

## 'Secrets of Social Media for Business' at SBH Networking Luncheon



Smart Business Hawaii and the SBH Foundation will host a special Business Networking Luncheon on **Wednesday, April 11** at the **Outback Steak House** in **Hawaii Kai**, from noon to 1:30 pm.

A complete lunch will be served.

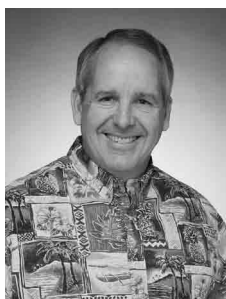
Hawaii's number one computer expert, **Peter Kay**, President of Cybercom, and host of radio's "Your Computer Minute," will be the special guest speaker. His topic is: "Secrets of Social Media for Business." Peter always has the most current and valuable information to help you do more business and explains it in a manner you can understand.

*Continued on page 10.*



Junior Achievement of Hawaii's 2012 Business Hall of Fame Laureates were honored at the Hawaii State Senate on March 9. The new inductees are Ric Maiava and Debra Ching Maiava owners of Ken's House of Pancakes (Hilo), Jay Kadowaki, of J. Kadowaki, Inc. and Daniel B. T. Lau, co-founder of Finance Factors, shown in the photo with State Senator Sam Slom. A banquet in their honor was also held the same night at the Hilton Hawaiian Village Hotel in Waikiki.

## Outrigger Hotels' David Carey to Discuss Hawaii's Tourism—And Business Challenges



Outrigger Hotels Hawaii CEO, **David Carey**, will be SBH's special guest speaker at the next monthly SBH Sunrise Networking Breakfast, **Thursday, April 26**, in the Pineapple Room, Macy's Ala Moana (3rd Floor), from 7 – 8:30 am.

Carey will discuss Hawaii's visitor industry successes—and the challenges of our business climate.

The public is welcome to the SBH Networking Sunrise. Advance reservations are required and are first come, first serve. Sunrise is held the last Thursday of each month (except November)

Last month, former Governor **Ben Cayetano**, discussed the sad state of Honolulu's infrastructure and the necessity to stop the \$6 billion heavy rail.

SBH members and their guests pay \$25 (in advance) for networking, the program, a complete buffet breakfast and free parking.

The cost is \$35 at the door if space is available. Bring your promotional materials.

Call Darlyn at SBH 396-1724 for reservations or mail the reservations form on page 11.

You can also register on line: <http://smartbusinesshawaii.com/index.php/events/rsvp>.

## SBH MEMBER CALENDAR

PHONE 396-1724 • FAX: 396-1726

Wednesday, April 11

**SBH Networking Luncheon**

Outback Steakhouse  
Hawaii Kai • 12 noon

Wednesday, April 11

**SBH Board of Directors Meeting**

SBH Office Hawaii Kai • 2 pm

Thursday, April 26

**SBH Sunrise Networking Breakfast**

**David Carey, Outrigger Hotels**

Macy's Pineapple Room  
Ala Moana Center • 7 – 8:30 am

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HAWAII

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**Hawaii Has a Spending Problem • Page 9.**



# Smart Business Views

By Sam Slom, President – Smart Business Hawaii

“Strange Bed Fellows?” Once bitter adversaries, former two-term Democrat

Governor **Ben Cayetano** and small business owners got together for a real love fest at the monthly **SBH Sunrise Networking Breakfast Forum** on March 29. The reason? Despite past differences—there were also times of agreement such as Cayetano’s civil service and collective bargaining reform efforts—Cayetano is the man who can stop the costly Honolulu rail project and improve the City’s deteriorated infrastructure.

Attorney, author, former legislator and Governor, and plaintiff in the lawsuit to stop the rail, Cayetano is now the underdog/big dog candidate for Honolulu Mayor. He has plenty of conservative, GOP and small business support. And support of true independents. The primary is August 11. The plan is to have Ben take it all then and stop the rail. It is the most striking political alignment in Hawaii’s history.

Quote of the month, from House Speaker **Calvin Say** on the **Rick Hamada** radio show in answer to a question, “why is the legislature trying to fast track state and county projects but not private permit projects?” “I don’t have the political will or courage” to attempt that now.

You asked for it and SBH delivers: a special networking luncheon this month. On Wednesday, April 11, SBH presents a networking event with special guest speaker, **Peter Kay**, president of Cybercom, Inc and “Your Computer Minute,” speaking on “Secrets of Successful Social Media for Your Business.” Peter is Hawaii’s number one computer expert. Come and enjoy lunch, Peter and do more business. Open to the public but advance reservations required. Call Darlyn (396-1724), go online, or send in reservation form on page 10.

The moronic “state bank” idea is still floating at the Capitol. Big spenders and social welfare activists are behind it.

The legislature passed and the Governor signed, the \$200 million land gift to OHA to “settle” the ceded lands controversy. Wait for the first lawsuit.

There is also a battle to give special financial benefits to Hawaii’s illegal immigrants in the form of lower resident UH tuition and other monetary benefits. Unions and special interest community organizer groups are behind this raid.

**HECO** is still pushing for the \$2-3 billion undersea cable linking the Neighbor Islands and Oahu. Windmills on Lanai too. HECO would be the largest beneficiary of any such deal. It makes its money on distribution, not electricity.

Businesses got a limited one-year reprieve on higher unemployment compensation tax rates as the legislature passed and the Governor signed (Act 6) a law to hold the rates at 2011 levels. They were record high rates.

