

REAL ESTATE COMMISSION
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii
www.state.hi.us/hirec

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: Friday, December 12, 2003

Time: 9:00 a.m.

Place: Queen Liliuokalani Conference Room
King David Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Present: John Ohama, Chair
Mitchell Imanaka, Vice Chair
Louis Abrams, Member
Marshall Chinen, Member
Kathleen Kagawa, Ph.D., Member (Late Arrival)
Trudy Nishihara, Member
Iris Okawa, Member
Peter Rice, Member
Vern Yamanaka, Member

Calvin Kimura, Supervising Executive Officer
Alan Taniguchi, Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
Lorene Kimura, Real Estate Specialist
Ryan Yamashiro, Real Estate Specialist
David Grupen, Condominium Specialist
Cheryl Leong, Condominium Specialist
Gordon Arakaki, Recodification Attorney
Shari Wong, Deputy Attorney General
Irene Kotaka, Secretary

Tadashi Kaneko, Condominium Consultant
Charles Aki
Lily Kong
Richard Grover, Esq.
Scott Sherley, Hawaii Association of REALTORS
Nicki Ann Thompson, Hawaii Association of REALTORS

Call to Order: The Chair called the meeting to order at 9:05 a.m., at which time quorum was established.

Chair's Report: The Chair wished those present a Merry Christmas and a Happy New Year. He also hoped that next year would be a better year. He thanked the Commissioners and staff for a terrific year.

Executive Officer's
Report:

**Announcements, Introductions, Correspondence and Additional
Distribution**

Additions to the Agenda

Upon a motion by Commissioner Okawa, seconded by Commissioner Rice, it was voted on and unanimously carried to add the following items to the agenda:

7. Chapter 91, Hawaii Revised Statutes, Adjudicatory Matters
 - b. In the Matter of the Real Estate Broker's License of Lily L. H. Kong, REC 2000-128-L

Additional Distribution

The following items were distributed prior to the start of the meeting:

4. Committee Reports
 - a. Laws and Rules Review Committee
 - b. Education Review Committee
 - c. Condominium Review Committee

Committee Reports:

Laws and Rules Review Committee

Upon a motion by Commissioner Okawa, seconded by Commissioner Abrams, it was voted on and unanimously carried to accept the report of the December 11, 2003 Laws and Rules Review Committee meeting as follows:

1. Minutes of November 12, 2003 – **Accept**
2. Program of Work, FY04
Neighbor Island Outreach – The next neighbor island outreach is scheduled for Tuesday, January 6, 2004, on the island of Maui. The meetings will be held in the REALTORS Association of Maui's Conference Room, located at 441 Ala Makani Place, Kahului, Maui. The Committee meetings will be held as follows:
Laws and Rules Review Committee – 9:30 a.m.
Education Review Committee – Upon adjournment of the Laws and Rules Review Committee meeting, which convenes at 9:30 a.m.
Condominium Review Committee – Upon adjournment of the Education Review Committee, which is upon the adjournment of the Laws and Rules Review Committee meeting, which convenes at 9:30 a.m.
3. Special Issues – Agency Concerns – Hawaii Association of REALTORS – **Recommend** that the Commission work with the Hawaii Association of REALTORS on the issues relating to agency. The REC Chair, LRRC Chair and SEO to determine which Commissioner will be assigned to work with the Hawaii Association of REALTORS.
4. Budget and Finance Report – Real Estate Recovery Fund – **Recommend acceptance** of the financial report for the Real Estate Recovery Fund for the month ending September 30, 2003.

5. Next Meeting: **Tuesday, January 6, 2004**
9:30 a.m.
Conference Room
REALTORS Association of Maui
441 Ala Makani Place
Kahului, Maui

Education Review Committee

Upon a motion by Commissioner Yamanaka, seconded by Commissioner Rice, it was voted on and unanimously carried to accept the report of the December 11, 2003 Education Review Committee meeting as follows:

