

**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 Office of the Lieutenant Governor as required by Section 92-7(b), Hawaii Revised Statutes.

Date: Wednesday, November 22, 1989

Time: 9:00 a.m.

Place: Kuhina Nui Room, Second Floor  
HRH Princess Victoria Kamamalu Building  
1010 Richards Street  
Honolulu, Hawaii

Present: Peter Yanagawa, Chairman, Licensee  
Barbara Dew, Member, Licensee  
Yoshiko Kano, Kauai Member, Licensee  
Stanley Kuriyama, Member, Licensee  
Michele Matsuo, Public Member  
Marcus Nishikawa, Member, Licensee  
Douglas Sodetani, Maui Member, Licensee  
Yukio Takeya, Hawaii Member, Licensee

Calvin Kimura, Executive Secretary  
Cynthia Yee, Real Estate Specialist  
Russell Wong, Real Estate Specialist  
Glenn Grayson, Deputy Attorney General  
Rodney Maile, Senior Hearings Officer  
Richard Marshall, Hearings Officer  
Irene Kotaka, Secretary

Donald Eovino, DTE Investment Corporation

Absent: Larry Ordonez, Public Member

Call to Order: Chairman Yanagawa called the meeting to order at 10:13 a.m., at which time quorum was established.

Chairman's Report: No report was presented.

Executive Secretary's Report: No report was presented.

Disciplinary  
Case Report:

MARGARET P. DAILY AND EDWARD M. BERR, RE 87-433

Upon a motion by Commissioner Sodetani, seconded by Commissioner Matsuo, it was voted on and unanimously carried to approve the Hearings Officer's Findings of Fact, Conclusions of Law, and Recommended Order, subject to the conditions imposed by the United States Bankruptcy Court.

UTAH-WAIKIKI REAL ESTATE CORPORATION, RE 87-90, ET AL.

Upon a motion by Commissioner Takeya, seconded by Commissioner Kano, it was voted on and unanimously carried to approve the First Amended Settlement Agreement with Utah-Waikiki Real Estate Corporation After Filing of Petition and Commission's Final Order.

LUCY M. SERRANO, RE 87-90, ET AL.

Upon a motion by Commissioner Takeya, seconded by Commissioner Kano, it was voted on and unanimously carried to approve the Settlement Agreement with Lucy M. Serrano After Filing of Petition and Commission's Final Order.

STEVEN L. WALKER, RE 89-87

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

Upon a motion by Commissioner Takeya, seconded by Commissioner Kano, it was voted on and unanimously carried to approve the Settlement Agreement Prior to Filing of Petition for Disciplinary Action and Commission's Final Order.

Commissioner Matsuo returned to the meeting.

PETER O'CONNELL, RE 87-90, ET AL.

After a review of the information submitted by the applicant, Commissioner Takeya moved to grant a 60 day extension, beginning today, and approve Mr. O'Connell's submitting evidence of successful completion of the Real Estate Essentials course. Commissioner Sodetani seconded the motion. The

motion was voted on and unanimously carried.

Petition for WATERLAND COASTAL ESTATES  
Declaratory  
Relief:

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

After a review of the information submitted by Calvin J. Fukuhara, attorney for Waterland Coastal Estates, Commissioner Sodetani moved that the Petition for Declaratory Relief be referred to the Office of Administrative Hearings. Commissioner Kuriyama seconded the motion. The motion was voted on and unanimously carried.

Commissioner Takeya returned to the meeting.

Committee CONDOMINIUM AND COOPERATIVE REVIEW COMMITTEE  
Reports:

Upon a motion by Commissioner Matsuo, seconded by Commissioner Nishikawa, it was voted on and unanimously carried to approve the recommendations of the November 21, 1989 Condominium and Cooperative Review Committee Meeting, as follows:

1. Adopt the budget, with staff to request for a detailed accounting of each project prior to approval and commencement.
2. After consultation with the Deputy Attorney General, no action will be taken at this time on the Bayview Ridge situation.
3. Allow the trustee arrangements for Nauru Tower, as described in Sandra Loomis's letter dated October 9, 1989, to allow for the same person to hold title to an apartment as an owner-occupant.
4. Staff to respond to Duane Kanuha, County of Hawaii's Planning Director, to inform him that the Commission has solicited input to the proposed public report for the Kamani Trees Condominium Project from the various counties even though the counties responses are not a part of the public report review process.