The Council of Revenues met in March and raised the tax forecast but except for a few bright pockets, the economic recession in Hawaii continues. Politics, not economics, seems to dictate.

The **State Reapportionment Commission**, after reversing itself on counting military, released its final report and new maps on March 30. There will be a flurry of activity as candidates begin filing new papers—all 76 lawmakers are up for re-election—prior to the June 5 deadline.

Rail proponents and **HART** (Honolulu Authority for Rail Transit) continue to dig themselves in a deeper political and financial hole as more information begins to seep out about the inappropriate process used and still being used to gain taxpayer support for this project that has nothing to do with alleviating traffic congestion.

Animal “cruelty” and taxpayer cruelty bills are still looming large at the Big Square Building as lawmakers plan for the final phase, conference committees. The 2012 session is scheduled to adjourn May 3.

The Hawaii Republican Party planned its annual big fund raising event, the **Lincoln Day Dinner**, not during the traditional February (Lincoln’s birth month) but on April 20. The problem is that date is the same as the week in which President Lincoln was assassinated in 1865. That’s ok — come and celebrate the principles of Lincoln on Friday, April 20, Coral Ballroom, 5:30 – 8 pm.

Outrigger Enterprises (Outrigger Hotels) CEO, **David Carey**, keynotes SBH’s next monthly Business Networking Sunrise, **Thursday, April 26, 7 – 8:30 am** in the Pineapple Room. Macy’s, Ala Moana Center. Carey will share secrets of success in the visitor industry and discuss the challenges of Hawaii’s business climate. Call Darlyn to RSVP (396-1724) or see reservation, page 11.

Don’t forget to pay all of your taxes this month so that those that don’t pay will get more benefits.

## Vicky Cayetano Named SMEI Salesperson of the Year

The Salesperson of the Year (SPOY) committee of Sales and Marketing Executives International (SMEI), Honolulu Chapter, is pleased to announce that Mrs. **Vicky Cayetano**, former First Lady of Hawaii and current President and Chief Executive Officer of United Laundry Services, Inc. and Managing Director of United Laundry Kona, LCC., has been selected “Salesperson of the Year” for 2011. The Salesperson of the Year luncheon will be held **Thursday, April 12**, at the **Sheraton Waikiki** with registration at 11:15 a.m. followed by the luncheon and program at 11:45 a.m. This will be the 54th year that SMEI Honolulu has bestowed this award upon an individual who has “enhanced the image of Hawaii and the quality of life in our community.”

“I would like to thank the SMEI organization for this recognition,” shares Vicky Cayetano. “I am very honored to be in the company of past recipients like **Mark Dunkerley**, **Rick Blangiardi** and **Steven** and **Carol Ai**. Sales is such an important function that we all do every day. Whether it is selling airline seats, home improvement items or laundry, sales is the life blood of every company.”

*Continued on page 6.*

## Small Business News

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Small Business Hawaii (SBH), was founded in 1975, by Lex Brodie. SBH is a private, independent, non-profit [501 (c) (6)] statewide association of nearly 2,000 business members.

SBH is dedicated to improving Hawaii’s business climate, creating a better Hawaii through private, competitive enterprise, and promoting, educating, and effectively representing small business, while advocating tax reduction, lower business costs and job creation incentives to diversify Hawaii’s economy.

SBH invites comment small business issues in Hawaii. Send them to Small Business Hawaii by the 10th of the month for the next issue. SBH accepts advertising only from SBH member firms. Call SBH for details on advertising.



Photo by Mel

The U.S. Small Business Administration Hawaii awardees were presented with congratulatory certificates in a State Senate presentation at the State Capitol on March 28. The honorees (holding framed certificates) are pictured with supporters and senators.

## US SBA Names Hawaii Business Awardees

The U.S. Small Business Administration (SBA) announced its business awardees for 2012. They were honored at the State Legislature in March.

This year's Hawaii awardees include:

**Michael Tokunaga**

*Small Business Person of the Year*  
S. Tokunaga Store Hilo

**John and Daisy Carpenter**

*Small Business Exporter of the Year*  
Island Slipper Factory

**Jerry Guyo**

*SBA Young Entrepreneur of the Year*  
Pacific Ice Services

**Susumu Oshima**

*SBA Family-Owned Business of the Year*  
Oshima Bros. Inc., Oshima Store,  
Oshima Surf

**Glenn Kishida**

*Financial Services Champion of the Year*  
Nexus Trusted Advisors

**Kathleen Davenport**

*Women in Business Champion of the Year*  
Kathleen Davenport Photography  
West Oahu Women's Network

**Vince Dydasco**

*Veteran Small Business  
Champion of the Year*  
SCORE Hawaii

**Dana Hauanio**

*Minority Small Business  
Champion of the Year*  
Honolulu Minority Business Center

**Constance Cate**

*Home Based Business  
Champion of the Year*  
Hawaii Small Business Development  
Center Network – East Hawaii Center

Small Business Person of the Year winners from 50 states, the District of Columbia, Puerto Rico, and Guam will converge on Washington, D.C. in May, when one of them will be selected as National Small

Business Person of the Year during the U.S. Small Business Administration's celebration of National Small Business Week, May 20 – 22.

**SCORE Hawaii** will host the prestigious 25th Annual Statewide SBA Small Business Awards Luncheon to salute 2012's outstanding small business owners, exporters, advocates and entrepreneurs from across the state. The luncheon will be held on Wednesday, May 9, at the Hilton Hawaiian Village from 11:00 a.m. to 1:30 p.m.

