State of Hawaii  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Division of Boating and Ocean Recreation  
Honolulu, Hawaii 96813  

June 14, 2013  

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, HI  

REQUEST AUTHORIZATION TO REVOKE COMMERCIAL OPERATING AREA USE PERMIT NO. O-147 ISSUED TO WAIKIKI BEACH PARASAIL & WATERSPORTS, LLC FOR FAILURE TO PAY PERMIT FEES AND SUBMIT GROSS RECEIPT STATEMENTS AS REQUIRED BY HAWAII ADMINISTRATIVE RULES  

BACKGROUND:  

The Division of Boating and Ocean Recreation issued Commercial Operating Area Use Permit No. O-147 to Waikiki Parasail & Watersports, LLC (WBPW) on September 1, 2012 to conduct parasailing activities on the South Shore/Mamala Bay ocean waters after the company was the highest bidder at a public auction held on February 24, 2012.  

Hawaii Administrative Rules (HAR), §13-256-11(b), states, “(b) Delinquency in the payment of any fees owed to the department will result in automatic revocation of the commercial operating area use permit.”.  

HAR Section 13-234-25(4) states, “(4) The report of gross receipts shall be received by the department not later than the end of the month following the reported month and shall be submitted on a form acceptable to the department. Unless other provided in statutes, failure to submit the report of gross receipts as required for a period in excess of sixty days shall be cause for automatic revocation of the commercial activity permit”.  

The WBPW started to pay on the account and continued to do so through December 2012. They also submitted gross receipt statements for the months of September, October and December 2012, but not for November 2012. Since December 2012, there has been no receipt of payment, nor have they submitted gross receipt statements as are required by HAR.  

Currently, the company owes $31,250.00 in delinquent permit fees through the end of May 2013. The company has been receiving billing statements each month that show that the account is delinquent. (Exhibit A) District staff has made attempts to address this issue that included emails and verbally notifying the manager for the company, Roy Pfund, but nothing has been resolved in the last 5 months.
Request Authorization to Revoke Commercial Operating Area Use Permit No. O-147 Issued to Waikiki Beach Parasail & Watersports, LLC. for Failure to Pay Permit Fees and Submit Gross Receipt Statements as Required by Hawaii Administrative Rules

June 14, 2013

Item J-2

RECOMMENDATIONS:

That the Board:

1. Authorize the revocation of the Commercial Operating Area Use Permit No. O-147 issued to Waikiki Beach Parasail & Watersports, LLC.

Respectfully submitted,

Edward R. Underwood
Administrator

Attachments

APPROVED FOR SUBMITTAL

William J. Aila, Jr.
Chairperson
# Billing Statement

**PAST DUE**

**Statement Date:** 05/01/2013  
**Expiration:** 08/31/2013

**Amount Due:** $37500.00  
**Amount Paid:** 

**DO NOT SEND CASH**

Pay online at [dobor.ehawaii.gov/makepayment](http://dobor.ehawaii.gov/makepayment)  
Or mail check/money order payable to: DLNR BOATING  
Disregard this bill if payment has been made.  

To avoid additional late charges and interest, we must receive payment for all outstanding charges shown in Amount Due on or before 06/30/2013.

---

**BILLING STATEMENT**  
**PAST DUE**

**Statement Date:** 05/01/2013  
**Expiration:** 08/31/2013  
**Account:** 00012174  
**CC#:** 0830, DISTRICT OFFICE (FISCAL)

**Client Name:** WAIKIKI BEACH PARASAIL & WATERSPORTS, LLC

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Past Due</th>
<th>Charges</th>
<th>Credits</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Balance</strong></td>
<td></td>
<td></td>
<td></td>
<td>31250.00</td>
<td>31250.00</td>
</tr>
<tr>
<td>05/01/2013</td>
<td>ORMA - 06/2013</td>
<td>6250.00</td>
<td></td>
<td></td>
<td>37500.00</td>
</tr>
</tbody>
</table>

**SUB-TOTAL** $31250.00

**Ending Balance**  
To avoid additional late charges and interest, we must receive payment for all outstanding charges shown in Amount Due on or before 06/30/2013  
**TOTAL AMOUNT DUE** $37500.00

**TERMS AND CONDITIONS:**
Interest at the rate of one percent (1%) per month, simple interest, and a late charge as set forth in the Hawaii Administrative Rules, DLNR, shall be assessed on any delinquent account and shall continue to be assessed until the delinquent sum, is paid in full.

* Please remember to renew your mooring permits prior to expiration. Your permit can be renewed up to three months in advance.

---

**EXHIBIT A**
**BILLING STATEMENT**  
**PAST DUE**

Statement Date: 04/01/2013  
Expiration: 08/31/2013  
Account: 00012174  
CC#: 0830, DISTRICT OFFICE (FISCAL)

Client Name: WAIKIKI BEACH PARASAIL & WATERSPORTS, LLC

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Past Due</th>
<th>Charges</th>
<th>Credits</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>03/06/2013</td>
<td>Refund - ORMA - 10/2012</td>
<td></td>
<td>6250.00</td>
<td></td>
<td>25000.00</td>
</tr>
<tr>
<td>03/12/2013</td>
<td>Gross Receipts - 12/2012</td>
<td>0.00</td>
<td></td>
<td></td>
<td>25000.00</td>
</tr>
</tbody>
</table>

**SUB-TOTAL $ 25000.00**

| 04/01/2013 | ORMA - 05/2013           | 6250.00  |         |         | 31250.00 |

**Ending Balance**  
31250.00

**TOTAL AMOUNT DUE $ 31250.00**

**TERMS AND CONDITIONS**

Interest at the rate of one percent (1%) per month, simple interest, and a late charge as set forth in the Hawaii Administrative Rules, DLNR, shall be assessed on any delinquent account and shall continue to be assessed until the delinquent sum, is paid in full.