5. Defer decision making on the County of Kauai's Building Inspection form with the County sign off to the December 14, 1989 Condominium and Cooperative Review Committee Meeting.
6. Defer the matter of the Pacific Shore's violation of the SMA permit until a response is received from the developer or its attorney.
7. Accept the Attorney General's Opinion, dated July 13, 1989, regarding the governance of condominium property by community associations in the Puu Alii Community Association matter. Commission staff to send out the proposed drafts of the letter to Polly Yamamoto, President of the Board of Directors of the Puu Alii Community Association and to James A. Stubenberg, Esq., for the developer with revisions to delete specific paragraphs as noted in the Commission's discussion.
8. Accept a fidelity bond that provides dual coverage for condominium managing agent and condominium hotel operator activity that meets all fidelity bond requirements with the required dollar amount to equal the amount of coverage for each registration.
9. Staff to research fidelity bonds for criminal conviction riders and exemptions, respond to the Commission with its recommendations, and inform Mr. Lindblad that the Commission is examining the issue.
10. Staff to work with Norbert Buesling to work out the details of proposing licensing requirements for managing agents.
11. Authorize the first payment to the Neighborhood Justice Center.
12. Approval travel and per diem expenses out of the condominium management and education fund for consultants, staff and Commissioners.
13. The following issues were taken under advisement:

- a. Bond exemptions;
- b. Definition of "obligations of the United States Government" under Section 514A-97, Hawaii Revised Statutes;
- c. Education proposal form for the Hawaii Council of Association of Apartment Owners; and
- d. Requirements of the Federal Fair Housing for access in new condominiums.

Waokanaka Estates I

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

Donald Eovino of DTE Investments, Inc. was present at the meeting to provide oral testimony.

Upon a motion by Commissioner Matsuo, seconded by Commissioner Nishikawa, it was voted on and unanimously carried to approve that DTE Investment Corporation be considered a "developer" and shall carry the responsibilities of a developer and act accordingly.

Mr. Eovino stated that the developer's intention was that each project be conveyed out and each individual purchaser was to build their own house. They were advised by their attorney that they would be exempt from complying with the laws and rules relating to the advertising of the project because the developer was not offering all of the apartments for sale and it would be considered a resale. The individual purchaser would be responsible for obtaining their own individual contractor, title insurance, and liability insurance.

Mr. Eovino stated that if the Commission does adopt the recommendation that DTE be considered a developer, it would have a negative impact on their plans to register the second phase of the project. He stated that they had planned a marketing campaign for December 15. They are requesting that the

Commission issue the final report first and then they will submit the registration for Waokanaka Estates II.

Commissioner Matsuo questioned Mr. Eovino as to what was offered for sale and what land goes with the house.

Mr. Eovino stated that one house is for sale. The land area is 11,082 square feet, which is designated as a limited common element. There is one piece of property with two houses on it. His partner has conveyed his share to himself and has conveyed it to himself.

Commissioner Nishikawa asked Mr. Eovino what was meant by "conveyed" as the laws state that a unit cannot be conveyed until the final public report is issued.

Mr. Eovino stated that the condominium project was registered, the declaration filed, and the condo was created in January 1989. Subsequently, the assets of the condo were distributed to each individual apartment owner. He stated that in order for a developer to get the lender to agree to this, the developer would have to obtain x number of construction loans, liability insurance policies, and title insurance.

Mr. Eovino stated that there are two parcels adjutting each other.

Chairman Yanagawa questioned if each project would allow for the third unit to be built.

Mr. Eovino stated that they do have plans for the third unit to be built, but the developer does not have the ability to develop it as yet. They are currently offering it as a common element. If the ability arose to develop it, they would file for a final.

Mr. Eovino stated that in the event of a foreclosure, the lender would foreclose on the owner and not on DRG. The developer of the other units is the person who is building his own house.

Upon a motion by Commissioner Matsuo, seconded by Commissioner Nishikawa, it was voted on and unanimously carried to reaffirm the Commission's previous decision that DTE Corporation be considered a "developer" and shall carry out the responsibilities of a developer and act accordingly.