The Hawaii District Office, under the leadership of District Director **Jane A. Sawyer**, oversees the delivery of SBA's programs throughout the State of Hawaii, the Territories of Guam and American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of Palau, and the Republic of the Marshall Islands.

The Hawaii SBA can be reached at  
500 Ala Moana Blvd. Suite 1-306  
Honolulu, HI 96850  
Phone: 808-541-2990  
Fax: 808-541-2976  
Web: <http://www.sba.gov/>



# Lawmaking 101—Hawaii Style

By **Natalie Iwasa, CPA**

1. Pass sunshine law with an exemption for the very body passing the law, the legislature.
2. Introduce thousands of bills, some of them very similar and others with questionable purpose. (Do we really need a state microbe?)
3. Provide 48 hour notices on Friday afternoons for Monday morning meetings. (This seems to have a dual purpose – it leaves little time for the public to get organized to testify as well as little time for legislators and staff to actually read the bills.)
4. Schedule meetings at odd times, e.g., 1:17 p.m.
5. Have committee staff tell testifiers that they may provide testimony personally and on behalf of an organization.
6. Ignore information provided by staff that additional testifiers would like to testify.
7. When asking if anyone else would like to testify, immediately put head down so testifiers who raise their hands can be ignored.
8. Immediately move on to discussion, so testifiers who follow up with staff about procedures and the possibility of testifying do not get the opportunity to testify.
9. Take recess to discuss amendments privately, so the public is unaware of what the actual amendments will be.
10. When a legislator asks about a certain concern, have chair state it will be handled by the next committee.
11. Attempt to start the next committee meeting prior to all legislators receiving their packets, which include copies of the bill, testimonies and any proposed amendments.
12. Do not prepare committee meeting reports if a bill is deferred, so the public is left to wonder why it was deferred.

13. Re-refer certain bills in order to fast track them through the process. (As an example, see SB2927, which was initially scheduled to be heard in four senate committees on January 27, then only two on January 31 and five house committees on March 8 then three on March 14.)

14. Schedule hundreds of bills for third reading on a single day, so by the time it gets near midnight, legislators will vote “yes” to just about anything to get the day over with.

15. When one particular bill doesn't seem to be moving along as planned, simply copy the entire bill and paste it into another bill that is moving. This is known as the “gut and replace” maneuver and can be quite effective at catching the public off-guard.

16. Do not allow public testimony for any bills that go through conference committees.

Many items in this list are based on my experience with one bill in particular, SB2927, and the house joint committee meeting held on March 12. It should be noted that this particular bill, under the SD2, overrides the county zone change process and compliance with zoning standards in state urban districts as well as reduces decision-making time frames to unacceptably low levels.

Rep. Thielen's concerns about disregarding past community planning efforts are well warranted. Her “no” vote, along with that of Rep. Riviere's, as well as the “ayes with reservations” and “no” vote from the senate should be a strong signal to the representatives that there are significant concerns with **SB2927, SD2**.

More information regarding the state legislative process can be found in the public access room at <http://hawaii.gov/lrb/par/>.

I urge everyone to get involved and remind legislators that they work for us.

## Cayetano's Reply to Star Advertiser Editorial

My reply to the *Star-Advertiser* editorial “Cayetano Rail Tactics A Disservice” ran on Sunday, March 25th. Please take the time to read it and share it with your family and friends.

We've learned that the big special interests are already pouring \$millions to form PACs to support the rail project and one or both of my opponents. If I win these special interests stand to lose hundreds of millions of dollars in profits. Ansaldo has a \$1.4 billion contract, Kiewit \$400 million plus and Parsons Brinkerhoff stands to earn approximately \$400 million in fees. Add the labor unions, the Star Advertiser and Dan Inouye and it is plain that our opposition is formidable. This will be my toughest election ever.

In the months ahead, millions will be spent to flood radio, television and newsprint with ads promoting rail and attacking me. They will outspend us by at least 10 to 1. We have learned from close friends inside the Carlisle campaign that the attacks against me will be personal and not on the issues. It's already begun.

They know they can't beat us on the facts. We've caught them misleading the public and exposed their reckless spending so many times that two recent major polls show that the tide of public opinion has reversed itself; 53% of the those polled now oppose the rail project. The voters are smarter than our opponents think.

I sincerely appreciate the support many of you have shown me during the course of this election. I ask that you stand firm with me during the rough days ahead. With your strong support we will win this election.

Much Aloha,  
**Ben Cayetano**

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# Just Say 'No' to a Hawaii State Bank

By **Sam Slom**

President, Smart Business Hawaii

Among the hundreds of bills still alive at the Legislature are three House bills seeking to establish a State run bank in Hawaii.

This is not a new idea, but one that has majority House backing and support this Session. The first U.S. state run bank is a successful wholesale bank in North Dakota. Part of its success is due to its 100-year longevity, the agrarian nature of the state, and North Dakota's positive business climate. None of which exists in Hawaii. Several other states are considering such a bank in these tough economic times, especially when they can't access federal funds for state programs and subsidies.

Specifically, **HB 1840 HD3** establishes a task force to study the feasibility of a state bank; **HB 2103 HD2** directs the state DCCA to study and establish a state bank with deposits into the bank, and **HB 1033 HD1** establishes a "Clean Economy Bank," to finance state green energy projects—that the private sector wouldn't invest in.

Special interest groups, welfare agencies and FACE—Hawaii's ACORN community organizers—all support a state run bank—funded by the taxpayers. They see it as a way of funding their schemes and programs that can't come from the budget or general fund grants.

