

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: Thursday, October 29, 1998

Time: 9:00 a.m.

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

Present Nora Nomura, Vice Chair
Michael Ching, Member
Alfredo Evangelista, Member (Early Departure)
Mitchell Imanaka, Member
John Ohama, Member
Iris Okawa, Member (Late Arrival)

Calvin Kimura, Supervising Executive Officer
Christine Rutkowski, Executive Officer
Pamela Garrison, Senior Real Estate Specialist
Lee Ann Teshima, Real Estate Specialist
Russell Wong, Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
Gina Watumull, Condominium Specialist
Shari Wong, Deputy Attorney General
Irene Kotaka, Secretary

Excused: Alvin Imamura, Chair
Charles Aki, Member
Helen Lindemann, Member

Call to Order: The Vice Chair called the meeting to order at 9:00 a.m., at which time quorum was established.

Chair's Report: No report was presented.

Executive Officer's Report: **Announcements, Introductions, Correspondence and Additional Distributions**

Additional Distribution

The following material was distributed prior to the start of the meeting:

3. Executive Officer's Report
 - b. Minutes of Previous Meetings
6. Questionable Applications
 - b. Kam L. Lizares
 - c. Stacey L. Francis
 - i. Destination Maui Realty, LLC

The Executive Officer asked the Commissioners if they had any conflicts of interest for any of the applications being considered as there may be quorum problems. None of the Commissioners had any conflicts of interest.
The EO reported that Christopher Harder had filed an appeal of the Commission's decision

with the Supreme Court.

Commissioner Okawa arrived.

Minutes of Previous Meetings

Upon a motion by Commissioner Ching, seconded by Commissioner Ohama, it was voted on and unanimously carried to approve the minutes of the September 25, 1998 Real Estate Commission meeting as amended.

Licensing and Registration - Ratification:

Upon a motion by Commissioner Ching, seconded by Commissioner Imanaka, it was voted on and unanimously carried to ratify the attached list as amended.

Licensing - Restoration of Forfeited Licenses:

Robert A. Short

Mr. Short was asked if he wished to have his application considered in executive session. He declined the offer.

Mr. Short stated that he had been spending time on the mainland trying to get his 35 year old daughter to college. He was on the mainland babysitting and helping his other daughter to remodel her house. In August 1997, he realized that he did not have a license. He found out that the renewal of his license had not been taken care of. He has been trying to get it straightened out. He stated that he had been licensed since 1959 and he knows his record is clean and he is semi-retired. He will have to go back to work and reestablish his retirement account.

Senior Real Estate Specialist Garrison asked Mr. Short if he was aware that the Hawaii Administrative Rules, Section 16-99-71(6), requires that a principal broker maintain a valid license, including forwarding the renewal application to the licensee. Mr. Short was also asked if he had filed a complaint against his principal broker. Mr. Short stated that he was the designated principal broker of the company. Mr. Short stated that he had left his renewal application with the secretary of his company and she had been responsible for renewing his license during the previous periods. However, she failed to renew his license this time. Mr. Short stated that the company only has three persons in the office.

Upon a motion by Commissioner Ching, seconded by Commissioner Imanaka, it was voted on and unanimously carried to take this matter under advisement.

Licensing - Questionable Applications:

Judy A. Kreutz

Ms. Kreutz was asked if she wished to have her application for a real estate salesperson's license considered in executive session. She declined the offer.

Ms. Kreutz was asked if she had any oral testimony to present. She answered that she did not.

Commissioner Ching asked Ms. Kreutz if she had a receipt or an acknowledgement from the collection agency for the payment of her outstanding balance. She stated that she had just sent the payment one week ago.

Ms. Kreutz stated that she had overpaid the amount that was due. She stated that she had made a few payments to the collection agency, but they later turned her account over to the courts. She stated that the judgment does not reflect the payments that she had made. The bill from the collection agency does reflect the payments that she made. Ms. Kreutz stated that she had just moved to Hawaii in June, and she does not have all of the receipts for the payments that she made. Ms. Kreutz stated that the bill arose from some dental work that she had done. The dentist was billing her more than the amount agreed

to by HMSA. The dentist then turned the account over to a collection agency. She started paying Cascade Corporation and they turned her case over to the courts.

