

REAL ESTATE COMMISSION
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii
www.hawaii.gov/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, February 27, 2004

Time: 9:00 a.m.

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

Present: Mitchell Imanaka, Vice Chair (Late Arrival)
Iris Okawa, Member (Chair Pro Tem)
Louis Abrams, Member
Marshall Chinen, Member
Kathleen Kagawa, Ph.D., Member
Trudy Nishihara, 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

Nicki Ann Thompson, Hawaii Association of REALTORS
Wesley K. Sides
Stephen J. Arnett

Excused: John Ohama, Chair
Peter Rice, Member
Vern Yamanaka, Member

Call to Order: Chair Pro Tem Okawa called the meeting to order at 9:02 a.m., at which time quorum was established.

Chair's Report: Chair Pro Tem Okawa announced that the REC Chair and Vice Chair, along with REB staff were at the Legislature this morning attending a hearing and they will join the meeting after the hearing.

Executive Officer's
Report:

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

Additional Distribution

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

4. Committee Reports
 - b. Education Review Committee
 - 3) REC Core Course
 - d. Legislative Report
 - 2) Legislative Report No. 4
6. Applications
 - c, Stephen J. Arnett

Minutes of Previous Meeting

Upon a motion by Commissioner Abrams, seconded by Commissioner Kagawa, it was voted on and unanimously carried to accept the minutes of the January 30, 2004 Real Estate Commission meeting as circulated.

Committee Reports:

Laws and Rules Review Committee

Upon a motion by Commissioner Abrams, seconded by Commissioner Kagawa, it was voted on and unanimously carried to accept the report of the February 11, 2004 Laws and Rules Review Committee meeting as follows:

1. Minutes of January 6, 2004 – **Accept**
2. ARELLO, Other Organizations and Jurisdictions
 - a. ARELLO Midyear and Western District Meetings – **Recommend approval** to send one Commissioner and one staff member to the ARELLO Midyear Meeting and the District IV (fka Western District) Meeting, to be held in Omaha, Nebraska, on April 22 to 24, 2004, subject to the Governor's fiscal policy and budgetary approval.
 - b. National Association of REALTORS 2004 Legislative Meeting and Expo – **Recommend approval** to send one Commissioner to the National Association of REALTORS' 2004 Legislative Meeting and Expo, to be held in Washington, DC on May 10 to 15, 2004, subject to the Governor's fiscal policy and budgetary approval.
3. Budget and Finance Report – December 31, 2003 – **Recommend acceptance** of the Real Estate Recovery Fund Report, dated December 31, 2003.
4. Next Meeting: Wednesday, March 10, 2004
9:00 a.m.
Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Education Review Committee

Upon a motion by Commissioner Nishihara, seconded by Commissioner Abrams, it was voted on and unanimously carried to accept the report of the February 11, 2004 Education Review Committee meeting as follows:

1. Minutes of January 6, 2004 – **Accept**
2. Continuing Education Administration, Curriculum, Courses, Providers and Instructors
 - a. 2003-2004 Continuing Education Providers and Courses Ratification List – **Recommend approval** of the following registrations/certifications:

<u>Provider</u>	<u>Effective Date</u>
Century 21 Real Estate School (Administrator: Ralph S. Foulger)	01/09/04
Kapiolani Community College (Administrator: Edward V. Valdez)	01/30/04
 - b. Course – "Residential Property Management," Author/Owner: Ralph S. Foulger; Provider: Century 21 Real Estate School; Course Category: Property Management; Clock Hours: 3 – **Recommend approval**
 - c. Course – "Disclosures in Residential Real Estate," Author/Owner: Ralph S. Foulger; Provider: Century 21 Real Estate School; Course Category: Real Estate Law; Clock Hours: 3 – **Recommend approval**
 - d. Course – "Fundamentals of Commercial Real Estate," Author/Owner: Eugene Trowbridge, Esq./Data Connection, Inc.; Provider: Hawaii CCIM Chapter; Course Categories: Investment and Property Ownership and Development; Clock Hours: 6 – **Recommend approval**
 - e. Core Course – "Agency, Ethics, ADA & Fair Housing Law Update," Author/Owner: Eugene Trowbridge, Esq./Data Connection, Inc.; Provider: Hawaii CCIM Chapter; Course Categories: Ethics, Fair Housing, Agency and Disclosure; Clock Hours: 4 – **Recommend approval**
3. Continuing Education Core Course – ProSchools, Inc. – **Recommend approval** of core course materials subject to review by Commissioner Nishihara and based on final comments received from the Education Evaluation Task Force ad hoc committee for the core course no later than February 20, 2004.
4. Prelicensing Education Administration, Curriculum, Schools, Instructors, and Equivalency – Applications – School – Dower School of Real Estate Windward; Principal – David L. S. Catanzaro; Salesperson and Broker curricula – **Recommend approval**
5. Budget and Finance Report – Real Estate Education Fund Report – December 31, 2003 – **Accept**
6. Next meeting: Wednesday, March 10, 2004
Upon adjournment of the Laws and Rules Review Committee meeting, which convenes at 9:00 a.m.
King Kalakaua Building
Queen Liliuokalani Conference Room