## I oppose all of these bills.

Our state can't fix potholes, educate our keiki or control spending; do we really think a state bank is an answer? Do we really believe having the Governor (with no banking experience) at the state bank's CEO and the directors appointed by the Speaker of the House, President of the Senate, and labor unions, would be business and investment savvy?

This is just another way of hosing the taxpayers and looting the treasury.

Just say no!

Subscribe to the weekly  
SBH Views + News email news blast.  
It's free! Call Darlyn at 396-1724.



Activist Van Jones (top left) spoke at the FACE rally supporting a State Bank.

## Groups Protest Conflicts, Ethics Exemptions of Hawaii Health Care Board Nominees

By **Jim Dooley**, Hawaii Reporter

As protestors demonstrated at the federal building against the Affordable Care Act, state legislators wrestled with Hawaii's plans to implement the law, which mandates universal health insurance coverage for all Americans.

March 23 was the second anniversary of passage of the law, formally known as the Patient Protection and Affordable Care Act, and informally known to its critics as "Obamacare."

In the state Senate, community groups including the AARP continued to voice opposition to a perceived lack of consumer representation and to conflicts of interest on the board of a non-profit company that is implementing the Affordable Care Act here.

The non-profit must establish an online marketplace, called the Hawaii Health Connector, where uninsured individuals and small businesses will be required to buy health coverage by the beginning of 2014.

Under current law, four representatives of the state's largest health or dental insurance companies are on the non-profit's interim board of directors and the governor has nominated three of them to carry over to the permanent board.

Numerous opponents say the insurance company employees are in a conflict of interest and should only serve the board in a non-voting, advisory capacity.

Astate House committee has incorporated that recommendation, as well as other fundamental changes to the Health Connector,

in another bill.

The governor's nominees appeared before the Senate Commerce and Consumer Protection Committee and assured senators that they are sensitive to the appearance of conflicts and want to serve the best interests of consumers.

"We're not a regulatory board that is making rules...but anywhere there is a conflict, I will recuse myself," said Kaiser Permanente executive Joan Daniely.

Larry Geller, head of Kokua Council, spoke against Daniely and other insurance executives.

"This connector is exceedingly important to us because the people without insurance policies will be purchasing insurance based upon what this group sets up. Its an incredible responsibility."

"There is a natural tension between any insurer and consumer groups," he said. "It's just the way things are. The insurer wants one thing, the consumer wants another."

Barbara Kim Stanton, director of the American Association of Retired Persons in Hawaii, said, "It is an untenable situation at the Connector board."

Communicating with the interim board has been very difficult to date, she said.

"There really is no ability to make meaningful comment or to participate. The consumers have really been shut out. Its plain and simple," she said.

**Continued on page 6.**

# Vicky Cayetano

Continued from page 2.

Mrs. Cayetano is recognized as a top businesswoman and community leader in Hawaii with accomplishments in business, cultural preservation, and the promotion of better health care, especially for the elderly, women and children.

As Hawaii's First Lady from 1997 to 2002, Mrs. Cayetano set a new standard for community involvement and participation as she spearheaded numerous programs to improve health care, including an effort in 2002 to provide universal long-term care for all of Hawaii's citizens.

In addition to lending her name and support to countless community and charitable causes, Mrs. Cayetano is also credited with establishing the Washington Place Foundation and helping initiate, along with First Ladies throughout the United States, the national program "Initiative to Keep Children Alcohol Free."

## Board Nominees

Continued from page 5.

Jennifer Diesman, an executive and lobbyist with Hawaii Medical Service Association, said she feels "comfortable" serving on the board and working for HMSA.

The state insurance commissioner "retains the regulatory authority" over health insurance providers and the rates they charge consumers, Diesman said.

When opponents of the insurance-connected nominees tried testifying about possible changes to the make-up of the Health Connector board, committee chair Sen. Roz Baker, D-5th Dist. (South and West Maui) repeatedly said that only the governor's nominations were on the agenda.

At the close of the hearing, the committee voted to affirm all the nominees.

Sen. Sam Slom, R-8th Dist. (Hawaii Kai) cast the only no vote. He said he felt the committee should have deferred its decision until other possible changes to the Connector board are acted upon by lawmakers.

He praised the character and qualifications of the nominees, but said they are being asked to serve on a board "that many of us believe should be amended and changed."

For current updates visit our website

**smartbusinesshawaii.com**



Artist rendering of the proposed \$6+ billion fixed rail train and elevated tracks.

## HART's Rail Jobs Estimates Are Wrong

By Panos Prevedouros, Ph.D.

As published in HawaiiReporter.com

Back in 2009, University of Hawaii Economic Research Organization provided some rail jobs estimates that said employment will start with 300 jobs, and at the peak of construction, there may be 2,000 jobs, but at that time UHERO did not know that a \$1.4 billion contract to build the rail cars would go to Ansaldo Breda in Italy.

HART testified at City Council that the rail will create 4,000 to 17,000 jobs. These estimates are wrong if people believe that these are Hawaii-based jobs. Here is why:

- Material costs are not jobs and most materials like steel, concrete and glass will be imported, thus those jobs are not local.
- Finance charges are not jobs.
- Equipment and outside purchases are not jobs in Hawaii. These will be a huge portion from trains, escalators and elevators to ticket machines, tickets, bolts and nails.
- Also many large and "linear" infrastructure projects like the rail are of a "copy-paste" nature, that is, the people who build the first mile will also build the second mile, etc. There are no 10 groups of workers building 10 separate miles.