Ms. Kreutz stated that she should have waited until she paid the outstanding debt before filing her application. Then, she could have answered the question, "No."

The Vice Chair asked Ms. Kreutz if she could obtain a receipt for the outstanding amount. Ms. Kreutz asked why it would be necessary for her to do that since she had submitted a copy of the check and a copy of the judgment.

Commissioner Ching asked Ms. Kreutz if she was continuing to dispute the amount that she was charged. Ms. Kreutz stated that it was done with since she cannot fight them from out of state.

Ms. Kreutz was asked to explain the circumstances surrounding the 1993 complaint that was filed against her with the Oregon Real Estate Commission. She stated that her husband had gone with her to an open house. The Oregon Real Estate Commission had sent out an investigator who posed as a buyer. He came to the open house and charged her with sharing commissions with an unlicensed individual. Ms. Kreutz was asked if her husband had been paid a commission. She stated that he had not. She also stated that the charges against her were later dropped.

Upon a motion by Commissioner Ching, seconded by Commissioner Imanaka, it was voted on and unanimously carried to take this matter under advisement.

Ronald S. Stebbins

Mr. Stebbins was asked if he wished to have his application for a real estate salesperson's license considered in executive session. He declined the offer.

Mr. Stebbins stated that the pending lawsuit involves a landlord-tenant dispute. The landlord has switched attorneys, subsequently the case has been postponed.

On the matter of an outstanding judgment, Mr. Stebbins was informed that the copy of the judgment that he had submitted did not have the Judge's signature. He was asked the status of the matter. Mr. Stebbins answered that he has a signed copy. He was asked to provide a copy of the filed judgment to REB staff.

Mr. Stebbins was asked if he was still being held responsible for part of the debts. He answered, "Yes." Mr. Stebbins was asked to elaborate on the circumstances surrounding the unpaid judgment. Mr. Stebbins stated that he had obtained a loan to start a car cover business. The collateral for the loan was the car covers. His partner embezzled the money. Mr. Stebbins left the corporation and his partner took over the car covers. Mr. Stebbins did not have anything further to do with the corporation. Mr. Stebbins stated that he had been working with his partner to make the business work, but he could not work any longer with someone who was embezzling money from the business.

The Deputy Attorney General asked if there was proof that his partner had been making payments on the judgment. Mr. Stebbins stated that Mr. Johnston did receive some checks. However, Mr. Stebbins stated that he did not have any other information other than what he had provided.

Mr. Stebbins was informed that the copy of the complaint that had been submitted was missing page 2. He was asked to provide a complete copy of the complaint to REB staff.

Mr. Stebbins stated that in the landlord-tenant dispute, the landlord's attorney had not been paid and so he withdrew from the case. Mr. Stebbins stated that he has tried to negotiate

with the new attorney, but he has not had his calls returned.

Upon a motion by Commissioner Ching, seconded by Commissioner Imanaka, it was voted on and unanimously carried to take this matter under advisement.

Success Marketing "LLC", Imperial Waikiki Timeshare Resales

Judy Dancer, proposed principal broker and member, was asked if she wished to have the real estate broker - limited liability company application considered in executive session. She declined the offer.

Ms. Dancer stated that when she was applying for the license, she was going to answer the question on prior complaints in the negative, but she was surprised to discover that there was a complaint against her and not the company for advertising. She stated that the complaint had been submitted by a former competitor.

Ms. Dancer asked if the complaint would stay on her personal record. She was advised to contact the Regulated Industries Complaints Office.

Upon a motion by Commissioner Imanaka, seconded by Commissioner Ohama, it was voted on and unanimously carried to take this matter under advisement.

David D. Lavarias

Mr. Lavarias was asked if he wished to have his application for a real estate broker's license considered in executive session. He declined the offer.

Mr. Lavarias stated that he did not have any oral testimony to present as he had submitted everything in writing to the Commission.

Upon a motion by Commissioner Imanaka, seconded by Commissioner Ching, it was voted on and unanimously carried to take this matter under advisement.

David S. Stetz

Mr. Stetz was asked if he wished to have his real estate salesperson's license application considered in executive session. He declined the offer.

