

REAL ESTATE COMMISSION  
Professional and Vocational Licensing Division  
Department of Commerce and Consumer Affairs  
State of Hawaii

MINUTES OF MEETING

The agenda for this meeting was filed with the Lieutenant Governor's Office as required by Section 92-7(b), Hawaii Revised Statutes.

Date: October 30, 1987

Time: 9:10 a.m.

Place: Board Room, Second Floor  
Kamamalu Building  
1010 Richards Street  
Honolulu, Hawaii

Present: Gloria Damron, Chairman  
Joseph Blanco, Member  
Yoshiko Kano, Kauai Member  
Michele Matsuo, Public Member (Late Arrival)  
Marcus Nishikawa, Member  
Douglas Sodetani, Maui Member  
Yukio Takeya, Hawaii Member  
Peter Yanagawa, Member (Early Departure)

Calvin Kimura, Executive Secretary  
Cynthia Yee, Information Officer  
Irene Kotaka, Secretary  
Grant Tanimoto, Deputy Attorney General  
Rodney Maile, Hearings Officer  
Owen Tamamoto, RICO Attorney  
Sharon Leng, RICO Attorney  
G. A. "Red" Morris, Special Assistant to  
the Real Estate Commission

Nicholas Ordway, Chairholder/Director  
Real Estate Research & Education Center  
Susumu Ono, Associate Director, Real Estate  
Research & Education Center  
Barbara Dew, President-Elect, HAR  
John Ramsey, Editor, Real Estate Bulletin  
David Schutter, Attorney for Sebastiano Vani

Excused: Constance Smales, Public Member

Call to Order:

The meeting was called to order at 9:10 a.m. by Chairman Damron. Quorum was established.

Chairman's Report:

Chairman Damron commended Special Assistant Morris for coordinating the National Association of Realtors Convention.

Additions to the Agenda:

Upon a motion by Commissioner Takeya, second by Commissioner Yanagawa, it was voted and unanimously approved to add the following to the agenda:

Questionable Applications

William Henry  
Gerald Akers  
Robert Davies

Blue Ribbon Advisory Panel

Agency Report

Approval of Minutes:

Upon a motion by Commissioner Nishikawa, second by Commissioner Kano, the Commission unanimously approved the Minutes of the September 25, 1987 Commission Meeting as circulated. The motion was voted on and unanimously carried.

Hearings Officer's Report:

APPOINTMENT OF RICHARD MARSHALL AS HEARINGS OFFICER AND SHERYL NAGATA AS SPECIAL HEARINGS OFFICER

Upon a motion by Commissioner Nishikawa, second by Commissioner Yanagawa, it was voted and unanimously carried to appoint Richard Marshall as Hearings Officer and Sheryl Nagata as Special Hearings Officer to the Commission.

BARRY K. MACHADO, DBA MAUKA REALTY-KONA,  
RE-85-185

Upon a motion by Commissioner Takeya, second by Commissioner Nishikawa, it was voted on and unanimously carried to accept the Hearings Officer's Findings of Fact, Conclusions of Law and Recommended Order.

MARY RYAN, DBA RYAN REALTY, DOLORES LASSEN  
AND SANDRA PADEKEN DBA SANDY PADEKEN REALTY,  
RE-84-284

Upon a motion by Commissioner Takeya, second  
by Commissioner Yanagawa, it was voted and  
unanimously carried to accept the Hearings  
Officer's Findings of Fact, Conclusions of  
Law and Recommended Order.

WILLIAM OWEN FARRIOR III, RE-86-61,  
RE-86-65, AND RE-83-113

Upon a motion by Commissioner Takeya, second  
by Commissioner Nishikawa, it was voted and  
unanimously carried to accept the First  
Amended Settlement Agreement Prior to Filing  
Petition for Disciplinary Action.

LOCATIONS, INC. AND DAVID M. VIERA, JR.,  
RE-87-32

Owen Tamamoto was present to represent the  
State. Mr. Tamamoto requested that the  
Commission defer the decision on the matter  
to the next meeting when both parties could  
be present.