In sum, a very large portion of the \$5.3 Billion pie is not labor related. The part that is labor is not very large for Hawaii because (1) a portion of the labor is outside Hawaii or imported expertise, and (2) linear infrastructure does not need a large number of workers. Therefore UHERO's estimate that the maximum likely number of jobs is around 2,000 is the best answer. This makes Rail smaller in terms of jobs than Hilton Hawaiian Village. Of course the Village is a sustainable job supplier, whereas Rail is not.

It is also a fact that tax-based infrastructure development causes major job losses because the taxes taken from people to build the rail were not spent elsewhere in the economy.

If infrastructure projects can be made with all-local materials and labor, then the projects simply circulate monies in the same market (Oahu in this case) but they do not create real growth. This circulation also has "parasitic losses" due to the bureaucracies involved and, on occasion, lawsuits and other penalties.

Rail, unfortunately, uses so many imported components and expertise that local taxes will be exported in the billions of dollars, so its net effect will be strongly recessionary.

Two years ago based on UHERO's 2009 estimates of rail jobs I wrote the article Proposed Rail Creates 1,000 Local Jobs and Destroys 4,000 Jobs (the bold part is UHERO assessments):

UHERO estimates that first year rail construction job count will be about 360 jobs and only in peak years the construction job estimate will reach about 2,000 jobs. But most of them will be unsuitable for carpenters that are suffering the brunt of construction sector unemployment now. Also almost all of the rail construction materials and technology comes from off-island sources, so at best 1,000 of these jobs are local. The City estimates for rail jobs are false. They are advocacy estimates.

More on the rail jobs issue in Malia Zimmerman's article "Honolulu Rail Sold to City Council, Public, on Jobs Boost, But Will the Promise Hold Up?" at HawaiiReporter.com.

Panos Prevedouros, Ph.D., is a professor of civil engineering at the University of Hawaii and past candidate for Honolulu mayor. He can be reached at Panos.Prevedouros@gmail.com



**SBH Sunrise Breakfast  
Former Governor**

# Ben Cayetano

**Candidate for Honolulu Mayor**

**March 29, 2012.**

**Macys' Pineapple Room  
Ala Moana Center**



**Governor Cayetano with SBH Sunrise attendees Jim Sharp, Kristin Kaanoi (left photos) and Delorese Gregoire (above).**

Former Governor **Ben Cayetano** spoke at the March 29 SBH Sunrise Breakfast on the topic of rail and his vision on running the City & County of Honolulu as it's new Mayor. The former Governor is running for the office of Mayor on a platform that opposes the \$7 billion rail project that is supported by incumbent Mayor **Peter Carlisle** and former Acting Mayor **Kirk Caldwell**, who are also mayoral candidates.

Instead Cayetano proposes to use city funds to fix infrastructure such as water and sewer lines, and improving the roads. He is also looking into alternative methods of transit such as enhancing The Bus system already in place.

A record crowd of more than 100 people attended the monthly breakfast. The Governor stayed at the meeting to answer many questions. The next SBH Sunrise Breakfast is on April 26.

Text & photos by Melvin Ah Ching - more photos and video at our website [www.smartbusinesshawaii.com](http://www.smartbusinesshawaii.com).

**SmartBusiness**  
HAWAII

**HMAA**  
HAWAII MEDICAL ASSURANCE ASSOCIATION

SBH/HMAA's new comprehensive medical plan became effective Sept. 1, 2011. It is especially tailored for sole proprietors and independent contractors. Want details to see if this plan is good for you?

**Contact Darlyn at SBH, 396-1724.**

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## Better Business Torch Award Finalists Named

Hawaii's BBB, the leader in advancing marketplace trust, has announced the finalists of its 2012 BBB Torch Awards program. Finalists were selected in the Small Business, Medium-size Business, Large Business and Public Charity categories.

A panel of judges comprised of past recipients evaluated the applicants for evidence of ethical standards of behavior, a steadfast reputation over time, policies to ensure ethics and truth were demonstrated in their sales advertising and how management practices promote integrity in the workplace.

Torch Award recipients will reveal exceedingly high standards of behavior toward customers, employees and shareholders; adhere to truthful advertising and sales practices; and, have a reputation for noteworthy contributions in their industry and community.

The 2012 BBB Torch Awards finalists are:

- Small Business Category: **HI Employment, Julie Ford Schweitzer Consulting, Kahala Associates and Renewable Energy Technologies.**

- Medium-Sized Business Category: **Hawaii Human Resources, Inc (HIHR), Pac Rim Marketing Group, and RevoluSun**

- Large Business Category: **Alaka'i Mechanical Corporation, Farmers Insurance and New York Life Insurance Company.**

- Public Charity Category: **Hospice Hawaii, Institute of Human Services and People Attentive to Children.**

Winners will be announced at the 2012 BBB Torch Awards Luncheon on Wednesday, May, 2nd at the Sheraton Waikiki.

Individual tickets are \$100 for BBB Accredited Businesses and nonprofit organizations, and \$130 for all others. Corporate table sponsorships are also available. To purchase tickets or for more information about the BBB Torch Awards, call Hawaii's BBB at 628-3901, from the Neighbor Islands call toll free at 1-877-222-6551, or visit [www.hawaii.bbb.org](http://www.hawaii.bbb.org).



Organizers want you to reserve Monday, April 16, 2012 — for the annual TEA Party being held at the State Capitol in downtown Honolulu from 4 to 7 pm. Bring a friend.