335 Merchant Street, First Floor
Honolulu, Hawaii

Continuing Education Administration, Curriculum, Courses, Providers, and
Instructors – Applications

1. Provider – Dower School of Real Estate Windward, Administrator – David L. S. Catanzaro

After a review of the information submitted by the applicant, Commissioner Abrams moved to approve the real estate provider application of Dower School of Real Estate Windward, Administrator – David L. S. Catanzaro. Commissioner Kagawa seconded the motion. The motion was voted on and unanimously carried.

2. Course – “Property Management and Managing Risk,” Author/Owner: Dearborn Real Estate Education; Provider: Dower School of Real Estate Windward (upon approval), Course Category: Property Management, Course Clock Hours: 3

After a review of the information submitted by the applicant, Commissioner Nishihara moved to approve the course, “Property Management and Managing Risk,” Author/Owner: Dearborn Real Estate Education; Provider: Dower School of Real Estate Windward (upon approval), Course Category: Property Management, Course Clock Hours: 3. Commissioner Chinen seconded the motion. The motion was voted on and unanimously carried.

3. Course – “Ethics and Real Estate,” Author/Owner: Dearborn Real Estate Education; Provider: Dower School of Real Estate Windward; Course Category: Ethics; Course Clock Hours: 3

After a review of the information submitted by the applicant, Commissioner Nishihara moved to approve the course, “Ethics and Real Estate,” Author/Owner: Dearborn Real Estate Education; Provider: Dower School of Real Estate Windward; Course Category: Ethics; Course Clock Hours: 3. Commissioner Kagawa seconded the motion. The motion was voted on and unanimously carried.

4. Course – “Fair Housing,” Author/Owner: Dearborn Real Estate Education; Provider: Dower School of Real Estate Windward; Course Category: Fair Housing, Course Clock Hours: 3

After a review of the information submitted by the applicant, Commissioner Kagawa moved to approve the course, “Fair Housing,” Author/Owner: Dearborn Real Estate Education; Provider: Dower School of Real Estate Windward; Course Category: Fair Housing, Course Clock Hours: 3. Commissioner Chinen seconded the motion. The motion was voted on and unanimously carried.

5. Course – “Understanding 1031 Tax Free Exchanges,” Author/Owner: Dearborn Real Estate Education; Provider: Dower School of Real Estate

Windward; Course Categories: Investment, Real Estate Laws, Finance;
Course Clock Hours: 3

After a review of the information submitted by the applicant, Commissioner Nishihara moved to approve the course, "Understanding 1031 Tax Free Exchanges," Author/Owner: Dearborn Real Estate Education; Provider: Dower School of Real Estate Windward; Course Categories: Investment, Real Estate Laws, Finance; Course Clock Hours: 3. Commissioner Kagawa seconded the motion. The motion was voted on and unanimously carried.

6. Course – "Red Flags Property Inspection Guide," Author/Owner: Dearborn Real Estate Education; Provider: Dower School of Real Estate Windward; Course Category: Risk Management; Course Clock Hours: 3

After a review of the information submitted by the applicant, Commissioner Nishihara moved to approve the course, "Red Flags Property Inspection Guide," Author/Owner: Dearborn Real Estate Education; Provider: Dower School of Real Estate Windward; Course Category: Risk Management; Course Clock Hours: 3. Commissioner Kagawa seconded the motion. The motion was voted on and unanimously carried.

REC Core Course

Commissioner Nishihara reported that the final REC core course was submitted based on the comments made at the last meeting.

Upon a motion by Commissioner Nishihara, seconded by Commissioner Kagawa, it was voted on and unanimously carried to accept the final REC core course as written.

Chair Pro Tem Okawa thanked Commissioner Nishihara and the EETF for efficiently undertaking the task. She also noted that ProSchools completed the task in a professional manner.

Commissioner Nishihara also reported that the Instructors' Development Workshop, "Training the Trainer," will be held on March 15 and 16, 2004. The CE core course will be available in April.