Mr. Stetz stated that the only reason why he has been unable to pay the fine was because he has been disabled for the past three years. He has been working the last 5-1/2 months in communication sales. He stated that he has notified the courts and he has started to pay his fine. Mr. Stetz stated he did not pay the fine not because he didn't want to but because he didn't have the money to pay the fine.

Mr. Stetz stated that on October 19, he entered into a payment plan to pay \$50 a month. He does not know the total amount that he has outstanding. He has just been making payments when he has been able to. Mr. Stetz stated that he did not enter into a formal payment plan. He called the courts on the phone and informed them that he would be able to begin paying the fine. He stated that from tomorrow he would start paying them \$50/month. Mr. Stetz stated that he has been out on worker's compensation since September/October 1994. He is still listed at Vocational Rehab as disabled. From 1978 to 1989, he was involved in time share on the East Coast. He thinks that real estate is the best shot that he has to earn a living based on his health. He stated that he has back problems and cannot lift heavy items.

Mr. Stetz was asked who he contacted at the Court Clerk's Office. He stated that he did not know. He just calls there to let them know what is happening. Mr. Stetz stated his

case has been continued for one more month. He keeps going back to Court until he can pay the fine.

Upon a motion by Commissioner Imanaka, seconded by Commissioner Ohama, it was voted on and unanimously carried to take this matter under advisement.

Executive Session:

Upon a motion by Commissioner Ching, seconded by Commissioner Ohama, it was voted on and unanimously carried to enter into executive session, pursuant to Section 92-5(a)(1), HRS, "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 Ching, seconded by Commissioner Imanaka, it was voted on and unanimously carried to move out of executive session.

Commissioner Evangelista was excused from the meeting.

Chapter 91, HRS,
Adjudicatory Matters:

The Vice Chair called a recess from the meeting at 9:59 a.m., to discuss and deliberate on the following adjudicatory matters, pursuant to Chapter 91, HRS:

In the Matter of the Real Estate Broker's Licenses of Buckman & Co., Inc. and Patricia W. Buckman, REC 97-107-L

Upon a motion by Commissioner Ching, seconded by Commissioner Imanaka, 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.

Executive Session:

Upon a motion by Commissioner Ohama, seconded by Commissioner Imanaka, it was voted on and unanimously carried to enter into executive session, pursuant to Section 92-5(a)(1), HRS, "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 Ohama, seconded by Commissioner Ching, it was voted on and unanimously carried to move out of executive session.

Licensing - Restoration
of Forfeited Licenses:

Linda Y. L. Pang-Li

Salesperson

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

Billie Pring Sales

Broker

After a review of the information submitted by the applicant, Commissioner Ching moved that restoration be approved upon submitting evidence of successfully completing one of the two options of Commission-approved real estate courses. Commissioner Ohama seconded the motion. The motion was voted on and unanimously carried.

Robert A. Short

Broker

After a review of the information presented by the applicant, Commissioner Ching moved that restoration be approved upon submitting evidence of successfully completing one of the two options of Commission-approved real estate courses. Commissioner Ohama

seconded the motion.
The motion was voted
on and unanimously

Judy A. Kreutz

After a review of the information presented by the applicant, Commissioner Ching moved

carried.Licensing -
Questionable
Applications:

to approve the real estate salesperson's license of Judy A. Kreutz. Commissioner Ohama seconded the motion. The motion was voted on and unanimously carried.

Kam L. Lizares

After a review of the information submitted by the applicant, Commissioner Ohama moved to deny Kam L. Lizares' application for a real estate salesperson's license unless, within 60 days, she submits proof of payment or an approved written payment plan with the Internal Revenue Service for all outstanding tax obligations. Commissioner Imanaka seconded the motion. The motion was voted on and unanimously carried.

Stacey L. Francis

After a review of the information submitted by the applicant, Commissioner Ching moved to approve Stacey L. Francis' application for a real estate salesperson's license, subject to submission of written confirmation from the Plaintiff or the Plaintiff's representative agreeing to accept full payment of the judgment no later than January 5, 1999. Commissioner Ohama seconded the motion. The motion was voted on and unanimously carried.