## Senior DCCA Securities Enforcement Attorney Sanctioned by Court

As published in **Hawaii Reporter.com**

Peter C. Hsieh, a Senior Securities Enforcement Attorney with the Hawaii Department of Commerce and Consumer Affairs Security Branch, was sanctioned last year by the Hawaii Supreme Court before he was hired recently to head up that division of the agency.

On July 28 of last year, the disciplinary board conducted a hearing and found as Attorney and Owner at the Law Office of Peter C. Hsieh, "he committed multiple violations of the Hawaii Rules of Professional Conduct."

Specifically, the Office of Disciplinary Counsel said Hsieh took money his client trust account in six matters before he earned them; he took fees for nine matters when his clients did not have funds in the account; he did not reconcile his ledgers in 2006; and did not list his client trust balances which agreed with the reconciled client trust account bank balances for each quarter of 2006.

The Hawaii Supreme Court sanctioned him on October 27, 2011, with a public reprimand and ordered him to pay all fees.

Hsieh has had other legal troubles.

According to state records, Pacific Reporting Services sued him for \$17,736.83 and that case was settled for an undisclosed amount on June 16, 2010.

An enforcement action filed by Lipsey & Associates on his law office on November 5, 2007 also was settled for an undisclosed sum.

On August 8, 2006, First Hawaiian Bank sued him for money owed, but that case was dismissed without prejudice.

After suing for divorce from his wife on November 16, 1998 - a case that continued until the year 2000 - he had a dispute over child support some years later in 2009.

Hsieh did not respond to an email from Hawaii Reporter for comment, but Department of Commerce and Consumer Affairs Director Keali'i Lopez, who is Hsieh's boss, said he was upfront about the reprimand against him during the hiring process at DCCA and "gave a detailed and reasonable explanation about the facts surrounding that case."

"Given those details and Peter's depth of experience, we felt the people of Hawaii would benefit from his addition to our team," Lopez said.

Hsieh, who has served as a litigation attorney for 30 years, began working at the DCCA on February 13, 2012. His duties include overseeing a team of four attorneys and seven investigators on securities cases in a branch that is "heavily involved in litigation cases."

Lopez added: "Peter has been with DCCA for a short time, but has demonstrated his willingness to serve the public and make the most of this opportunity."

The DCCA has 13 Sections, with major services including registration and licensing; examination for financial health and soundness, Complaint processing and Consumer protection and education.

More on the web: <http://www.odchawaii.com/News.html>



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# Hawaii Has A Spending Problem

By **Lowell Kalapa**, President of the  
Tax Foundation of Hawaii

Previously, we took a look at why Hawaii state government, or for that matter all levels of government, is struggling financially in these difficult economic times, and learned that while indeed the difficult economic outlook has a hand in creating those struggles, the challenges faced by all governments are a creation of their own.

Not surprisingly, it was pointed out that during the good times when revenues were plentiful, political leaders took the opportunity to take the excess cash and satisfy their constituent demands for more and more programs or services. And why not? With cash so readily available in those good times, why not spend it to satisfy constituent demands?

The problem with that strategy is that it built into the structure of government goods and services that were and are more appropriately provided by the private sector. But having made those goods and services a part of those provided by government, the constituency came to expect government to continue to provide them even if it meant raising taxes and fees to keep them on the government menu.

In some cases, constituents have come to believe that they are entitled to many of these programs and services, that is until they realized how much they are paying for these services.

Such is the case in public housing where for decades people who could not afford to compete in the open marketplace found shelter in government provided housing. The problem is that government did little other than to provide a roof over these families' heads so that they would not be homeless.

But as we have all learned, there will never be enough housing for all those who need transitional shelter. But it is hard to transition families who do not have the skills to compete in the open marketplace for housing.

Where government has dropped the ball is that they have not realized that in order for families to be able to move out of public housing, they must acquire the skills that will allow them to compete in the open marketplace for housing.

From education to financial literacy to job training, all are crucial to any family in order to survive in Hawaii. And unless vacancies can be created in public housing, those who are truly sleeping on the beaches and the sidewalks will have no place to find shelter.

Those within government, as well as those outside of government, must understand that public housing, with the exception of the aged and disabled, is transitional housing - temporary housing - and was never meant to be permanent housing. Yet there are some families who have lived in public housing for four or five generations.

And this sense of entitlement is not necessarily the province of



**Every year, numerous groups and organizations come to the State Legislature to lobby for additional funding with state tax dollars. Here the elderly caucus rallies for legislative funding.**

the poor. At the other end of the spectrum are those who believe government should reward them for taking financial risks such as investing in high technology ventures or alternate energy projects. Even construction industry denizens and film producers and investors have bellied up to the bar for their service of tax incentives and tax credits which amounts to nothing more than taxpayer subsidies of these particular industries and activities.

The problem with these "entitlements" is that while they are expenditures of taxpayer dollars, they are made out the "back door" where the general public does not see the direct outflow of tax dollars.

Even the advocates of these subsidies argue that these tax credits are not expenditures if, in fact, they don't attract these activities to Hawaii. But if they do, they create jobs and economic activity that are "good" for Hawaii and its working people. The problem there is a lack of transparency about the credits.

First of all, where there is no limit on the credit, the taxpaying public does not know how much is being spent on these activities be it making a movie or building a hotel.

As a result, taxpayers cannot evaluate the amount spent on such incentives as compared to, say, how much is being spent on education or public safety or social services. The money is gone even before it reaches the state treasury as the credits or incentives offset liabilities of the claimant taxpayer.

Can taxpayers ask, "Are these credits costing more than what it would cost to put a laptop computer in every child's lap?"