Ms. Thompson offered her assistance in informing instructors of the "Training the Trainer" workshops. REB staff will work with the Hawaii Association of REALTORS in publicizing this event.

Chair Pro Tem Okawa thanked Ms. Thompson for offering their assistance.

Broker Curriculum

This matter was deferred to the March 25, 2004 Real Estate Commission meeting.

Promissor – National Job Task Analysis

Promissor had requested two representatives from Hawaii to assist them in their National Job Task Analysis project. Commissioners Ohama and Yamanaka will be representing Hawaii in this project. No date has been set as yet for this.

Condominium Review Committee

Upon a motion by Commissioner Abrams, seconded by Commissioner Kagawa, it was voted on and unanimously carried to accept the report of the February 11, 2004 Condominium Review Committee meeting as follows:

1. Minutes of January 6, 2004 Meeting – **Accept**
2. Condominium Governance and Management – AOA Registrations – 2003-2005 Biennium Registration – **Recommend approval** to ratify effective dates for the AOA 2003-2005 biennium registrations received through January 31, 2004.
3. CPR Registration, Developer's Public Reports – **Recommend approval** to ratify issuance of effective dates of the developer's public reports and extensions issued for the month of January 2004.
4. Budget and Finance Report – **Recommend approval** to accept the pro forma Condominium Management Education Fund report as of December 31, 2003 (Estimated) dated 2/2/04,
5. Next Meeting: Wednesday, March 10, 2004
Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, Room 333
Honolulu, Hawaii

CAI's 53rd Annual Conference and Exposition

Upon a motion by Commissioner Abrams, seconded by Commissioner Nishihara, it was voted on and unanimously carried to approve sending a delegation of three Commissioners/staff to CAI's 53rd Annual Conference and Exposition, to be held in San Diego, California, on May 20 to 22, 2004, subject to the Governor's fiscal policy and budgetary approval.

Legislative Report

Hawaii Association of REALTORS

A copy of the letter, dated February 5, 2004 from Governor Lingle to Mary Begier, Legislative Committee of the Hawaii Association of REALTORS, and also a copy of the letter, dated January 30, 2004, regarding House Bill No. 2417 and Senate Bill No. 2892 were distributed to the Commissioners for their information.

The Commission thanked Ms. Begier and the Hawaii Association of REALTORS for their strong support for the bill and also for their strong recommendations.

Legislative Report

A copy of Legislative Report No. 4 was emailed to the Commissioners for their information. The EO reported on the status of the bills affecting the Commission.

Licensing and Registration – Ratification:

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

Recess:

Chair Pro Tem Okawa recessed the meeting at 9:18 a.m.

Vice Chair Imanaka arrived.

Reconvene:

Vice Chair Imanaka reconvened the meeting at 9:24 a.m.

Licensing – Applications:

Wesley K. Sides

Wesley K. Sides was present to answer any questions relating to his application for a real estate salesperson's license. Mr. Sides was asked if he wished to have his application considered in executive session. He declined the offer.

Mr. Sides stated that he had typed up a letter explaining the circumstances and that he was present today to answer any questions. Mr. Sides stated that he is aware of the need to have financial integrity. He does not feel that the situation with the IRS means that he does not have financial integrity. The outstanding debt is from back taxes that he has been trying to settle since 1999. Mr. Sides stated that he had filed an appeal in 1999 and has not heard anything since then. He wanted to continue to make a living doing what he has been doing for all of his adult life. He wanted to continue in real estate in Hawaii.

Mr. Sides stated that prior to moving to Hawaii, he had hired a lawyer who had a power of attorney to represent him and work out something as soon as possible. He was not aware that this would affect his license application. Mr. Sides stated that he has been licensed since 1979 and he has never had any lawsuits or any complaints filed against him. He has always maintained his financial integrity. Mr. Sides said that he still receives calls from his former clients and has maintained a good relationship with them.

Commissioner Okawa asked Mr. Sides if his Pennsylvania license was in good standing. Mr. Sides answered that it was. He was also asked if his attorney had made any progress since September 2003. Mr. Sides reported that they had made little to no progress. They have not heard from the IRS since that date.

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

Stephen J. Arnett

Stephen J. Arnett was present to answer any questions that the Commission may have regarding his request for a real estate broker's experience certificate. Mr. Arnett was asked if he wished to have his application considered in executive session. He declined the offer.

Mr. Arnett thanked the Commissioners for allowing him to be heard. He also thanked Senior Specialist Fujimura and Specialist Kimura for always being so pleasant.