Ronald S. Stebbins

After a review of the information presented by the applicant, Commissioner Ching moved to deny Ronald S. Stebbins' application for a real estate salesperson's license, based on §467-8(3), HRS, and §436B-19(1), (8), (12), HRS. Commissioner Okawa seconded the motion. The motion was voted on and unanimously carried.

George Robert Coates

After a review of the information submitted by the applicant, Commissioner Ching moved to approve the real estate salesperson's license of George Robert Coates. Commissioner Ohama seconded the motion. The motion was voted on and unanimously carried.

David S. Stetz

After a review of the information presented by the applicant, Commissioner Ching moved to deny David S. Stetz's application for a real estate salesperson's license, based on §467-8(3), HRS, and §436B-19(1), (8), (12), HRS. Commissioner Okawa seconded the motion. The motion was voted on and unanimously carried.

Michael W. Buchanan

After a review of the information submitted by the applicant, Commissioner Ohama moved to approve the real estate salesperson's license of Michael W. Buchanan. Commissioner Imanaka seconded the motion. The motion was voted on and unanimously carried.

David D. Lavarias

After a review of the information presented by the applicant, Commissioner Okawa moved to approve the real estate broker's license of David D. Lavarias. Commissioner Imanaka seconded the motion. The motion was voted on and unanimously carried.

Destination Maui Realty, LLC

After a review of the information submitted by the applicant, Commissioner Ohama moved to deny the real estate broker - limited liability company application of Destination Maui Realty, LLC, based on §467-8(3), HRS, and §436B-19(1), (8), and (12), HRS. Commissioner Ching seconded the motion. The motion was voted on and unanimously carried.

Success Marketing "LLC", Imperial Waikiki Timeshare Resales

After a review of the information presented by the applicant, Commissioner Ching moved to approve the real estate broker - limited liability company application of Success Marketing "LLC", Imperial Waikiki Timeshare Resales. Commissioner Imanaka seconded the motion. The motion was voted on and unanimously carried.

Bruce E. Sutherland, Island Resort Rentals

After a review of the information submitted by the applicant, Commissioner Ching moved to approve the condominium hotel operator registration of Bruce E. Sutherland, Island Resort Rentals. Commissioner Imanaka seconded the motion. The motion was voted on and unanimously carried.

CBIP, Inc., Coldwell Banker Island Properties

After a review of the information submitted by the applicant, Commissioner Ching moved to approve the condominium hotel operator registration of CBIP, Inc., Coldwell Banker Island Properties. Commissioner Imanaka seconded the motion. The motion was voted on and unanimously carried.

Hawaiian Condo Resorts, Inc.

After a review of the information submitted by the applicant, Commissioner Ching moved to approve the condominium hotel operator registration of Hawaiian Condo Resorts, Inc. Commissioner Imanaka seconded the motion. The motion was voted on and unanimously carried.

Don H. Williams, Jr.

After a review of the information submitted by the applicant, Commissioner Okawa moved to approve Don H. Williams, Jr.'s request for an equivalency to the ten real estate transactions, of which three are sales contracts or commercial or industrial leases closed escrow and three are listing contracts or commercial or industrial leases closed escrow. Commissioner Ching seconded the motion. The motion was voted on and unanimously carried.

Committee Reports:

Laws and Rules Review Committee

Upon a motion by Commissioner Ching, seconded by Commissioner Ohama, it was voted on and unanimously carried to accept the report of the October 14, 1998, Laws and Rules Review Committee meeting, as follows:

1. Accept the minutes of the September 18, 1998 meeting.
2. Batch Renewal Workshops:
 - Honolulu - November 4, 13, 17, and 24, 1998
 - Batch Renewal Workshops and Real Estate Specialist for the Day:
 - Maui - November 5, 1998
 - Hilo - November 9, 1998
 - Kona - November 12, 1998
 - Kauai - November 18, 1998
3. Next meeting: **Tuesday**, November **10**, 1998
9:00 a.m.

Kapuaiwa Room
1010 Richards Street, Second Floor
Honolulu, Hawaii

The EO reported that the real estate license renewal application forms will be mailed by the end of this week. The condominium hotel operator and condominium managing agent reregistration forms will also be mailed out shortly.