Upon a motion by Commissioner Sodegami,  
second by Commissioner Takeya, it was voted  
and unanimously carried to defer discussion  
on this matter until more information could  
be obtained on the pending litigation  
against the licensees. Chairman Damron  
abstained from voting due to a conflict of  
interest.

Commissioner Matsuo arrived.

SEBASTIANO VANI AND PROFESSIONAL RENTAL  
MANAGEMENT CORPORATION, RE-85-147, 85-260,  
86-17, 86-43, 86-45, 86-51, 86-79, 86-62,  
86-56, 86-252

David Schutter, attorney representing  
Sebastiano Vani, was present. Sharon Leng  
was present on behalf of Richard Marshall  
who is in the hospital.

Mr. Schutter stated that Respondent Vani was an employee of Professional Rental Management Corporation and that Mr. Vani was not the principal broker or an officer in the company. Mr. Schutter stated that Mr. Vani did not have any control over what was done with the money after he collected it.

Rodney Maile, Hearings Officer, requested that the Commissioners restrict their questions to only what is pertained in the settlement agreement and that they phrase their questions carefully. This is to avoid confusion should the matter proceed to a formal hearing.

Ms. Leng emphasized that the statements made in the petition that was filed are only allegations and have yet to be proven at a formal hearing.

Upon a motion by Commissioner Takeya, second by Commissioner Matsuo, it was voted and unanimously carried to take this matter under advisement.

Upon a motion by Commissioner Blanco, second by Commissioner Matsuo, it was voted on and unanimously carried reject the settlement agreement.

Committee Reports:

EDUCATION COMMITTEE

Upon a motion by Commissioner Takeya, second by Commissioner Matsuo, it was voted and unanimously carried to accept the recommendations of the October 21, 1987 Education Committee Meeting as circulated.

1. Approve the shredding and disposal of the incorrectly printed consumer pamphlets entitled, "Working with a Real Estate Broker."
2. Approve the Five-Year Education Plan 1987-1992 as recommended by the Education Committee's Five Year Plan Subcommittee.

3. Authorize Commissioner Smales to enter into an agreement with Consultant, Dr. Robert Allen, for a reasonable amount of additional compensation to finalize the Curriculum Review Committee's Report to the Commission.
4. Approve the seminar topics for Fiscal Year 1988, subject to the Commission staff.
5. A resolution of condolences will be sent to The Late Frank Francis, Father of NARELLO's Executive Vice-President, Stephen Francis and his family.
6. Approve issuance of a Certificate of Appreciation to the American Institute of Real Estate Appraisers, for their generous donation of books to the Hawaii Real Estate Research and Education Center.

Commissioner Blanco thanked Commissioners Yanagawa and Nishikawa for their work on the Five Year Plan.

#### BUREAU OF CONVEYANCE STUDY

Mr. Ono reported on the status of the Bureau of Conveyance Study. The Real Estate Research and Education Center has decided that management consultant firms should be asked to submit proposals for the study. The Center has requested a ceiling of \$50,000 to fund the study.

The draft of the study should be completed within 90 calendar days and the final should be completed within 120 days.

Chairman Damron suggested that the title companies might be asked to contribute to funding the study since the study would benefit the title companies.

Commissioner Blanco requested that the Commission consider the amount of money being spent on this study and reevaluate the importance of the study before giving final

approval for solicitation of proposals. Dr. Ordway stated that the Advisory Council has also scrutinized the project and questioned the importance of the project.

Upon a motion by Commissioner Blanco, second by Commissioner Takeya, it was voted and unanimously carried to refer this matter to the Education Committee for further discussion.

#### AGENCY FINAL REPORT

Discussion on this matter was deferred to the Education Committee Meeting.

#### EDUCATION COMMITTEE MEETING

The next Education Committee Meeting will be held on November 12, 1987 at 9:00 a.m., in the Board Room, Second Floor, Kamamalu Building.