#### EDUCATION COMMITTEE

Upon a motion by Commissioner Nishikawa, seconded by Commissioner Sodetani, it was voted on and unanimously carried to approve the recommendations of the November 21, 1989 Education Committee Meeting, as follows:

1. The version 9 of the draft of the proposed continuing education rules shall be proposed for a public hearing, subject to the Laws and Rules Review Committee's final review and editing of the proposed rules.
2. Approve the change in the content outline of the State portion of the licensing exam for housekeeping purposes; specifically changing reference from Horizontal Property Regime to Condominium Property Regime.
3. Approve the hiring of student help to be compensated from the Education Fund up to \$4,500.00 to assist staff with education and educationally-related projects and office organization and operations.
4. Designated the Real Estate Specialist, Cynthia Yee, as the Commission's representative to REEAH and that membership dues and other related participation expenses be paid out from the Education Fund.
5. Approve, in principle, staff use of West Law, subject to expenditure caps to be determined by the Education Committee.

#### CONTINUING EDUCATION INSTRUCTOR

After a review of the information submitted by the applicant, Commissioner Sodetani moved to approve



the continuing education instructor application of John Clear for the Contracts module. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

## PRELICENSE INSTRUCTOR

After a review of the information submitted by the applicant, Commissioner Sodetani moved to approve the prelicense instructor application of Gerald V. Inforzato for the real estate salesperson's course. Commissioner Kuriyama seconded the motion. The motion was voted on and unanimously carried.

## LAWS AND RULES REVIEW COMMITTEE

Upon a motion by Commissioner Takeya, seconded by Commissioner Dew, it was voted on and unanimously carried to approve the recommendations of the November 21, 1989 Laws and Rules Review Committee Meeting, as follows:

1. Accept the Real Estate Research and Education Center's report on mandatory errors and omissions insurance, subject to housekeeping measures, subject to Dr. Ordway's coordinating with the Hawaii Association of Realtors and Commission staff on proposed legislation, and subject to providing copies of the report to the Director and the Insurance Commissioner.
2. Approve the proposed condominium hotel operator legislation, subject to housekeeping measures and subject to the Director's review.
3. Staff to respond to Martin Oliver's letter relating to Section 467-14(5), HAWAII Revised Statutes.
4. Staff to respond to Michael Leong's letter, stating that a real estate license is required and that legal advice should be secured as to the legality of his proposal.

Executive Session: Upon a motion by Commissioner Matsuo, seconded by Commissioner Kano, it was voted on and unanimously carried to enter into executive session at 11:15 a.m., pursuant to Chapter 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;"

Upon a motion by Commissioner Sodetani, seconded by Commissioner Kano, it was voted on and unanimously carried to move out of executive session at 11:50 a.m.

Licensing: Upon a motion by Commissioner Kano, seconded by Commissioner Sodetani, it was voted on and unanimously carried to ratify the following:

Brokers

Owner's Management Corporation  
Leilani International, Inc.  
Ya-Mei Wang  
Real Estate Acquisitions, Inc.  
Harbor Realty, Inc.  
Toni K. Hicks  
Douglas R. White dba West Maui Investment  
Dennis M. Lombardi  
Exceptional Properties, Inc.  
Resort Property Internationale, Inc.  
Hawaii 5-0 Properties, Inc.  
Century 21 Advantage, Inc.

Branch Offices

Kauai Aina Enterprises, Inc.

Site Office

Coldwell Banker McCormack Real Estate  
Maui Sea Cliffs Development, Inc. dba South  
Pacific Properties

Trade Names

David B. Bryan dba Bryan Realty  
Earl L. Clark dba Earl Clark & Associates  
Suzanne D. Smith dba Suzanne Smith Associates  
Cora S. Ramel dba Ramel & Associates Realty  
Karen E. Prentiss dba Karen Prentiss Properties

Condominium and Cooperative Regime Public Reports

October 1989

507/509 Kawaihoa Road, Final  
44-110 Kahinani, Final

Cida Hillside Homes, Final  
Hokulani in Kailua, Phase III, Final  
Makanani Vistas, Final  
Moana Kai Beach Houses Residential Condominium,  
Preliminary  
Kalepa Business Center, Final  
Punaluu Shores II, Final

RESTORATION OF FORFEITED LICENSE

James T. Iinuma                      Salesperson  
Hiroyuki Yanagimoto                Salesperson

After a review of the information submitted by the applicant, Commissioner Kano moved that restoration be approved upon submitting evidence of successfully passing the real estate salesperson's licensing examination. Commissioner Takeya seconded the motion. The motion was voted on and unanimously carried.