Mr. Arnett stated that he grew up in Indiana and was a college professor for nine years. He also managed a rock and roll band. He had a California real estate license. Since 1985 he has been on his own as a CPA.

Mr. Arnett stated that his January 12, 2004 letter contains information that he would like the Commission to know about him. Mr. Arnett stated that he would like to obtain his real estate broker's license. He obtained his real estate salesperson's license primarily because he was involved in a new development in Kona called Kukio. Mr. Arnett stated that the real estate salesperson is at the mercy of the real estate broker and he would rather that not happen. Since he is an accountant, he would like to keep track of his own records. He wants to control his own destiny.

Mr. Arnett mentioned that he had asked people to write letters of recommendation on his behalf. He had asked Judge Ibara to send information to the Commission. Mr. Arnett stated that he thinks that he has enough experience to become a real estate broker. He is overwhelmed by some of the comments that were made in the letters of recommendation that he submitted.

Mr. Arnett promised to work hard as a real estate broker. He also stated that he would be an asset to the profession and would also bring integrity and credibility

Executive
Session:

Upon a motion by Commissioner Abrams, seconded by Commissioner Kagawa, 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 Okawa, seconded by Commissioner Abrams, it was voted on and unanimously carried to move out of executive session.

Licensing -
Applications:

Wesley K. Sides

After a review of the information presented by the applicant, Commissioner Abrams moved to deny the real estate salesperson's license application of Wesley K. Sides unless within 60 days he submits written proof of payment, a written payment plan, or written proof of discharge. Commissioner Chinen seconded the motion. The motion was voted on and unanimously carried.

Ryan P. Williams

After a review of the information submitted by the applicant, Commissioner Abrams moved to approve the real estate salesperson's license application of Ryan P. Williams. Commissioner Okawa seconded the motion. The motion was voted on and unanimously carried.

Stephen J. Arnett

After a review of the information presented by the applicant, Commissioner Okawa moved to deny Stephen J. Arnett's request for a real estate broker's experience certificate, pursuant to §467-9.5(2)(B), HRS. Commissioner Nishihara seconded the motion. The motion was voted on and unanimously carried.

Chapter 91, HRS,
Adjudicatory Matters:

No report.

Recodification Report
and Legislation

Both the REC Chair and Vice Chair were at the hearing this morning for decision making on Senate Bill No. 2210. There were no objections to the bill and it will cross over to the House next. No companion bill will be heard in the Senate.

Commissioners Okawa, Yamanaka and Abrams were thanked for their efforts in support of this bill.

Commissioner Okawa thanked the REC Chair and Vice Chair, Recodification Attorney Arakaki and staff for their hard work.

Commissioner Abrams asked how the Commission could show its support for the reappointment of Commissioner Rice.

Upon a motion by Commissioner Okawa, seconded by Commissioner Abrams, it was voted on and unanimously carried to approve supporting the recommendation to support the reappointment of Commissioner Rice as it is important that the Commission continue to have Commissioner Rice's experience. Commissioner Rice is involved in issues that are important to the Commission, the industry and to the consumer.

Next Meeting:

Thursday, March 25, 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 9:50 a.m.

Reviewed and approved by:

/s/ Alan Taniguchi
Alan Taniguchi
Executive Officer

March 25, 2004
Date

[X] Approved as circulated.

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

APPROVED APPLICATIONS FOR REAL ESTATE
REAL ESTATE COMMISSION MEETING ON FEBRUARY 27, 2004

<u>Brokers – Corporations and Partnerships</u>	<u>Effective Date</u>
Hawaii Premier Connection, Inc., Hawaii Premier Properties George Matsuo, PB	01/09/04
Maui Property Management & Sales, Inc. K. David Josephson, PB	02/03/04
Global International Real Estate, Inc. Penelope Ann Levy, PB	01/20/04
<u>Brokers – Limited Liability Companies and Partnerships</u>	<u>Effective Date</u>
Sunbelt Business Brokers of Hawaii, L.L.C. Gary A. Solondz, PB	01/21/04
Gail Lee Properties LLC Gail Lee, PB	01/21/04
Trask Commercial Realty, LLC Lee H. Taylor, PB	01/20/04
Shidler Hawaii Investment Partners, LLC Angela Hodge, PB	02/03/04
MauiParadise.com LLC Kathy Flowers, PB	02/12/04
MC Realty Advisors, LLC Molly Mosher-Cates, PB	02/13/04
S&S Management Consultants, LLC Bertram J. Sugimoto, PB	02/17/04
<u>Brokers – Sole Proprietor</u>	<u>Effective Date</u>
Yoshimitsu Uehara, First Honolulu Realty John D. Battle	01/09/04 01/12/04
Gary D. Lincoln	01/20/04
William A. Ranney	01/21/04
<u>Limited Liability Companies and Partnerships Name</u>	<u>Effective Date</u>
Hawaii Properties, USA LLC (fka Dollar Properties LLC)	01/26/04
<u>Branch Office</u>	<u>Effective Date</u>
Equity One Real Estate, Inc. Leil Koch, PB	01/09/04