#### LAWS AND RULES REVIEW COMMITTEE MEETING

Upon a motion by Commissioner Takeya, second by Commissioner Yanagawa, it was voted and unanimously carried to approve the recommendations of the October 29, 1987 Laws and Rules Review Committee Meeting, as circulated.

1. Accept the Introduction to Condominium Hotel Study as presented by Susumu Ono, Associate Director of the Real Estate Research and Education Center.
2. Approve establishment of the Condominium and Cooperative Review Committee as standing committee, with Commissioner Yanagawa as chairman, and to meet prior to the Laws and Rules Review Committee Meeting. They are to take up all condominium and cooperative issues.
3. Commissioner Nishikawa and Commission staff to look for more information regarding "professional type" corporations, and if necessary, Commissioner Nishikawa will speak with the Advisory Council at the University

of Hawaii to request that the Real Estate Research and Education Center be given the authority to research the "professional type" corporation issue.

4. Amend the Commission's policy, adopted September 27, 1985, concerning the broker experience requirement for those persons employed by a condominium managing agent. The subject broker candidate will have to meet the two requirements, 10 transactions (3 listings and 3 sales that have closed escrow), and two years full-time experience as a Hawaii real estate salesman. As an equivalency to the ten transaction requirement, the Commission will accept the following:
  - a. Two years full-time experience as a property manager for condominium associations.
  - b. Management of 10 condominium associations or 240 units or its equivalent as determined by the Commission. The Commission will accept cases where the applicant co-manages an association.
  - c. Statement from a certified public accountant verifying that the recordkeeping and accounting procedures meet minimum standards.
  - d. Provide verification of duties from the employer or condominium association president.

To be effective: January 1, 1988.

5. The licensing requirements and requirements for licensing of the condominium managing agents be referred to the appropriate committee as defined in the Real Estate Commission's Five Year Plan for further study.

6. The Executive Secretary to draft guidelines to the licensing requirements and suggest proposed revisions to the laws and rules for real estate brokers and salesmen.
7. Commissioners Yanagawa, Commissioner Blanco, the Deputy Attorney General, and the Executive Secretary will work with the Condominium Consultants to further study the Condominium Consultants problems and contract to be followed with recommendations.
8. Prior to the filing of the final public report, the developers will be required to attach to the final public report a copy of the letter sent to the appropriate county agency informing them of the project and a copy of the letter received from the county agency with its comments.
9. The November meeting dates are rescheduled as followed:
  - a. Condominium and Cooperative Standing Committee Meeting, November 24, 1987, 9:00 a.m.
  - b. Laws and Rules Review Committee Meeting, immediately following the Condominium and Cooperative Standing Committee Meeting, approximately 10:30 a.m.
  - c. Real Estate Commission Meeting - November 25, 1987, 9:00 a.m.

1987 ANNUAL REPORT COVER

The Commissioners selected the cover for the 1987 Annual Report.

The Information Officer distributed the samples of the typeset for the Annual Report. Comments are due by November 15, 1987.

Commissioner Yanagawa was excused from the meeting.

PERTINENT FACTS

Dr. Ordway reported on the status of the pertinent facts report that the Center has undertaken. The study will be addressing the for sale by owners issue and will incorporate the findings made by the Hawaii Association of Realtors.

The Executive Secretary suggested that Dr. Ordway meet with Commissioner Matsuo to discuss the previous pertinent facts study that was completed by Consultant Jack Rolls, Jr.

REAL ESTATE RESEARCH & EDUCATION CENTER

Dr. Ordway requested that the Commission designate Commissioners to act as liaisons to the Commission and the Center.

Dr. Ordway is to discuss pending Center issues with the Education Committee.

HAWAII COUNCIL OF ASSOCIATIONS OF APARTMENT OWNERS (HCAAO) BLUE RIBBON ADVISORY PANEL

HCAAO has invited the Commission to appoint a Commissioner to the Blue Ribbon Advisory Panel which they are in the process of forming.

After a discussion, the Commission decided that they will not appoint a Commissioner to sit on the Panel, but will instead have a Commissioner attend the meetings as an observer and source person.