Education Review Committee

Upon a motion by Commissioner Ching , seconded by Commissioner Ohama, it was voted on and unanimously carried to accept the report of the October 14, 1998 , Education Review Committee meeting, as follows:

1. Minutes of September 18, 1998 Meeting - **Accept**
2. Hawaii Real Estate Research and Education Center Report and Chair Report - Evaluation and Education System for CE and Prelicensing Instructors - Received status report on the evaluation/monitoring program for the period of July 1 to September 30, 1998, submitted by Interim Director Steven Gilbert.
3. Continuing Education Administration, Curriculum, Courses, Providers and Instructors - Applications
 - a. 1997-1998 Continuing Education Providers, Instructors, and Courses Ratification List - **Recommend Approval** of the following:
Provider: Waikiki Realty Real Estate School
Instructors:
Jane Muramatsu
Elective Courses: "Fair Housing"
"Disclosures in Hawaii Residential Transactions"
"Real Estate Law Update & Ethics"
Gary K. Yamashiro
Elective Courses: "Fair Housing"
"Disclosures in Hawaii Residential Transactions"
"Real Estate Law Update & Ethics"
George K. Yamashiro
Elective Courses: "Fair Housing"
"Disclosures in Hawaii Residential Transactions"
"Real Estate Law Update & Ethics"
Course - "Commercial Real Estate Sales & Leasing Law"
(Author/Owner: Gino L. Gabrio)
 - b. One Time Course Offering - Law Seminars International - **Recommend Approval** Law Seminars International as a certified continuing education provider for the one-time offering of the course "Advanced Conference on Real Estate Purchase & Sales" including the following instructor: Mark A. Hazlett. This certification is subject to the following conditions:
 - 1) That no continuing education credit be given for "home study" participants;
 - 2) That only 3 1/3 hours of credit be given for the two-day seminar;
 - 3) That the provider submit the course offering at least 14 days before the proposed commencement date;
 - 4) That the provider can ensure classroom compliance by providing a certified statement, pursuant to Section 16-99-123, HAR, that the classroom conforms to the zoning, building, electrical, plumbing, and fire codes of the county in which the facility is located and to State rules as may be applicable to the facility;
 - 5) That the provider's bond will cover the course; and

- 6) That the course be monitored pursuant to Section 16-99-119, HAR.
4. Next Meeting: Tuesday, November 10, 1998
10:00 a.m.
Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
250 South King Street
Honolulu, Hawaii

Condominium Review Committee

Upon a motion by Commissioner Ohama, seconded by Commissioner Ching, it was voted on and unanimously carried to accept the report of the October 14, 1998, Condominium Review Committee meeting, as follows:

1. Minutes of September 18, 1998 -- Accept minutes.
2. HREREC Report -- Hawaii Condominium Bulletin - FY99 Vol. 7, Number 1, (Fall 1998) printing completed, distribution in October. The Commission has received their advance copies as requested.
3. Condominium Governance and Management
 - a. Budget and Reserves -- Recommend approval that REB staff include in the next Condominium Bulletin an article about the statute and rules on borrowing for reserves.
 - b. Documents Submission for Fidelity Bonds -- Recommend approval to accept as evidence of the required fidelity bond for CMAs, CHOs, and AOAOs either a Certification Statement of Insurance or a "Certificate of Liability Insurance" from the insurance company or representative. The Commission no longer routinely requires the submission of a fidelity bond policy as evidence of fidelity bonding.
4. CPR Registration, Public Reports, Extensions Issued -- Recommend approval to ratify issuance of effective dates for public reports and extensions for the month of September 1998.
5. Next Meeting: Tuesday, **November 10, 1998**
1:30 p.m.
Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii

Next Meeting: 9:00 a.m.
Wednesday, November 25, 1998
Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii

Adjournment: With no further business to discuss, the Vice Chair adjourned the meeting at 10:21 a.m.

Reviewed and approved by:

/s/ Christine Rutkowski
Christine Rutkowski
Executive Officer

November 25, 1998
Date

- [X] Approved as circulated.
- [] Approved with corrections; see minutes of _____ meeting.