The long and short of it is that government has grown much too large for taxpayers to be able to support and still be able to survive in this Island state. Hawaii certainly does not have a revenue problem. It has a spending problem that needs to be addressed and brought back into line with what the state's economy and its people can afford.

More on the web: <http://www.tfhawaii.org>



# Nuuanu: Development or Mal-Development?

By **Malcolm R. Ing, M.D.**

I like, so many of my neighbors, fought to restrict the development of the Dowsett Highlands area of Nuuanu because we were and are still concerned about the steep slopes, copious rainfall and the loss of the natural vegetation which absorbs this moisture. The concerns of the Nuuanu Valley Association (NVA) were expressed to the Department of Planning and Permitting (DPP) of the City and County (C&C) through the Nuuanu Valley Association (NVA). An incomplete NVA victory of sorts was the result of a lawsuit against the C&C with the land owner, Lusaka LLC named as Intervenor-Appellee. In this 2008 Hawaii Supreme Court decision, the Court ruled in favor of the NVA. It ruled that the NVA did, indeed, have the right to review the Laumaka "file". It said, "Accordingly, all of the DPP's files which include the Laumaka "file" are public records and may be examined on request."

Following the initiation of the Laumaka (Dowsett Estate) development by the Nan construction Company, both associated with a prominent developer, Patrick Shin, the residents of the Dowsett Highlands area have witnessed extensive deforestation and up-rooting of natural land cover. The natural land cover for steep slopes has been replaced by large areas of planted grass land on dirt mounds, ponding, basins, and large retaining walls. It is the safety of these walls with the almost constant natural moisture and heavy nocturnal rainfall that is the central concern of the Nuuanu residents. One resident, in particular, Dr. Abidin Kaya, a soils engineer, had expressed his concerns to the

C&C about the soil testing in construction of a large retaining wall built by the developer behind his house over two years ago. Since that time, both he and his neighbor have experienced trees falling on their property and cracks in their home foundations. He has reported such damage to the DPP, whose response was that any damage was an issue between property owners and the developed.

In response to Councilwoman, Tulsi Gabbard's request to address the concerns of the residents of Nuuanu, the Director of the DPP, Mr. David Tanoue, attended the recent Nuuanu Neighborhood Board Meeting on March 20, 2012. It was at this meeting that the Director heard the serious complaints about the development from various residents. Staff persons from the offices of the Mayor and Councilmember Gabbard were present and Representatives Corrine Ching and Sylvia Luke also attended the meeting. Delays in the issue of stop work orders after the on-site inspector's creation of the violations of the building permitting against the Nan company were reported lasting up to 3 to 4 weeks before a stop work order was executed. The director said he was surprised to hear that one of his on-site inspectors reported that the developer refused to accept the physical delivery of notices on more than one occasion.

In a January 2012 letter to the membership of the NVA, the former president of that organization, John Harrison stated: "The Nuuanu mauka land development is a clear example of a willful violation of fundamental geological and hydrological principles." He warned that, "At some time in the future, natural weathering processes on and

surrounding the Dowsett Estates property will trigger one or more catastrophic failures that will precipitate a landform instability event resulting in severe property damage within the neighborhood.

The concerns of the Nuuanu residents have been shared with three consecutive Honolulu Mayoral administrations, without the anticipated relief. Therefore, it is reasonable to expect that, for these Honolulu residents, the current Mayoral race is definitely not reduced to a single issue after all.

Dr. Ing is a longtime SBH member.

Smart Business Hawaii • Small Business Hawaii Entrepreneurial Foundation

## Networking Luncheon

Wednesday, April 11, 2012 • Outback Steakhouse Restaurant • Hawaii Kai

Special Guest Speaker: **Peter Kay** of Your Computer Minute.com  
Topic: "Secrets of Social Media for Business"

Reservations made in order received at SBH. No tickets mailed – pick up at registration desk April 11. Your guests welcomed at member price. Refunds until April 10.

**Advanced Paid Reservations Required by April 9.**

Complete Lunch and Free Parking included.

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Firm Name \_\_\_\_\_ Phone \_\_\_\_\_

Address \_\_\_\_\_ City/Zip \_\_\_\_\_

My Guest(s) \_\_\_\_\_

(Firm) \_\_\_\_\_

Enclosed is my check for\* \$\_\_\_\_\_, for \_\_\_\_\_ (number) people  
@ \$20 per member and their guest(s) who pay in advance.\*

Clip and mail with a check to "Small Business Hawaii" to:  
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\*The charge is \$30 for non-members, and at the door, provided space is available.

## SBH Luncheon

Continued from page 1.

The public is welcome. Advance reservations are required and are first come, first serve.

Participants will be able to network, meet new business contacts and introduce their business while sharing brochures and information.

SBH members and their guests pay \$20 (in advance) for networking, the program, a complete luncheon and free parking. Non-members pay \$30.

Call Darlyn at SBH 396-1724 for reservations or mail the reservations form on page 10. You can also register on line: <http://smartbusinesshawaii.com/index.php/events/rsvp>

## Queens Medical Accused of Cancer Monopoly

A group of physicians who provide radiation treatment to cancer patients has won a federal court injunction that blocks Queen's Medical Center from closing its doors to them.

Pacific Radiation Oncology LLC (PRO) has accused Queens of antitrust activity and trying to win monopoly control of cancer radiation treatment after the recent closures of two Hawaii Medical Center hospitals on Oahu.