*Please remember to renew your mooring permits prior to expiration. Your permit can be renewed up to three months in advance.*
**PAST DUE**  
**Billing Statement**

Statement Date: 03/01/2013  
Expiration: 08/31/2013  
Amount Due: $31250.00  
Amount Paid: $31250.00

**ROY PFUND**  
680 IWILEI ROAD #700  
HONOLULU, HI 96817, US

---

*Please cut and return above portion with your payment for proper credit.*

---

**BILLING STATEMENT**  
**PAST DUE**

Statement Date: 03/01/2013  
Expiration: 08/31/2013  
Account: 00012174  
CC#: 0830, DISTRICT OFFICE (FISCAL)

Client Name: WAIKIKI BEACH PARASAIL & WATERSPORTS, LLC

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Past Due</th>
<th>Charges</th>
<th>Credits</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beginning Balance</td>
<td></td>
<td>25000.00</td>
<td>0.00</td>
<td>25000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>03/01/2013</td>
<td>ORMA - 04/2013</td>
<td></td>
<td>6250.00</td>
<td></td>
<td>31250.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SUB-TOTAL** $25000.00

**Ending Balance**

31250.00

To avoid additional late charges and interest, we must receive payment for all outstanding charges shown in Amount Due on or before **04/30/2013**

**TOTAL AMOUNT DUE** $31250.00

**TERMS AND CONDITIONS:**

Interest at the rate of one percent (1%) per month, simple interest, and a late charge as set forth in the Hawaii Administrative Rules, DLNR, shall be assessed on any delinquent account and shall continue to be assessed until the delinquent sum is paid in full.

*Please remember to renew your mooring permits prior to expiration. Your permit can be renewed up to three months in advance.*
PAST DUE  Billing Statement
Statement Date: 02/01/2013
Expiration: 08/31/2013
Amount Due: $25000.00
Amount Paid: 

DO NOT SEND CASH
Pay online at dobor.ehawaii.gov/makepayment
Or mail check/money order payable to: DLNR BOATING

Disregard this bill if payment has been made.

To avoid additional late charges and interest, we must receive payment for all outstanding charges shown in Amount Due on or before 03/31/2013

---

BILLING STATEMENT  PAST DUE
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of Boating and Ocean Recreation
Oahu District, 4 Sand Island Road
Honolulu, HI 96819

Pay online at dobor.ehawaii.gov/makepayment

---

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Past Due</th>
<th>Charges</th>
<th>Credits</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beginning Balance</td>
<td>18750.00</td>
<td>0.00</td>
<td></td>
<td>18750.00</td>
</tr>
<tr>
<td></td>
<td>SUB-TOTAL</td>
<td>$18750.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>02/01/2013</td>
<td>ORMA - 03/2013</td>
<td>6250.00</td>
<td>0.00</td>
<td></td>
<td>25000.00</td>
</tr>
<tr>
<td></td>
<td>Ending Balance</td>
<td></td>
<td></td>
<td></td>
<td>25000.00</td>
</tr>
</tbody>
</table>

TOTAL AMOUNT DUE $25000.00

TERMS AND CONDITIONS:
Interest at the rate of one percent (1%) per month, simple interest, and a late charge as set forth in the Hawaii Administrative Rules, DLNR, shall be assessed on any delinquent account and shall continue to be assessed until the delinquent sum is paid in full.

* Please remember to renew your mooring permits prior to expiration. Your permit can be renewed up to three months in advance. *
PAST DUE  Billing Statement  
Statement Date: 01/02/2013  
Expiration: 08/31/2013  
Amount Due: $18750.00  
Amount Paid: $  

DO NOT SEND CASH  
Make check or money order payable to: DLNR BOATING  

Disregard this bill if payment has been made.  

To avoid additional late charges and interest, we must receive payment for all outstanding charges shown in Amount Due on or before 02/28/2013

BILLING STATEMENT  PAST DUE  
Statement Date: 01/02/2013  
Expiration: 08/31/2013  
Account: 00012174  
CC#: 0830, DISTRICT OFFICE (FISCAL)  
Client Name: WAIKIKI BEACH PARASAIL & WATERSPORTS, LLC

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Past Due</th>
<th>Charges</th>
<th>Credits</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beginning Balance</td>
<td>18750.00</td>
<td>0.00</td>
<td>18750.00</td>
<td></td>
</tr>
<tr>
<td>12/03/2012</td>
<td>Payment on Account</td>
<td></td>
<td>6250.00</td>
<td></td>
<td>12500.00</td>
</tr>
<tr>
<td>12/04/2012</td>
<td>Gross Receipts - 10/2012</td>
<td></td>
<td>0.00</td>
<td></td>
<td>12500.00</td>
</tr>
<tr>
<td></td>
<td>SUB-TOTAL</td>
<td></td>
<td></td>
<td>12500.00</td>
<td></td>
</tr>
</tbody>
</table>

| 01/02/2013 | ORMA - 02/2013               | 6250.00  |         | 18750.00|

Ending Balance  

To avoid additional late charges and interest, we must receive payment for all outstanding charges shown in Amount Due on or before 02/28/2013  

TOTAL AMOUNT DUE  $18750.00

TERMS AND CONDITIONS:  
Interest at the rate of one percent (1%) per month, simple interest, and a late charge as set forth in the Hawaii Administrative Rules, DLNR, shall be assessed on any delinquent account and shall continue to be assessed until the delinquent sum is paid in full.

* Please remember to renew your mooring permits prior to expiration. Your permit can be renewed up to three months in advance.  

Billing Statement Form, Revised: 06/2011  
Page 1 of 1