So --

19 MR. KUSHI: Okay?

20 MR. NAKAMURA: I understand.

21 MR. KUSHI: The other condition is that -- and I
22 understand the staff, once they file, they need to have
23 insurance.

24 MS. YOSHIZAWA: Liquor liability insurance.

25 MR. KUSHI: Even if it's a temporary?

1 MS. YOSHIZAWA: Yes.

2 MR. NAKAMURA: That was the question I was going
3 to raise. Of course, we need to meet all of the
4 requirements necessary to have the temporary license
5 issued. And Chair reminds me that, you know, in order to
6 do that, typically, the individual involved with the
7 applicant is vetted. And before the temporary license is
8 issued, he has to get, I believe, the initial clearance
9 from the Maui Police Department. Is that still the case?

10 MS. YOSHIZAWA: No. It's just one -- one
11 clearance that's now done.

12 MR. NAKAMURA: So that doesn't happen the same
13 day. In other words --

14 MR. KUSHI: Well, whatever needs to be done.
15 Okay.

16 MR. NAKAMURA: So let me explain timing. Okay.
17 So assuming the license -- the temporary license now
18 expires on April 13th. If we file our application by
19 April 12th, we meet the terms of what the Commission is
20 talking about; however, it would take, I believe, 10 days
21 to two weeks to get the criminal history clearance. And
22 so the temporary license wouldn't be issued until that
23 temporary history -- excuse me -- the clearance is
24 received. So we're going to have a little gap there where
25 there will be no service. Is that correct, Kari?

1 MS. YOSHIZAWA: Yes. The application not
2 considered complete until we receive the Criminal History
3 Report back from the Hawaii Criminal Justice Data Center.

4 CHAIR TANAKA: Okay. I said gotta be complete.
5 So make sure you get it 10 days before then, whatever.

6 MR. NAKAMURA: And that typically takes like two
7 weeks, yeah.

8 MS. YOSHIZAWA: It would all be dependent on how
9 busy the Hawaii Criminal Justice Database is. We were
10 advised that if the applicant has something on their
11 criminal history, it may delay the response from Hawaii
12 Criminal Justice Data Center because they need to make
13 additional checks.

14 CHAIR TANAKA: Then maybe you should think about
15 another operator like Commissioner Souza said.

16 MR. NAKAMURA: Yeah. Question for staff, is
17 there any other timing issue like that besides the
18 criminal history that you can think of right offhand?

19 MS. YOSHIZAWA: Not offhand.

20 MR. NAKAMURA: Okay. Thank you.

21 MR. KUSHI: For the record, Mr. Chair, also, we
22 need to cite that this ruling by the Commission is done
23 pursuant to the authority on Section 08-101-24 of your
24 rules, Subsection 1, and HRS 281-32A of the State liquor
25 laws, basically granting an exception. As you know,

1 temporary licenses are not granted to different class and
2 kind entities. In this case, the Commission has allowed
3 an exception. And it's on a case-by-case basis. So all
4 those in the audience, including Jorgensen and Horikawa,
5 this is not a precedent-setting issuance.

6 CHAIR TANAKA: I'm glad the Corp Counsel made
7 that statement. We're not that easy. Okay. You
8 understand?

9 MR. NAKAMURA: I do. Thank you.

10 CHAIR TANAKA: Okay. So I would suggest you get
11 the guy going, you know, it's been how many months already
12 since that situation. Okay. May I have a motion?

13 COMMISSIONER WEST: So moved.

14 VICE-CHAIR LOPEZ: Second.

15 COMMISSIONER UMENO: Second.

16 CHAIR TANAKA: Been seconded. All in favor, say
17 "aye."

18 (Response.)

19 CHAIR TANAKA: Opposed, "no."

20 (No response.)

21 CHAIR TANAKA: Motion carried.

22 MR. NAKAMURA: Thank you very much.

23 MR. PEROS: Thank you.

24 MR. NAKAMURA: Thank you for your time.

25 CHAIR TANAKA: Okay. Let's go on to -- got to

1 apologize to the rest of people for taking so long. Let's
2 go on to Item D, ITJSK, Inc., Watercress.

3 MR. HORIKAWA: Good morning, Mr. Chair. Paul
4 Horikawa on behalf -- I'm making a special appearance for
5 the applicant. Actually, Doug Sameshima represents the
6 applicant in this case and Mr. Sameshima has a previous
7 commitment, he's sitting as a judge across the street, so
8 he asked that I appear for him. So I'm just making a
9 limited appearance in Mr. Sameshima's absence.

10 COMMISSIONER KENNISON: Well, we feel honored,
11 because, you know, you're wearing a suit and everything.

12 MR. HORIKAWA: Well, this is for International
13 Women's Day. I saw on the agenda --

14 COMMISSIONER BICOY: I shouldn't be here, then.

15 MR. HORIKAWA: But I saw the agenda that they're
16 gonna honor -- I'm assuming that they're gonna honor you,
17 Willy, and they're gonna honor Mr. West. I haven't
18 really --

19 CHAIR TANAKA: You mean you dressed up for Willy
20 and Steve?

21 MR. HORIKAWA: I'm not really familiar -- you
22 know -- I guess, you know, on behalf of the public, thank
23 you for your service to the community and by serving on
24 the Board [sic]. Oh. Isapela Kuehu is here and she's
25 available to answer any questions you folks may have.