1. Minutes of November 12, 2003 – **Accept**
2. Continuing Education Administration, Curriculum, Courses, Providers, and Instructors – Applications
 - a) Course – “Title Insurance and Title Report Red Flags,”
Author/Owner: Suzette Nasser, Provider: Kona Board of REALTORS, Course Categories: Property Ownership and Development, Course Clock Hours: 3 – **Recommend approval**
 - b) Course – “Buyer Representation in Real Estate,” Author/Owner: Dearborn Real Estate Education, Provider: Kona Board of REALTORS, Course Categories: Contracts, Risk Management, and Agency, Course Clock Hours: 3 – **Recommend approval**
 - c) Course – “Introduction to Commercial Real Estate Sales,”
Author/Owner: Dearborn Real Estate Education, Provider: Kona Board of REALTORS, Course Categories: Contracts and Investment, Clock Hours: 3 – **Recommend approval**
 - d) Course – “Property Management and Managing Risk,”
Author/Owner: Dearborn Real Estate Education, Provider: Kona Board of REALTORS, Course Categories: Property Management and Risk Management, Clock Hours: 3 – **Recommend approval**
 - e) Core Course – “Ethics and Real Estate,” Author/Owner: Dearborn Real Estate Education, Provider: Kona Board of REALTORS, Course Category: Ethics, Clock Hours: 4 – **Recommend approval**
 - f) Core Course – “Current Real Estate Laws, Rules and Other Updates 2003-2004,” Author/Owner: Gretchen Duplanty/ Duplanty School of Real Estate, Provider: Duplanty School of Real Estate, Course Categories: Real Estate Law, Finance, Risk Management, Technology and the Licensee and Other, Clock Hours: 4 – **Recommend approval**
 - g) Provider – Lorman Business Center, Inc. dba Lorman Education Services, Kari J. Campbell, Administrator – **Recommend approval**
 - h) Course – “City and County of Honolulu and Hawaii State Building Codes and Requirements for the Real Estate Agent,”
Author/Owner: Philip Hale Wilia and Dower School of Real Estate, Provider: Dower School of Real Estate, Course Category: Other, Clock Hours: 3 – **Recommend approval**

- i) Course – “Advanced Valuation of Investment Real Estate,”
Author/Owner: Eugene Trowbridge, Esq., Provider: Hawaii
CCIM Chapter, Course Categories: Investment, and Property
Ownership and Development, Clock Hours: 3 – **Recommend
approval**
- j) Course – “Analyzing and Valuing Investment Real Estate,”
Author/Owner: Eugene Trowbridge, Esq., Provider: Hawaii
CCIM Chapter, Course Categories: Investment, and Property
Ownership and Development, Clock Hours: 3 – **Recommend
approval**
- 3. Prelicensing Education administration, Curriculum, Schools, Instructors,
and Equivalency – Applications – Prelicense School – The Hawaii
Academy of Real Estate, LLC, Janice K. Lind, Principal, Salesperson
and Broker curricula – **Recommend approval**
- 4. Administration of Examinations – Promissor – Russ Goode Request –
Committee to take matter under advisement.
- 5. Program of Work, FY04 – Neighbor Island Outreach and Real Estate
Specialists’ Office for the Day – Tuesday, January 6, 2004, Maui –
standing committee meetings will convene in the Conference Rooms of
the REALTORS Association of Maui, located at 441 Ala Makani Place,
Kahului, Maui at the following times:
Laws and Rules Review Committee – 9:30 a.m.
Education Review Committee – Upon adjournment of the Laws and
Rules Review Committee meeting
Condominium Review Committee – Upon adjournment of the Education
Review Committee meeting
The Commission will also be holding a Specialists’ Office for the Day
while the meetings are in progress and also by appointment.
- 6. Special Issues – HAR Legislative Bill on Landlord Education requesting
\$30,000 of the Real Estate Education Fund – **Recommend** Commission
work with the Hawaii Association of REALTORS for an educational
program on “keeping illegal activity out of rental property”, to be made
available to licensees and landlords, and considered as a CE course.
HAR will discuss further and present an amended proposal, taking into
consideration the standing contract between HAR and the Commission
to sponsor at least one real estate seminar per year. Format of
education program and budget will be decided at ERC meeting
scheduled for January 6, 2004.
- 7. Budget and Finance Report
 - a) Real Estate Education Fund Report as of September 30, 2003 –
Accept
 - b) Morgan Stanley Dean Witter – Based on lack of response to date
from Morgan Stanley Dean Witter regarding investment of REEF
funds it is **recommended** that if no response is received by
January 1, 2004, Staff is authorized to seek other proposals from
other investment companies and notifying Morgan Stanley Dean
Witter of withdrawal of any preliminary approval.