Upon a motion by Commissioner Blanco, second by Commissioner Takeya, it was voted and unanimously carried to appoint Commissioner Yanagawa as the Commission's invited participant to the Blue Ribbon Advisory Panel.

Executive Session:

Upon a motion by Commissioner Blanco, second by Commissioner Takeya, it was voted and unanimously carried to enter into Executive Session pursuant to Section 92-5(a)(1) "To consider and evaluate personal information relating to individuals applying for professional or vocational licenses cited in Section 26-9 or both;" at 11:30 a.m.

Upon a motion by Commissioner Blanco, second by Commissioner Takeya, it was voted on and unanimously carried to move out of Executive Session at 12:00 Noon.

Licensing:

Restorations

Norman F. Boyajian	Salesman
David T. Nagata	Salesman

After a review of the information submitted by the applicants, Commissioner Nishikawa moved that restoration be approved upon successfully passing the real estate salesman's licensing examination. Commissioner Sodetani seconded the motion. The motion was voted on and unanimously carried.

Clayton M. Manning                      Salesman

Commissioner Takeya was excused from the meeting due to a conflict of interest.

After a review of the information submitted by the applicant, Commissioner Matsuo moved that restoration of license be approved upon successfully passing the salesman's examination. Commissioner Sodetani seconded the motion. The motion was voted and carried.

Commissioner Takeya returned to the meeting.

Shigeo Minamoto

Salesman

After a review of the information submitted by the applicant, Commissioner Matsuo moved that restoration be approved upon successfully passing the salesman's examination. Commissioner Sodetani seconded the motion. The motion was voted on and unanimously carried.

Questionable Applications

Princess K Realty, Inc.

Commissioner Takeya was excused from the meeting due to a conflict of interest.

After a review of the information submitted, Commissioner Sodetani moved to deny the application for corporation. Commissioner Matsuo seconded the motion. The motion was voted on and carried.

Commissioner Takeya returned to the meeting.

NASH, Inc.

After a review of the information submitted, Commissioner Blanco moved to deny the application for corporation. Commissioner Sodetani seconded the motion. The motion was voted on and unanimously carried.

NAKS, Inc.

After a review of the information submitted, Commissioner Matsuo moved to deny the application for corporation. Commissioner Blanco seconded the motion. The motion was voted on and unanimously carried.

Stuart Warren

After a review of the information submitted by the applicant, Commissioner Blanco moved that Mr. Warren's request for reconsideration of his application for salesman's license due to the residency requirement will be granted upon producing evidence of successfully completing a Commission-approved real estate course. Commissioner Takeya seconded the motion. The motion was voted on and unanimously carried.

Royce L. Powell

After a review of the information submitted by the applicant, Commissioner Blanco moved to approve Mr. Powell's application for real estate salesman's license as he submitted evidence to prove that there was enough funds in his checking account to cover his check for the registration fee and it is assumed that he had enough funds in his account to cover all outstanding checks. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Richard Parkinson

After a review of the information submitted by the applicant, Commissioner Blanco moved to approve Mr. Parkinson's application for salesman's license. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

William Henry

After a review of the information submitted by the applicant, Commissioner Sodetani moved to deny Mr. Henry's request for reconsideration on the real estate course for restoration and moved that Mr. Henry successfully

pass the broker's examination. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Gerald Akers

After a review of the information submitted by the applicant, Commissioner Sodetani moved to approve Mr. Aker's application for salesman's license. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Robert Davies

This matter has been deferred to the November 25, 1987 Real Estate Commission meeting.

Next Meeting:

November 25, 1987, 9:00 a.m.  
Exam/Conference Room, Second Floor  
1010 Richards Street  
Honolulu, Hawaii

Adjournment

With no further business to discuss, Chairman Damron adjourned the meeting at 12:20 p.m.

Respectfully submitted,

  
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Irene S. Kotaka, Secretary

Reviewed and approved:

  
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Calvin Kimura  
Executive Secretary

11/18/87