1 CHAIR TANAKA: Thank you. Layne.

2 MR. LAYNE SILVA: Applicant, ITJSK, Inc. doing
3 business as Watercress Sports Bar & Grill notifying the
4 Commission of a change of officers and directors and
5 requesting Commission approval for a change in
6 stockholders within the corporation.

7 Jong Sook Kim was withdrawn as an officer and
8 Director of the corporation. Isapela Alatina Kuehu was
9 admitted as an officer and director of the corporation.

10 Jong Sook Kim transferred 40 percent of the
11 outstanding capital stock effective July 1st, 2016.
12 Isapela Alatina Kuehu assumed ownership of 40 percent of
13 the outstanding capital stock effective July 1st, 2016.

14 Officer, director and stockholders of the
15 corporation is Isapela Alatina Kuehu as 40 percent
16 stockholder and President/Vice President/Secretary,
17 Treasurer and Director. Jong Sook Kim owns 60 percent of
18 the outstanding capital stock of the corporation.

19 Section 281-41 HRS provides, in part, if the
20 licensee is a corporation, a change in ownership of any
21 outstanding capital stock shall not be deemed a transfer
22 of a license; provided that in the case of a change in
23 ownership of 25 percent or more of the stock or in the
24 case of change in ownership of any number of shares of the
25 stock that results in the transferee thereof becoming the

1 owner of 25 percent or more of the outstanding capital
2 stock, the corporate licensee shall, prior to the date of
3 such transfer, apply for and secure the approval of the
4 transfer from the Commission in writing.

5 Corporate minutes: The applicant has submitted
6 a copy of a certification of ITJSK, Inc., dated February
7 6, 2017, which reflects the changes.

8 Summary: In the opinion of this investigator,
9 the applicant appears to be fit and proper, and does not
10 appear to be disqualified by any provision as stated
11 within Section 281-56 HRS from obtaining or exercising a
12 license.

13 CHAIR TANAKA: Thank you. Paul, anything else
14 to add?

15 MR. HORIKAWA: Yeah. I just wanted to add two
16 things. One, that also present is Mr. Al Kuehu, who is
17 Isapela's husband, who is here to support her. Secondly,
18 we're here to obtain the approval of the transfer of 400
19 shares of stock to Ms. Kuehu. We submitted the
20 application which shows that she does not have any
21 convictions that would disqualify her from holding the
22 license. We believe that the Director's report is
23 correct, and that Ms. Kuehu is -- is proper and fit to
24 hold the license, and is not otherwise disqualified
25 pursuant to 281-41. We would ask that you adopt the

1 recommendation -- or the finding that was made by Layne
2 just a few minutes ago.

3 We don't have anything further, but we're
4 available to answer any questions.

5 CHAIR TANAKA: Thank you. Okay. Unless the
6 public has any testimony to this application -- okay,
7 seeing none, any questions by the Commissioners? If
8 there's no questions, may I have a motion?

9 COMMISSIONER WEST: Move to approve the change
10 and transfer for Watercress Sports Bar & Grill.

11 COMMISSIONER KENNISON: Second.

12 CHAIR TANAKA: Moved and seconded. All in
13 favor, say "aye."

14 (Response.)

15 CHAIR TANAKA: Opposed, "no."

16 (No response.)

17 CHAIR TANAKA: Motion carried.

18 MR. HORIKAWA: Again, Mr. West and Willy,
19 congratulations for your service. Have a good day. Thank
20 you very much.

21 CHAIR TANAKA: Okay. Let's go to Four-Island
22 Ocean Adventures Inc.

23 MS. MEHLING: Good morning. Keri Mehling on
24 behalf of the Four-Island Ocean Adventures Inc.

25 CHAIR TANAKA: Thank you. Layne.

1 MS. YOSHIKAWA: The applicant is Four-Island
2 Ocean Adventures Inc. doing business as Ocean Spirit
3 requesting Commission approval for the transfer of the
4 outstanding capital stock of the corporation. Pacific
5 Whale Foundation previously owned 100 percent of the
6 outstanding capital stock. Contingent upon the approval
7 of the Commission, Sea Sport Cruises, Inc. will own 100
8 percent of the outstanding capital stock of the
9 corporation.

10 The officers, directors, and stockholders of the
11 corporation is listed in the investigator's report.

12 Applicant has submitted a Certification of
13 Secretary dated December 22nd, 2016, which reflect the
14 above change.

15 In the opinion of this investigator, the
16 applicant appears to be fit and proper, and does not
17 appear to be disqualified by any provision as stated
18 within section 281-56 HRS from obtaining or exercising a
19 license.

20 And, Commission Members and Chair, I did wanna
21 have it on record that I did speak to Keri Mehling just
22 prior to the meeting coming back into session. She did
23 report that this isn't necessarily a transfer in the
24 stock, they're actually making a correction to their
25 initial application for this licensee. It was mistakenly

1 reported that Pacific Whale Foundation owned 100 percent
2 of the stock when, actually, Sea Sport Cruises actually
3 owned 100 percent.