8. Next meeting: Tuesday, January 6, 2004
Upon adjournment of the Laws and Rules Review Committee Meeting,
which convenes at 9:30 a.m.
REALTORS Association of Maui
441 Ala Makani Place
Kahului, Maui, Hawaii

Condominium Review Committee

Upon a motion by Commissioner Imanaka, seconded by Commissioner Rice, it was voted on and unanimously carried to accept the amended report of the December 11, 2003 Condominium Review Committee meeting as follows:

1. Minutes of November 12, 2003 Meeting – **Accept**
2. Condominium Governance and Management -- Condominium Seminars and Symposium– CAI Hawaii 2004 Seminars -- **Recommend approval** to provide CMEF subsidy for the seminars as outlined and set forth in its letter of November 24, 2003 for those seminars scheduled for the 2004 fiscal year subject to the terms and conditions of the existing contract between CAI Hawaii and the REC.
3. CPR Registration, Developer's Public Reports -- November 2003 - **Recommend approval** to ratify issuance of effective dates of the developer's public reports and extensions issued for the month of November 2003.
4. Interactive Participation with Organizations – Report on CAI 30th Anniversary Conference & Expo, Washington D.C. – **Recommend** acknowledge receipt.
5. Neighbor Island Outreach and Condominium Specialist Office for the Day – The next neighbor island outreach and Condominium Specialist Office for the Day is scheduled for Tuesday, January 6, 2004, on the island of Maui. The meeting will be held in the REALTORS Association of Maui's Conference Room, located at 441 Ala Makani Place, Kahului, Maui.
The Committee meetings will be held as follows:
Laws and Rules Review Committee – 9:30 a.m.
Education Review Committee – Upon adjournment of the Laws and Rules Review Committee meeting, which convenes at 9:30 a.m.
Condominium Review Committee – Upon adjournment of the Education Review Committee meeting, which is upon the adjournment of the Laws and Rules Review Committee meeting, which convenes at 9:30 a.m.
6. Budget and Finance Report – **Recommend** acceptance of the pro forma Condominium Management Education Fund Report dated September 30, 2003.

7. Next Meeting: **Tuesday, January 6, 2004**
Upon adjournment of the Education Review Committee meeting which follows the Laws and Rules Review Committee meeting scheduled to convene at 9:30 a.m.
Conference Room
REALTORS Association of Maui
441 Ala Makani Place
Kahului, Maui

Legislative Report

No report was presented.

Licensing and Registration - Ratification:

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

Commissioner Kagawa arrived.

Minutes of Previous Meetings

Upon a motion by Commissioner Abrams, seconded by Commissioner Nishihara, it was voted on and unanimously carried to approve the minutes of the December 1, 2003 Real Estate Commission meeting as circulated.

Chapter 91, HRS, Adjudicatory Matters:

The Chair called for a recess from the meeting at 9:13 a.m., to discuss and deliberate on the following adjudicatory matters, pursuant to Chapter 91, HRS:

In the Matter of the Real estate Salesperson's License of Cesar B. Buted, REC 2001-277-L

Decision making on this matter was deferred to the January 30, 2004 Real Estate Commission meeting.

In the Matter of the Real Estate Broker's License of Lily L. H. Kong, dba Diamond International Real Estate; REC 2000-128-L

Mr. Grover and Ms. Kong were present to request that the sanctions against Ms. Kong be modified to eliminate the fine and course in lieu of the suspension of her license.

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

Following the Commission's review, deliberation and decisions in these matters, pursuant to Chapter 91, HRS, the Chair announced that the Commission was reconvening its scheduled Commission meeting at 9:16 a.m.

Recodification
Report and
Legislation:

The Recodification Attorney reported that the final report will be ready to be submitted to the Governor for forwarding to the Legislature in the next week to ten days.

Committee Reports:

Education Review Committee

Education Evaluation Task Force – Ms. Thompson requested an update of the EETF meeting that was held on Wednesday. Senior Specialist Fujimura reported that the ad hoc committee that was focusing on the broker curriculum went through the entire proposed revision. They will be meeting on January 22, 2004 in which people will be invited to submit their written comments. She also reported that four of the six handouts have been determined.

Mr. Sherley stated that he was glad that he could attend today's meeting and that as the President of the Hawaii Association of REALTORS, he was looking forward to a productive year and will be sitting in on the Commission's meetings.

Chapter 91, HRS,
Adjudicatory Matters:

The Chair called for a recess from the meeting at 9:18 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 License of Lily L. H. Kong, dba
Diamond International Real Estate; REC 2000-128-L**

Upon a motion by Commissioner Abrams, seconded by Commissioner Yamanaka, it was voted on and unanimously carried to deny the Respondent's request to replace the course requirement (paragraph six of the Settlement Agreement approved by the Commission on September 26, 2003) and the fine requirement (paragraph five of the Settlement Agreement) with a ninety-day suspension of Ms. Kong's real estate broker's license. Further, direct REB staff to request that RICO issue an affidavit for the revocation of the Respondent's license for failure to comply with the terms of the settlement agreement.

Following the Commission's review, deliberation and decisions in these matters, pursuant to Chapter 91, HRS, the Chair announced that the Commission was reconvening its scheduled Commission meeting at 9:22 a.m.