Thomas Kiley

After a review of the information submitted by the applicant, Commissioner Kano moved to deny Mr. Kiley's request for reconsideration. Commissioner Sodetani seconded the motion. The motion was voted on and unanimously carried.

QUESTIONABLE APPLICATIONS

Japan E. C. O. Hawaii, Inc.

After a review of the information submitted by the applicant, Commissioner Takeya moved to approve the real estate corporation application of Japan E. C. O. Hawaii, Inc. Commissioner Nishikawa seconded the motion. The motion was voted on and unanimously carried.

Winnie Lu, Inc.

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

After a review of the information submitted by the applicant, Commissioner Takeya moved to approve the continued use of the name, Winnie Lu, Inc. Commissioner Nishikawa seconded the motion. The

motion was voted on and unanimously carried.

Commissioner Kano returned to the meeting.

Magee International, Ltd.

After a review of the information submitted by the applicant, Commissioner Takeya moved to deny the real estate corporation application of Magee International, Ltd. Commissioner Matsuo seconded the motion. The motion was voted on and unanimously carried.

Overstreet, Inc.

After a review of the information submitted by the applicant, Commissioner Takeya moved to approve the real estate corporation application of Overstreet, Inc. Commissioner Nishikawa seconded the motion. The motion was voted on and unanimously carried.

Joy M. Tanno dba "KLA"

After a review of the information submitted by the applicant, Commissioner Takeya moved to approve the real estate trade name of Joy M. Tanno, dba KLA. Commissioner Nishikawa seconded the motion. The motion was voted on and unanimously carried.  
H.H. Inc. dba Hawaii Resort and Investment Properties

Upon a motion by Commissioner Takeya, seconded by Commissioner Nishikawa, it was voted on and unanimously carried to defer decision making.

Larry Leedom

After a review of the information submitted by the applicant, Commissioner Takeya moved to approve Mr. Leedom's real estate salesperson application. Commissioner Nishikawa seconded the motion. The motion was voted on and unanimously carried.

Wesley A. Reames, Jr.

After a review of the information submitted by the applicant, Commissioner Takeya moved to approve Mr. Reames's real estate salesperson application.

Commissioner Nishikawa seconded the motion. The motion was voted on and unanimously carried.

Peter B. Risnes

After a review of the information submitted by the applicant, Commissioner Takeya moved to approve Mr. Risnes's application for real estate salesperson license. Commissioner Nishikawa seconded the motion. The motion was voted on and unanimously carried.

Rosemary Ippolito

After a review of the information submitted by the applicant, Commissioner Takeya moved to defer decision making on this matter. Commissioner Nishikawa seconded the motion. The motion was voted on and unanimously carried.

Duyness M. Doan

After a review of the information submitted by the applicant, Commissioner Takeya moved to deny Mr. Doan's application for real estate salesperson's license as Mr. Doan failed to submit his completed application within 90 days of the date of the examination. Commissioner Matsuo seconded the motion. The motion was voted on and unanimously carried.

Ivan S. Nishiki

After a review of the information submitted by the applicant, Commissioner Takeya moved to approve Mr. Nishiki's request for an equivalency to the three listing contracts and three sales that have closed escrow transaction requirement. Commissioner Nishikawa seconded the motion. The motion was voted on and unanimously carried.

Laverne McDonald

After a review of the information submitted by the applicant, Commissioner Takeya moved to approve Ms. McDonald's request for an equivalency to the ten transaction requirement. Commissioner Nishikawa

seconded the motion. The motion was voted on and  
unanimously carried.

Next Meeting:           December 15, 1989  
Exam/Conference Room  
Second Floor  
HRH Princess Victoria Kamamalu Building  
1010 Richards Street  
Honolulu, Hawaii

Adjournment:       With no further business to discuss, Chairman Yanagawa adjourned the meeting at 11:55 a.m.

Taken and recorded by:

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Irene S. Kotaka, Secretary

Reviewed and approved by:

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Calvin Kimura  
Executive Secretary

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Date