4 CHAIR TANAKA: Thank you. Do we have anything
5 else add?

6 MS. MEHLING: I'm here to answer questions if
7 you have them.

8 CHAIR TANAKA: Okay. I'm gonna open it to the
9 public. Any public testimony? Seeing none, any questions
10 by the Commissioners? Okay. If not, may I have a motion?

11 COMMISSIONER WEST: I move to approve the change
12 for the applicant.

13 COMMISSIONER KENNISON: Second.

14 CHAIR TANAKA: Moved and seconded. All in
15 favor, say "aye."

16 (Response.)

17 CHAIR TANAKA: Opposed, "no."

18 (No response.)

19 CHAIR TANAKA: Motion carried.

20 MS. MEHLING: Thank you.

21 CHAIR TANAKA: Okay. Friendly Market Center,
22 Ltd.

23 MR. LAYNE SILVA: Friendly Market Center, Ltd.

24 --

25 CHAIR TANAKA: Just a minute, Layne.

1 MR. LAYNE SILVA: I'm sorry.

2 COMMISSIONER UMENO: Right on.

3 MS. TSUKIYAMA: Good morning, Chairman Tanaka
4 and Commission Members and Department staff. Kristine
5 Tsukiyama representing Friendly Market Center. And with
6 me is Kit Okimoto, he is the Chief Financial Officer.

7 CHAIR TANAKA: Okay, Layne, go ahead.

8 MR. LAYNE SILVA: Okay. Friendly Market Center,
9 Ltd. doing business as Friendly Market Center, Ltd.
10 notifying the Commission of a change of officers and
11 directors and requesting Commission approval for a change
12 in stockholders within the corporation.

13 Jeffrey Susumu Egusa, Crystal Kanna Egusa and
14 Judith Naomi Egusa withdrew as officers of the
15 corporation. Alan Takuo Egusa withdrew as a director of
16 the corporation. Kyle Isamu Okimoto, Kris Kenji Okimoto
17 and Kit Kenzo Okimoto were admitted as officers and
18 directors of the corporation.

19 Contingent upon the approval of the Commission,
20 Jeffrey Susumu Egusa and Judith Naomi Egusa whom both own
21 40 percent each of the outstanding capital stock will be
22 withdrawn, and Okimoto Corp. will assume 100 percent of
23 the outstanding capital stock.

24 Officers, directors and stockholders of the
25 corporation are Kyle Isamu Okimoto, CEO and Director, Kris

1 Kenji Okimoto, Chief Operating Officer and Director, and
2 Kit Kenzo Okimoto as Chief Financial Officer and Director.
3 Contingent upon the approval of the Commission, Okimoto
4 Corp. will own 100 percent of the outstanding capital
5 stock of the corporation.

6 Applicant has submitted a copy of a Corporate
7 Certification for Friendly Market Center, Ltd., a Hawaii
8 corporation, dated January 10, 2017, which reflects the
9 changes.

10 Summary: Information contained within the
11 DLC-006 Form submitted by Kyle Isamu Okimoto and Kris
12 Kenji Okimoto indicated they had been convicted for a
13 violation of law, for a minor traffic violation.

14 Information contained within the DLC-008 Form
15 indicated that Kyle Isamu Okimoto and Kris Kenji Okimoto
16 had not been convicted for a violation of law other than a
17 minor traffic violation.

18 Information received during the criminal history
19 background checks revealed that both Kyle Isamu Okimoto
20 and Kris Kenji Okimoto had not been convicted for
21 violation of law other than a minor traffic violation.

22 In the opinion of this investigator, applicant
23 appears to be fit and proper, and does not appear to be
24 disqualified by any provision as stated within Section
25 281-56 HRS from obtaining or exercising a license.

1 CHAIR TANAKA: Thank you. Do you have anything
2 else to add?

3 MS. TSUKIYAMA: No, but we're available for any
4 questions.

5 CHAIR TANAKA: Okay. I'm gonna open it to the
6 public for any public testimony. Okay, seeing none, any
7 questions by the Commissioners?

8 COMMISSIONER BICOY: Chair, I would just like to
9 welcome them. As the Molokai Commissioner, I would like
10 to welcome you guys to Molokai.

11 MR. OKIMOTO: Thank you, ma'am.

12 COMMISSIONER BICOY: And -- and could you bring
13 the milk prices down?

14 MR. OKIMOTO: We'll do our best. Two percent
15 should be coming back soon.

16 CHAIR TANAKA: Dawn, is that a condition? Okay.
17 Any other questions? If not, may I have a motion?

18 COMMISSIONER BICOY: Well, I guess I can make
19 that motion, yeah? I move to approve the change in
20 officers and directors.

21 COMMISSIONER KENNISON: Second.

22 COMMISSIONER WEST: Second.

23 COMMISSIONER BICOY: For the Friendly Market.

24 CHAIR TANAKA: Moved and seconded. All in
25 favor, say "aye."

1 (Response.)