Recess:

The Chair recessed the meeting at 9:22 a.m.

Reconvene:

The Chair reconvened the meeting at 9:30 a.m.

Committee
Reports:

Condominium Review Committee

CRC Chair Imanaka thanked Mr. Kaneko for being present at today's meeting. Mr. Kaneko has been a condominium consultant to the Commission since the early 1970's.

Mr. Kaneko stated that he has been connected with the Commission for a long time. His first job after he finished college was with the real estate license commission here. He spent nine months on special assignments and that was 46 years ago. The Commission's office was located in the Armory between

Richards and Punchbowl Streets. The Real Estate Commission and the Boxing Commission were located there. Real estate expanded after Statehood was declared because nearly all of the high rises came up during that period.

Commissioner Imanaka noted that Mr. Kaneko has played a big part in helping in the development of Hawaii throughout that period. The Commission recognized Mr. Kaneko for his years of service and appreciates his outstanding contributions in real estate and presented him with a Certificate of Appreciation.

Mr. Kaneko stated that he was highly honored and appreciated the little part that he was able to contribute to real estate over the years.

Chair's Report: The Chair recognized Charles Aki, former Commission member from the island of Hawaii.

Next Meeting: Friday, January 30, 2004
9:00 a.m.
Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Adjournment: With no further business to discuss, the Chair adjourned the meeting at 9:35 a.m.

Reviewed and approved by:

/s/ Alan Taniguchi
Alan Taniguchi
Executive Officer

January 30, 2004
Date

[X] Approved as circulated.

[] Approved with corrections; see minutes of _____ meeting.

APPROVED APPLICATIONS FOR REAL ESTATE
REAL ESTATE COMMISSION MEETING ON DECEMBER 12, 2003

<u>Brokers – Limited Liability Companies and Partnerships</u>	<u>Effective Date</u>
Sachi Hawaii – Pacific Century Properties LLC Sachiyo S. Braden, PB	11/12/03
Upcountry Realty, LLC, Upcountry Realty Janet L. Anderson-Pung, PB	11/12/03
Maui Pacific Properties Debra J. Crooks, PB	11/28/03
<u>Brokers – Sole Proprietor</u>	<u>Effective Date</u>
Gary Turner, Gary Turner & Associates	01/01/04
Ed Marcus	11/05/03
Harvey L. Cohen	11/10/03
<u>Branch Office</u>	<u>Effective Date</u>
All Islands Inc., Century 21 All Islands James W. Wright, PB	11/05/03
<u>Equivalency to Uniform Section of Examination Certificate</u>	<u>Expiration Date</u>
Benton D. Skuda	11/18/05
Kevin A. Crummy	11/18/05
Steve Claus	11/18/05
Linda D. Lesley	11/18/05
Katherine Anne Kirby/Runyon	11/28/05
Cheun-Yin Yu Osborne	12/02/05
Barbara F. Roark	12/04/05
<u>Educational Equivalency Certificate</u>	<u>Expiration Date</u>
Benton D. Skuda	11/18/05
Kevin A. Crummy	11/18/05
Steve Claus	11/18/05
Gabrielle Claus	11/18/05
John Patrick Mitchell, II	11/18/05
Linda D. Lesley	11/18/05
Cheun-Yin Yu Osborne	12/02/05
Barbara F. Roark	12/04/05
<u>Real Estate Broker Experience Certificate</u>	<u>Expiration Date</u>
Kevin A. Crummy	11/18/05
Steve Claus	11/18/05
Gabrielle Claus	11/18/05
Katsumi Ashman	11/18/05
Kevin M. Hart	11/18/05
Susan B. Osborne	11/19/05
Teri J. Quon	11/19/05
Mary Anne Stanton	12/01/05
Eileen F. Lacerte	12/02/05
Barbara F. Roark	12/04/05

Real Estate Commission
Minutes of the December 12, 2003 Meeting
Page 10

Real Estate Broker (upgrade)

	<u>Effective Date</u>
Nolie Mercado	11/14/03
Ron Staton	11/14/03
Gary Turner	01/01/04
Elizabeth G. Garcia	11/19/03
Ana Tempo	11/20/03
Bertram J. Sugimoto	11/21/03
John M. Andersen	11/28/03
William W. W. Loo	11/28/03

Restoration – Real Estate Salesperson

	<u>Effective Date</u>
Devin W. McEvers	11/04/03
Philip K. Uehisa	11/10/03
Clint R. Miller	11/19/03
Karen Miller	11/19/03
Dan M. Parkovich	11/19/03
Marc E. Duncan	11/28/03