<u>Trade Name</u>	<u>Effective Date</u>
Stanley M. Yoshioka, 1 st "Buyers Only" Realty, Co.	01/12/04
Roy M. Kodani, Kodani Properties	01/27/04
Francis Goffredo, One Kalakaua Realty	01/29/04

<u>Equivalency to Uniform Section of Examination Certificate</u>	<u>Expiration Date</u>
Lisa J. Ninow	01/22/06
Lillian Shaw	01/22/06
Richard R. Bourland	01/27/06
John Patrick Ivey	01/27/06
D. Jon Anderson	01/27/06
Lynn Tarris Atkins	01/28/06
Samantha Kurz	02/02/06
Gregory A. Fowler	02/04/06
Hilary Keakalina Scott	02/04/06
Angela J. Johnson	02/04/06
Robert Lee Good	02/04/06
Marsha Bryan	02/10/06
Lee Davis Armitage	02/10/06
Jose G. Henao	02/10/06
Janet Marie Tauscher	02/12/06

<u>Educational Equivalency Certificate</u>	<u>Expiration Date</u>
Lisa J. Ninow	01/22/06
Lillian Shaw	01/22/06
Sally Kim	01/22/06
Richard R. Bourland	01/27/06
John Patrick Ivey	01/27/06
D. Jon Anderson	01/27/06
Lynn Tarris Atkins	01/28/06
Tomohiko Kato	01/28/06
Noa Stewart Lidstone	01/28/06
Margaret Sheehan	01/28/06
Samantha Kurz	02/02/06
Gregory A. Fowler	02/04/06
Hilary Keakalina Scott	02/04/06
Angela J. Johnson	02/04/06
Robert Lee Good	02/04/06
Patrick D. Munro	02/04/06
Richard A. Schilhavy	02/04/06
Mary E. Schilhavy	02/04/06
Tracey A. Novy	02/04/06
Kristi Lei Nishimura	02/04/06

Educational Equivalency Certificate

	<u>Expiration Date</u>
Marsha Bryan	02/10/06
Lee Davis Armitage	02/10/06
Jose G. Henao	02/10/06
Stephanie Janelle Luzak	02/12/06
Jenifer Ann Martin	02/13/06

Real Estate Broker Experience Certificate

	<u>Expiration Date</u>
Lisa J. Ninow	01/22/06
LuShanya W. Balberdi	01/23/06
Donna V. Holevoet	01/23/06
Joel K. Backman	01/28/06
Jeffery B. Griffin	01/28/06
Gregory A. Fowler	02/04/06
Patricia L. Kiernan	02/04/06
Kristin C. Moreland	02/04/06
Rana L. Nuesca	02/04/06
Marsha Bryan	02/10/06
Lee Davis Armitage	02/10/06
Pamela J. Simpson	02/11/06
Vojtech A. Malasek	02/11/06

Real Estate Broker (upgrade)

	<u>Effective Date</u>
Van H. Waki	01/09/04
Linda Cherry	01/12/04
John D. Battle	01/12/04
Richard "Noosh" Nishihara	01/13/04
Malia L. Jackson	01/13/04
Merryanne Stone	01/14/04
Kumiko Burns	01/14/04
Ronald Y. K. Lee	01/14/04
Andy Brous	01/15/04
Michael A. Sylva	01/15/04
Gary A. Solondz	01/22/04
H. Roy Esmailzadeh	01/20/04
Roan Browne	01/22/04
Junko Weeks	01/23/04
Betsy Jacobsen	01/23/04
Gary D. Lincoln	01/20/04
William A. Ranney	01/21/04
Carl J. Higgins	01/28/04
Phyllis Campbell	01/28/04
Michael P. Healey	01/28/04

Real Estate Broker (upgrade)

Vincent T. C. Tai
Virginia L. Patterson

Effective Date

01/28/04
01/28/04

Restoration – Real Estate Salesperson

Monalisa Sabo

Effective Date

01/29/04