2 CHAIR TANAKA: Opposed, "no."

3 (No response.)

4 CHAIR TANAKA: Motion carried. Thank you.

5 MS. TSUKIYAMA: Thank you very much.

6 MR. OKIMOTO: Thank you very much.

7 CHAIR TANAKA: Let's have a five-minute recess
8 before we go into Administrative Affairs. I say five
9 minutes, be back in five minutes.

10 (Recess, 11:15 a.m. to 11:21 a.m.)

11 CHAIR TANAKA: Liquor Commission meeting called
12 back to order. Let's go into Administrative Affairs.
13 Item A, presentation by Ms. Jan Shishido.

14 MR. COLLINS: Sorry, we've been fazed out back
15 here for a couple hours.

16 CHAIR TANAKA: I hope you guys learned something
17 listening to us.

18 MR. COLLINS: Oh, man.

19 MS. SHISHIDO: We did. So thank you. Thank you
20 and aloha, Chair Tanaka and Commission. Thank you for
21 this opportunity for us to come and present to you. This
22 is Rick Collins, he is with Maui Youth and Family
23 Services. And we'll sit down.

24 MR. COLLINS: Good. Sorry. Left me hanging.

25 MS. SHISHIDO: It was good standing up for a

1 little white. Again, thank you for this opportunity for
2 us to come before you and to just give you an update as
3 well as to thank you very much for the \$20,000 that is
4 being put into good use.

5 I really want to say thank you, too, to Deputy
6 Mark Honda for coming to our Coalition meeting. And maybe
7 he would like to say a few words about our Coalition,
8 because I think he was quite impressed with all the things
9 that we're doing.

10 DEPUTY DIRECTOR HONDA: Thank you, Mr. Chair,
11 Members of the Commission. I was tasked with contacting
12 Jan Shishido to please come here and do a presentation so
13 that the Board here -- the Commission, rather, can see how
14 the money was well spent. And, in turn, they invited me
15 to their meeting. So, of course, I had to attend.

16 They had about 15 youth leaders. And they each
17 gave a presentation as well as participating members,
18 including the Office of the Prosecutor, Brandon Paredes
19 was there. So I was really impressed with these young
20 teenagers to be so civic, community-minded individuals to
21 help out with this task of underage drinking, going into a
22 cross-section of a number of issues growing up as a
23 teenager with peer group pressure, positive influences.
24 So I was really impressed.

25 So I asked them, I know it's a schoolday, but if

1 you could have one or two students come to say "hi" to the
2 Commission, so the Commission Members, other than talking
3 to adults and reading flyers, can see one of the youth
4 leaders. And, luckily, we got one from Kamehameha
5 Schools.

6 So I'd just like to say I fully support their
7 mission. And I humbly request that the Commission here
8 continue to grant -- give grant monies for their efforts.
9 I believe that each and every dollar is well spent. And
10 the community backup and support is tremendous for this
11 mission.

12 Thank you.

13 MS. SHISHIDO: Thank you. I would like to have
14 Rick Collins elaborate a little bit more about our
15 Coalition as well as introducing Justin.

16 MR. COLLINS: Great. So Chairperson and
17 Commissioners, again, thanks for having me back. I wanted
18 to give you a little update in terms of what we've been
19 doing with some of that funding as well as introduce you
20 to Justin.

21 So some of the efforts -- we kind of put
22 together this one-page flyer for you. Some of the efforts
23 we've been doing include around the educational awareness,
24 including upcoming teen expo event, which will be at Queen
25 Kaahumanu Center. That's on May 6. You're welcome to

1 attend that. It's from 4:30 to 8:30. So please stop by
2 and check us out. We'll have many booths, very, very
3 interactive booths from -- different coalition member
4 organizations will be there. We will also have some music
5 talent, dance talents, things like that. So we wanted to
6 promote an alternative activity for young people to be a
7 part of.

8 We also are looking at doing youth led PSA
9 campaigns for radio and social media. We haven't got
10 quite organized enough to actually do that yet, but we're
11 in the process of that, a town hall meeting and
12 alternative youth events.

13 One of our big pushes for this year is what
14 we're calling Maui Nui Youth Council. This is our young
15 people. We really want to be a youth-led adult-guided
16 coalition. And that takes a lot of effort on our adult
17 side of us to, you know, let go some of that control and
18 let the young people really try to guide our efforts
19 because they are the context experts of underage drinking
20 and substance abuse. And we're believing in them.

21 So we took two young people, you'll see on
22 the -- on the pictures, quiz question, who is the -- you
23 can note the senator in the picture. We were in D.C. in
24 February. Justin was one of our young leaders that came
25 as well as another young leader, Sierra. And so I brought

1 Justin along to talk a little bit about that, his
2 experience there and about what being on this Maui Nui
3 Youth Council means to him.

4 So go ahead.

5 MR. SHIFFLER: Hey, guys. I'm Justin Shiffler.
6 I am a junior at Kamehameha Schools Maui. And as Rick
7 just went over, I went out to D.C. with something called
8 CADCA. It's, basically, communities against anti drugs
9 coalitions of America. And, basically, a bunch of
10 antidrug/antialcohol coalitions come together and they
11 just meet up together.