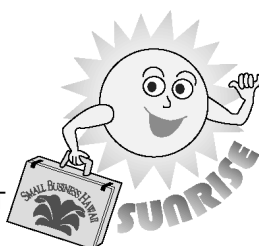
"This was a power play by Queen's when they realized, after the closing of HMC, that they were the only shop in town," said PRO founder Dr. John Lederer.

"We were told our privileges would be denied unless we declined to practice at our competing facilities and became their employees," Lederer said.

Queens had no comment on the dispute but has denied the allegations brought by Lederer and PRO in a federal court lawsuit filed earlier this year.

U.S. District Judge Leslie Kobayashi issued an injunction that temporarily allows PRO physicians continued access to Queens for radiation therapy of cancer patients.

*Continued on page 12.*



## SBH SUNRISE

Thursday, April 26, 2012 • 7:00 – 8:30 a.m.

Pineapple Room, Ala Moana • Breakfast / Free Parking

Speaker: **David Carey**, CEO - Outrigger Hotels Hawaii  
"Hawaii Visitor Industry Successes & Challenges"

Reservations made in order received at SBH. No tickets mailed – pick up at registration desk April. 26. Your guests welcomed at member price. Refunds until April. 25.

**Advanced Paid Reservations Required by April 24.**

Complete Breakfast Buffet and Free Parking (Ala Moana 4th floor) included

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Attached is my check for \$\_\_\_\_\_ (regular annual membership dues are \$200; \$350 for 2 years). Annual membership dues may be tax deductible to your organization under IRS Code Section 501(c) (6). Please check with your tax advisor. Billing is annual on the anniversary of my last payment. Ten dollars of my annual membership is allocated for a subscription to the monthly *Small Business News*. I am applying for membership and understand SBH does not sign up anyone for medical or benefits only; I agree to actively support the goals of SBH and actively participate in SBH activities. I certify that all information on this form is current and accurate.

**PLEASE TYPE OR PRINT** Current Hawaii GET# (required) \_\_\_\_\_

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Membership Category: ☐ Regular Voting Member ☐ Retired member ☐ Friend of SBH (No G.E.T. # required).

I Do ☐ DO NOT ☐ wish to be listed in the annual SBH Referral Directory. Category: \_\_\_\_\_

Medical Desired: ☐ Kaiser ☐ HMAA Referred By: \_\_\_\_\_

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## Dog “Cruelty” Becomes Attack on Legit Pet Stores, Breeders

As the legislature winds down for 2012, (it is slated to adjourn May 3), several actions are confusing the public. The process known as “gut and replace” is in full swing with the contents of original bills being changed and amended with contents and materials of other bills.

One such bill is **HB 108**, which underwent several changes in

both the House and Senate. Originally, it was one of several animal cruelty bills and dealt with dog fighting.

However, when it arrived in the Senate it was amended and expanded by Senate Judiciary Chair, **Clayton Hee**.

The bill that everyone could support became an assault on legitimate retail pet store owners and small dog breeders. The amendments completely changed the thrust of the proposed legislation.

The good news was that pet store owners and breeders, even with short notice, unraveled the changes on line and showed up to testify against the bill. The bad news was the Judiciary Committee, with the exception of Senator Sam Slom, all voted for its passage.

The bill is now one of hundreds in conference committee. Final votes are to be taken before the legislature adjourns in early May.

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## Budget Blinds CEO to Appear on CBS TV’s Undercover Boss

**Chad Hallock**, CEO of Budget Blinds, will be featured on an episode of CBS TV’s “Undercover Boss” on April 13. He’ll be trading in his suit for a Budget Blinds polo shirt as he works hands on in the window covering manufacturing process and then goes door to door, taking part in customer consultations and product installations.

Budget Blinds franchisees are excited about the national exposure Undercover Boss will bring. “Not only is this a great opportunity to help grow our individual franchises, it’s a great opportunity for the company as a whole,” said **John** and **Elsbeth Newlands** of Budget Blinds Honolulu, an SBH member business.

“Undercover Boss” airs locally on KGMB TV Channel 9.

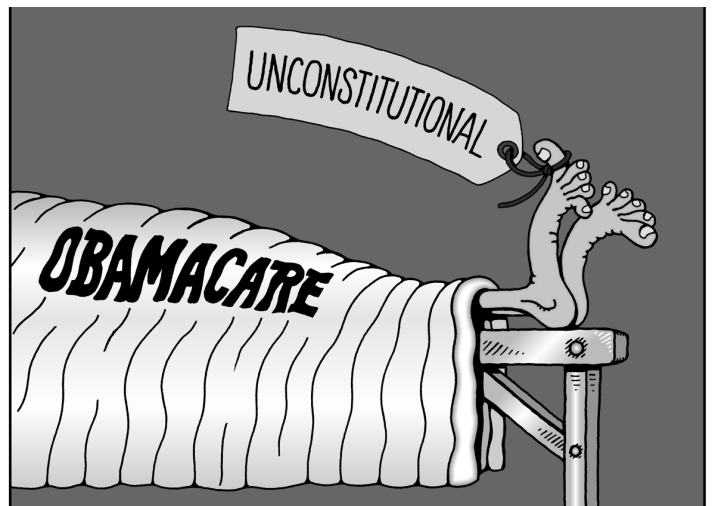
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## Queen’s Continued from Page 11.

Attorneys for Queens will appeal Kobayashi’s decision.

Lederer said in a news conference that PRO intends to invest at least \$6 million to develop two of its own state-of-the-art treatment facilities on Oahu.

One is projected to be up and running by the end of this year and the other by mid-2013, he said.



As published by John Pritchett @ pritchettcartoons.com