12 The biggest impact that this had on me was
13 really how much other people really care about this kind
14 of stuff. 400 youth attended this event. And if you
15 divide that by 50 states, that's quite a lot of people
16 that are out here doing stuff. And I've been doing
17 coalition work for three years now. My freshman year, I
18 did the Meth Project and then came to this. But to go out
19 into D.C. and to see that, I'm not the only person out
20 here trying to make a change in my community is pretty
21 inspiring.

22 Also, one of the benefits from going to CADCA in
23 D.C. is taking their ideas and applying it to our
24 community. So it's, basically, these ideas that I'm
25 having as a youth that is gonna help me drive -- make

1 changes in the community. But the only downfall that I
2 have is I'm a youth. I can't really do stuff. So --

3 COMMISSIONER ALULI: We disagree with that.
4 Strongly disagree with you can't.

5 MR. SHIFFLER: So I gotta take these youth ideas
6 and get the correct adult support and, you know, together
7 we can really make a change in the community. And I know
8 that you guys have been very supportive of our Coalition
9 and I just wanted to thank you guys on behalf of all the
10 youth in our coalition for that. And just thanks a lot.
11 It means a lot to us. Thank you.

12 COMMISSIONER ALULI: Great.

13 COMMISSIONER BICOY: I have -- I have a question
14 real quick.

15 VICE-CHAIR LOPEZ: I have a question, too.

16 COMMISSIONER BICOY: Yeah, not comment, but a
17 question. Do you have any involvement with Molokai youth?

18 MR. COLLINS: That's a good question. So the
19 way that our current grant is set up is, no, but there are
20 youth -- we've also partnered with Coalition for Tobacco
21 Free Hawaii, and so they have some funding. So we kind of
22 have this split funding. So Coalition for Tobacco Free
23 Hawaii has some Molokai youth through Alulike. Janna
24 Asada and I are really close colleagues. I don't know if
25 you know Janna at Alulike.

1 COMMISSIONER BICOY: Yeah, I do.

2 MR. COLLINS: But we've got some young people
3 through Alulike in our Coalition. But our -- our funds
4 don't pay for that, but the Tobacco Free Hawaii funds, do.
5 So, yes.

6 COMMISSIONER BICOY: This is strictly for Maui,
7 then, this -- this program right here, this \$20,000?

8 MR. COLLINS: So -- so, no. So part of our teen
9 expo funding is actually to fly some of the Molokai folks
10 out for the teen expo event and to have a booth there as
11 well.

12 COMMISSIONER BICOY: So they will -- you will
13 have somebody there?

14 MR. COLLINS: Yeah. Yeah.

15 COMMISSIONER BICOY: Just wondering because it
16 says -- you know, we have the largest Native Hawaiian
17 demographics per capita, so -- and I notice you had a
18 bullet point here.

19 MR. COLLINS: Yes.

20 COMMISSIONER BICOY: So I would -- I would think
21 that some kind of involvement from Molokai would be a
22 wonderful thing.

23 MR. COLLINS: Yeah. And they have been involved
24 in years past with our County funding. So, yeah. So they
25 will be involved.

1 COMMISSIONER BICOY: Thank you.

2 VICE-CHAIR LOPEZ: I have a -- I have the same
3 question with Lanai, too. We just did a drug and alcohol
4 awareness with the police -- Maui Police Department
5 through CDFL.

6 MR. COLLINS: Oh, yeah. Joelle's group.

7 VICE-CHAIR LOPEZ: Would be really nice if you
8 guys would get involved, your program, with us to -- it
9 was a wonderful experience. You know, they showed some
10 really graphic stuff, within the boundaries.

11 MR. COLLINS: Yeah.

12 VICE-CHAIR LOPEZ: So it really woke up the kids
13 there and made them be aware of that.

14 MR. COLLINS: Great. Yeah. And I did put -- on
15 the line item for funding, I put Lanai and Molokai
16 transportation stuff. So, yeah.

17 CHAIR TANAKA: Any other questions?

18 COMMISSIONER WEST: Yeah. So how -- how are
19 your funds right now?

20 MR. COLLINS: So we -- we're currently in the
21 process of spending them out. We haven't spent them all
22 out because we are paying for stuff, currently for the
23 teen expo coming up and things like that, but we'll have
24 them spent out by our -- we've been running it through the
25 fiscal calendar, so it will be spent by June 30th.

1 COMMISSIONER WEST: More of a statement than a
2 question. You know, I just would hope the Commission in
3 the future will really push the envelope as far as we can
4 to educate our youth. And it's so important. And I
5 appreciate everything you're doing.

6 COMMISSIONER KENNISON: To continue the funding.

7 COMMISSIONER ALULI: Is there other funding that
8 you're applying for to make sure that this program, most
9 importantly, is sustained?

10 MR. COLLINS: Yes.

11 COMMISSIONER ALULI: Over the long -- over the
12 long haul?

13 MR. COLLINS: Yeah. So we're actually looking
14 at January of '18 of applying for what is called Drug Free
15 Communities funding. It's federal funding out of the
16 White House. We hope we receive that funding and it
17 continues. So that would be a five -- five and five
18 grant. So it would be up to 10 years.

19 COMMISSIONER ALULI: Yeah. Because it seems the
20 problem isn't necessarily declining, unfortunately.

21 MR. COLLINS: No.

22 COMMISSIONER ALULI: Statistically, it seems to
23 be growing. So any time -- any effort to stop it at this
24 level, I think, makes it much -- there's a much greater
25 success level in the college arena because the college

1 arena where it really kind of gets out of hand. So if we
2 stop it at the high school level, I think we accomplished
3 an awful lot for the future. So please make every effort
4 to get whatever -- whatever support you guys can get.

5 MR. COLLINS: Yeah, just a comment. I think it
6 was Stephen, but I'm not 100 percent sure, that requested
7 some data from the last time. Someone had requested that.
8 We do -- we have been doing an assessment over the last
9 about three to four months. We're in a draft phase for
10 that. These are just some statistics, but if you want the
11 full needs assessment, we would be happy to get that to
12 you. It includes marijuana and alcohol. We could --

13 COMMISSIONER WEST: I think it's -- yeah, it
14 really makes it, for the Commission, a good reason to fund
15 you and -- you know, or not to fund you, you know,
16 depending on what you're doing. So, yeah, the more data,
17 the better.

18 MR. COLLINS: Okay. So we'll get that over to
19 you when it's done. It should be done by the end of the
20 month.

21 CHAIR TANAKA: Any other questions? If not, go
22 ahead, Jan.

23 MS. SHISHIDO: I just wanted to again thank the
24 Commission for this opportunity. And, I guess, just
25 saying, if we were at the front of the agenda, then we

1 would have had an audience of lawyers and --

2 MR. COLLINS: That was a licensee outside during
3 the Executive Session that said that, "You guys should be
4 in the front so we see this."

5 MS. SHISHIDO: You know -- so, anyway --

6 COMMISSIONER KENNISON: Who's in charge of the
7 agenda?

8 MS. SHISHIDO: Just a suggestion.

9 CHAIR TANAKA: So you looking --

10 MS. SHISHIDO: And I wanted to thank -- I wanted
11 to thank Kris folks for staying, yeah.

12 MS. TSUKIYAMA: Just for you, Jan.

13 MS. SHISHIDO: Yeah, I know. Thank you.

14 CHAIR TANAKA: Okay, Jan. Next time, we'll make
15 sure you're in the front. You looking for a lot of
16 support.

17 MR. COLLINS: Whatever Jan says, Jan gets, huh?

18 CHAIR TANAKA: Okay. On behalf of the
19 Commission, the staff and everything, thank you for
20 coming. At least --

21 MR. COLLINS: Thank you.

22 CHAIR TANAKA: -- we know what you people are
23 doing.

24 MR. COLLINS: Thank you.

25 CHAIR TANAKA: Thank you very much.

1 MR. COLLINS: And we'd love to encourage Mark to
2 continue to attend, or someone, if possible. It's really
3 helpful.

4 CHAIR TANAKA: Okay. Let's go on to Item B,
5 Approval of Forms. You have before you the Retail Gross
6 Sales Liquor Report Form and the Application for Renewal
7 of Liquor License. Kari, what's the --

8 MS. YOSHIZAWA: Okay. So the first form,
9 DLC-028(d), the Retail Gross Liquor Sales Report Form, in
10 the past, the Department had required the licensees to
11 submit on colored paper, and each form was a different
12 colored paper to easy identify the class. We're going
13 away from the colored paper requirement. They can submit
14 on the white form.

15 And we're also -- in the June 2014 Commission
16 meeting, they approved and allowed retail premises to do
17 product sampling in their stores. Whole Foods does it,
18 and there are several other retail premises that provides
19 that product sampling within. So they need to account for
20 that similar to like a comp drink for a dispenser or a
21 restaurant. So we did add, in number one, samplings by
22 permit, bottles opened, reported at retail value. So that
23 was the only change for this Gross Liquor Sales Form.

24 The Application for Renewal of Liquor License,
25 DLC-029, again the Department had, in the past, required

1 the blue form be submitted. We are getting away from the
2 blue form, the colored form requirement. This also allows
3 for the Department. We're working for ITS to post the
4 renewal application on our website to make it more
5 available to the licensees.

6 The only change to the application itself is we
7 did add -- because there's a Class 18 license, we did add
8 Small Craft at the top, and Number 3, class of license.
9 That was not previously on the renewal application.

10 CHAIR TANAKA: Okay. Thank you. Any questions
11 by the Commissioners? If not, may I have a motion for
12 approval?

13 COMMISSIONER WEST: So moved.

14 VICE-CHAIR LOPEZ: Seconded.

15 CHAIR TANAKA: Moved and second. All in favor,
16 say "aye."

17 (Response.)

18 CHAIR TANAKA: Opposed?

19 (No response.)

20 CHAIR TANAKA: Okay. Motion carried.

21 Director's Monthly Report.

22 DIRECTOR MUKAI: Okay. Liquor License Renewals.
23 The liquor license renewal period is from April 1st to
24 June 15, pursuant to Rules of the Liquor Commission. The
25 Department will be monitoring the State and Federal tax

1 clearance process since it's been reported the IRS office
2 is only open half a day, and the State did change or issue
3 new tax numbers from last year -- from last year, August,
4 I believe. Kauai is reporting that they getting away with
5 the precheck, same like Maui, and they will follow Maui.

6 We sent out notice to all the licensee on -- in
7 January. And -- and on this renewal form, we also
8 included that memo that we urging them to register and use
9 the Hawaii Compliance Express. So, basically, what they
10 do is they register on Hawaii Compliance Express, pay the
11 \$12 fee and check off Federal tax clearance, State tax
12 clearance, and, through the internet, they will receive
13 it, and they can bring it, instead of standing in line.
14 And -- so that should help them out. But on the State
15 side, like we said, they changed the tax numbers. So
16 Kauai reported some of their licensees are having
17 difficult time.

18 And on the ID Checking Guide, we received 2017
19 ID Checking Guide for the U.S. and Canada. And it will be
20 distributed along with the license renewal forms when we
21 send it out from today. And you have it in front of you,
22 so you help the licensee check the license.

23 The Rule Amendments, the Department was informed
24 the Mayor approved the Rule Amendments and it was filed
25 with County Clerk. The rule amendments effective date was

1 March 4, 2017. The Department is now reviewing and
2 formatting the rules, and will post the new rules on the
3 website and will send the new rules to print and
4 distribute to the licensees.

5 And the Liquor Control Adjudication Board, on D,
6 there's a summary to all Commissioners.

7 And on Items E and F, Resolution honoring
8 Stephen West and Resolution honoring William Kennison,
9 Sarah will read the Resolutions.

10 MS. CORDEIRO: The Liquor Commission proposes to
11 adopt this Resolution in honor of Mr. Stephen West for his
12 exemplary services as a member of the Liquor Control
13 Commission; and

14 Whereas, Mr. West has served as a Member of the
15 Liquor Commission for the County of Maui for a period
16 of -- from July 2014 to March 2017; and

17 Whereas, the Members of the Liquor Commission as
18 well as the staff of the Department of Liquor Control have
19 enjoyed the valuable services rendered by Mr. West in said
20 capacities; and

21 Whereas, the County of Maui and its citizenry
22 have greatly benefited from the unselfish and responsible
23 services rendered by Mr. West during said period; and

24 Whereas, his expertise, thoughtful and
25 cooperative manner and conduct have been the source of

1 much inspiration and help to the fellow Members of the
2 Liquor Commission; now

3 Therefore, be it resolved that the Members of
4 the Liquor Commission do hereby express their sincere
5 appreciation to Mr. West for the competent leadership and
6 service as a Member of the Liquor Commission of the County
7 of Maui and do hereby wish him much success if his future
8 undertakings; and

9 Be it further resolved that this Resolution be
10 entered upon the minutes of this Commission and be
11 forwarded to Mr. West.

12 Adopted this 8th day of March, 2017.

13 COMMISSIONER WEST: Thank you.

14 MS. CORDEIRO: Both of them?

15 CHAIR TANAKA: Yeah.

16 MS. CORDEIRO: Okay. Resolution honoring
17 Mr. William Kennison. The Liquor Commission proposes to
18 adopt this Resolution in honor of Mr. William Kennison for
19 his exemplary services as a member of the Liquor
20 Commission; and

21 Whereas, Mr. Kennison has served as a member of
22 the Liquor Commission of the County of Maui for a period
23 from April 2012 to March 2017; and

24 Whereas, the Members of the Liquor Commission as
25 well as the staff of the Department of Liquor Control have

1 enjoyed the valuable services rendered by Mr. Kennison in
2 said capacities; and

3 Whereas, the County of Maui and its citizenry
4 have greatly benefited from the unselfish and responsible
5 services rendered by Mr. Kennison during said period; and

6 Whereas, his expertise, thoughtful and
7 cooperative manner and conduct have been the source of
8 much inspiration and help to the fellow Members of the
9 Liquor Commission; now

10 Therefore, be it resolved that the Members of
11 the Liquor Commission do hereby express their sincere
12 appreciation to Mr. Kennison for the competent leadership
13 and service as a member of the Liquor Commission of the
14 County of Maui and do hereby wish him much success in his
15 future undertakings; and

16 Be it further resolved that this Resolution be
17 entered upon the minutes of this Commission and be
18 forwarded to Mr. Kennison.

19 Adopted this 8th day of March, 2017.

20 DIRECTOR MUKAI: Now Deputy Director Honda will
21 read the letter of appreciation from the Mayor.

22 DEPUTY DIRECTOR HONDA: The first letter is to
23 Stephen West, dated February 27th, 2017. Dear Mr. West,
24 congratulations on a job well done. On behalf of the
25 people of the County of Maui, please accept my deepest

1 appreciation and gratitude for your dedication and service
2 on the Liquor Control Commission. Your efforts and
3 contributions have made a positive difference in our
4 community. I truly believe that it is important for
5 citizens to play an active role in government. The
6 process of recruiting and selecting nominees to the
7 various Maui County boards and commissions has given me a
8 greater appreciation for volunteerism and community
9 service. I would like to commend you for your willingness
10 to devote your time, energy, resources and insight to the
11 betterment of Maui County. Once again, thank you very
12 much for doing your part to make our County the best it
13 can be. I hope that your experience has been rewarding
14 and meaningful. Sincerely, Alan M. Arakawa, Mayor, County
15 of Maui.

16 The next letter is addressed to William
17 Kennison, dated February 27, 2017. Dear Mr. Kennison,
18 congratulations on a job well done. On behalf of the
19 people of the County of Maui, please accept my deepest
20 appreciation and gratitude for your dedication and service
21 on the Liquor Control Commission. Your efforts and
22 contributions have made a positive difference in our
23 community. I truly believe that it is important for
24 citizens to play an active role in government. The
25 process of recruiting and selecting nominees to the

1 various Maui County boards and commissions has given me a
2 greater appreciation for volunteerism and community
3 service. I would like to commend you for your willingness
4 to devote your time, energy, resources and insight to the
5 betterment of Maui County. Once again, thank you very
6 much for doing your part to make our County the best it
7 can be. I hope that your experience has been rewarding
8 and meaningful. Sincerely, Alan M. Arakawa, Mayor, County
9 of Maui.

10 DIRECTOR MUKAI: Department have a Certificate
11 of Appreciation for you.

12 COMMISSIONER UMENO: No gold watches huh?

13 COMMISSIONER KENNISON: I was hoping.

14 Beautiful.

15 CHAIR TANAKA: Speech, speech, speech.

16 COMMISSIONER UMENO: Make it short.

17 COMMISSIONER KENNISON: Well, it has been very
18 rewarding for me, too. You know, I learned a lot and met
19 a lot of people, made a lot of friends and I enjoyed my
20 term. It was something that was really, really rewarding.
21 Want to wish you guys all the best of luck in the future.
22 I try keep my handicap as low as I can, you know. Now --
23 and now I can go out drink. Before, I was afraid to go to
24 the bar. Thank you.

25 COMMISSIONER WEST: I just want to thank each

1 and every one of you, including the staff, especially the
2 staff and I appreciate all your hard work.

3 Kari, I'll never be able to speak as fast as
4 you -- read as fast as you.

5 But I appreciate the time that I've spent with
6 all of you and my best wishes to you all. Thank you.

7 CHAIR TANAKA: Thank you. Thank you on behalf
8 of the Commission. Thank you, Willy. Thank you, Steve.
9 You know, we had a good five and three years. You know,
10 we had our differences, but I think we all agreed in
11 principle. You know, we did what we thought was best.
12 Thank you.

13 COMMISSIONER KENNISON: I guess I want to say
14 one last one. I just want to thank Sarah. She has
15 been -- she has been a tremendous help for me. It was a
16 learning process. You know, I knew -- I knew about liquor
17 as far as drinking it, but I wanna thank you.

18 COMMISSIONER WEST: Yes. Thank you, Sarah, very
19 much.

20 MS. CORDEIRO: Thank you, both.

21 CHAIR TANAKA: Okay. Let's go on to the last
22 item. Election of Commission Chair and Vice Chair for
23 next year.

24 COMMISSIONER SOUZA: I like to nominate Robert
25 Tanaka again to do Chairperson, please.

1 COMMISSIONER UMENO: Second.

2 COMMISSIONER ALULI: Second that.

3 VICE-CHAIR LOPEZ: Second.

4 CHAIR TANAKA: Okay, moved and second. All in
5 favor, say "aye."

6 (Response.)

7 COMMISSIONER SOUZA: Also like to nominate,
8 also, Darren Lopez to remain as Vice Chair.

9 COMMISSIONER UMENO: Second.

10 COMMISSIONER ALULI: Second.

11 CHAIR TANAKA: Okay, moved and second. All in
12 favor, say "aye."

13 (Response.)

14 CHAIR TANAKA: Thank you for the vote of
15 confidence. Motion for adjournment?

16 COMMISSIONER WEST: So moved.

17 COMMISSIONER KENNISON: So moved.

18 CHAIR TANAKA: Thank you. Meeting adjourned.

19 (Gavel.)

20 (Meeting adjourned, 11:53 a.m.)

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CERTIFICATE

I, TONYA MCDADE, Certified Court Reporter of the State of Hawaii, do hereby certify that the proceedings contained herein were taken by me in machine shorthand and thereafter was reduced to print by means of computer-aided transcription; and that the foregoing represents, to the best of my ability, a true and accurate transcript of the proceedings had in the foregoing matter.

I further certify that I am not an attorney nor an employee of any of the parties hereto, nor in any way concerned with the cause.

DATED this 17th day of March, 2017.

Tonya McDade
Certified Shorthand Reporter #447
Registered Professional Reporter
Certified Realtime Reporter
Certified Broadcast Reporter