

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: Friday, June 29, 2001

Time: 9:00 a.m.

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

Present: John Ohama, Chair
Michael Ching, Vice Chair
Charles Aki, Member
Patricia Choi, Member
Alfredo Evangelista, Member
Mitchell Imanaka, Member

Calvin Kimura, Supervising Executive Officer
Alan Taniguchi, Executive Officer
Iris Ikeda Catalani, Senior Real Estate Specialist
Lorene Arata, Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
Gina Watumull, Condominium Specialist
Cheryl Leong, Condominium Specialist
Shari Wong, Deputy Attorney General
Irene Kotaka, Secretary

Emily T. Gail
Ralph Foulger
Jay Spadinger

Excused: Iris Okawa, Member
Peter Rice, Member

Absent: Casey Choi, Member

Call to Order: The Chair called the meeting to order at 9:07 a.m., at which time quorum was established.

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

Additional Distribution

The following materials were distributed to the Commissioners prior to the start of the meeting:

4. Committee Reports
 - e. Legislative Report No. 9
 - ◆ Act 224 – HB No. 79, HD1, SD1
 - ◆ Act 232 – HB No. 1231, HD1, SD1
 - ◆ Act 237 – SB No. 178, SD2, HD1, CD1
 - ◆ Act 245 – SB No. 1061, SD1, HD1, CD1

Minutes of Previous Meetings

Upon a motion by Commissioner Aki, seconded by Commissioner Evangelista, it was voted on and unanimously carried to approve the minutes of the May 23, 2001 Real Estate Commission meeting as circulated.

Chair's Report:

No Chair's report was presented.

Committee Reports:

Laws and Rules Review Committee

Upon a motion by Commissioner Evangelista, seconded by Commissioner Aki, it was voted on and unanimously carried to accept the amended report of the June 14, 2001 Laws and Rules Review Committee meeting as follows:

1. Minutes of Previous Meetings – **Accept** the minutes of the May 11, 2001 meeting.
2. Program of Work, FY01
 - a. Rulemaking, Chapter 99, HAR, Real Estate Brokers and Salespersons, and SWAT – Clarification Issues – **Recommend** acceptance of the following:
Real estate salespersons and broker license candidates:
 - 1) The date of issuance of the school completion certificate is deemed to be the class completion date.
 - 2) A candidate must pass both sections of the exam within two years of the first examination date, subject to the candidate, on the date of the last examination date, having an unexpired School Completion Certificate or Prelicense Education Equivalency Certificate, and also an unexpired Experience Certificate if a broker.
 - 3) The last examination date is the date of passage of the last section of the examination.
 - 4) A salesperson licensee who issued a license during an even-numbered year shall be deemed to have completed equivalent to the ten hours of continuing education and will be renewed on active status.
 - 5) Real estate broker candidates who passed the exam prior to the expiration of their salesperson's license and whose required application submission date (within two years of

the last examination date) is on an even-numbered year, may submit a license application during the renewal period and may request that the salesperson's license not be renewed and the broker license be effective January 1 of the odd-numbered year. However, these candidates must complete the CE requirements in order to receive an active real estate broker's license.

Restoration of license candidates:

- 1) The expiration date of the special education equivalency certificate, and if a broker candidate, a special experience certificate is December 31 of the even-numbered year of the current biennium based on the renewal fee quotation, which is determined on a biennial basis.
 - 2) Defer discussion to the July 11, 2001 Laws and Rules Review Committee meeting on the following:
 - a) Whether or not the restoration candidate would need to pass both sections of the examination within the two year period after the first examination date; and
 - b) The deadline to submit evidence of passing the real estate licensing examination as a condition of restoration.
 - 3) All restoration candidates whose licenses are restored in an even-numbered year are required to complete the ten hours of continuing education in order to be renewed to an active status.
- b. Neighbor Island Outreach – Hawaii Island, monthly committee meetings to be held on Monday, August 6, 2001, at the Outrigger Waikoloa Resort as follows:
- | | |
|-----------|---------------------------------|
| 1:00 p.m. | Laws and Rules Review Committee |
| 1:30 p.m. | Education Review Committee |
| 2:30 p.m. | Condominium Review Committee |
3. Next Meeting: Wednesday, July 11, 2001
Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii

Education Review Committee

Upon a motion by Commissioner Aki, seconded by Commissioner P. Choi, it was voted on and unanimously carried to accept the amended report of the June 14, 2001 Education Review Committee meeting as follows:

1. Minutes of May 11, 2001 – **Accept.**

2. Continuing Education Administration, Curriculum, Courses, Providers, and Instructors – Applications – Elective Course – "What Numbers Really Count? Real Estate Investment and Development Analysis"; Author/Owner: CCIM – Hawaii Chapter; Provider: Hawaii CCIM Chapter; Instructor: Neil Osborne; Course Category: Investments; Credit Hours: 3 – **Recommend approval.**
3. Prelicensing Education Administration, Curriculum, Schools, Instructors, and Equivalency
 - a. Administrative Issues – Policy for Independent Review Study Courses – **Recommend adoption** of the following policy/standards for the approval of prelicense independent study courses:
Course Certification:
 1. Protection of the general public in real estate transactions:
 2. Enables the licensee to serve the objectives of the consumer in a real estate transaction; or
 3. Enables the licensee to maintain, develop and improve the licensee's competency and professionalism in a changing market place.
AND
 1. The course addresses issues and concepts relating to prohibited acts by a licensee; or
 2. The manner the course covers issues, knowledge and concepts relating to real estate professional development.Course Materials:
 1. Applicant must attach the course curriculum which details the sequence of topics, time spent on each topic, course objectives of each topic, learning outcomes, and any reading assignments or materials to be covered in each topic.
 2. An outline of the materials to be covered including notes, directives to instructors and all materials to be used as handouts (if applicable).
 3. A statement of what the student should be able to do at the end of the course.In addition, the independent study course provider must comply with the following requirements:
 1. Be available to answer students' questions or provide students with assistance;
 2. Provide reasonable oversight of students' work in order to insure that the student who completes the work is the student who is enrolled in the course;
 3. Obtain from each student a certification that the student completed the course; and
 4. Certify students as successfully completing an independent study course.

- b. Applications
 - 1) Instructor – Catherine Gaudin (Salesperson and Broker Curriculums; Substitute Instructor: Salesperson and Broker Curriculums) – **Recommend denial.**
 - 2) School – Ralph Foulger School of Real Estate (Principal: Ralph Foulger; Salesperson and Broker Curriculum) – **Defer** decision making to the June 29, 2001 Real Estate Commission meeting.
- c. Prelicensing Education Equivalency Application Form – **Recommend approval** to revise the *Application for Educational Equivalency – Real Estate* by removing the *Hawaii Real Estate Commission Approved Out-of-State Educational Equivalency List*. Thus, Staff will be able to approve an applicant if the applicant has an unencumbered active and current out-of-state license within one year immediately prior to the application submission, with verification by the out-of-state licensing agency.
- 4. Administration of Examinations – ASI – **Defer** decision making on ASI's RecruitSmart Program to the July 11, 2001 Education Review Committee Meeting.
- 5. Program of Work, FY01 – Neighbor Island Outreach – Hawaii Island, monthly committee meetings to be held on Monday, August 6, 2001 at the Outrigger Waikoloa at 1:00 p.m. LRRC, 1:30 p.m. ERC, 2:30 p.m. CRC.
- 6. Next Meeting: Wednesday, July 11, 2001
10:00 a.m.
Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, HI

Condominium Review Committee

Upon a motion by Commissioner Imanaka, seconded by Commissioner P. Choi, it was voted on and unanimously carried to accept the report of the June 14, 2001 Condominium Review Committee meeting as follows:

- 1. Minutes of May 11, 2001 - **Accept.**
- 2. Condominium Governance and Management
 - a. AOAO Registrations, May 2001 – **Recommend approval** to ratify effective dates for AOAO registrations received for the next biennium 2001-2003 through May 31, 2001, effective July 1, 2001.
 - b. Condominium Seminars – CAI Hawaii Second Amended Proposal to the REC -- Pursuant to the automatic renewal for successive one year term provisions of the existing contract, **recommend approval** to automatically

renew the contract with CAI Hawaii for another year for the period beginning July 1, 2001 to and including June 30, 2002, and to amend attachment 3 of the contract "Compensation and Payment Schedule" consistent with the terms as set forth in CAI Hawaii's "Second Amended Proposal to the REC" dated May 29, 2001 **subject** to the following changes:

- 4.a. Instead of two complimentary registrations; there shall be 4 partial complimentary registrations for monitoring purposes
 5. Instead of "If there are profits ... CAI will consider either lowering the registration fees for future seminars"; CAI will either lower the registration fees for future seminars....
 6. Addition of a new provision - REC will provide CAI a list, in mailing label format, of registered associations. At REC's request, CAI Hawaii shall mail all advertising, promotional, and registration materials to the registered associations on the list by bulk mail and REC shall reimburse CAI Hawaii for the postage cost of the bulk mail;
and **further subject** to the same terms and conditions of the existing contract.
- c. Condominium Symposium Proposals – **Recommend deferral** to the July CRC meeting.
 - d. §514A-83.5, and §514A-85, HRS – Request for non-binding informal interpretation – Darlene Levy, Condominium Council of Maui -- **Recommend approval to stand** on its March 30, 2001 issued informal non-binding interpretation that §514A-85(b) does not require all association records to be kept within the State, only those records specified in §514A-85(a) and §514A-85(b), HRS. **Further to recommend approval** that staff prepare a letter informing Ms. Levy of her options should she desire further consideration of the issue :
 - 1) Submission to mandatory arbitration, §514A-121(a), HRS;
 - 2) Filing a petition for declaratory ruling; and
 - 3) That the matter of association's records, its definition, availability, examination, location of storage, retrieval, and retention be investigated and studied as part of the recodification project.
3. CPR Registration, Developer's Public Reports – May 2001 – **Recommend approval** to ratify issuance of effective dates of the developer's public reports and extensions issued for the month of May 2001.
 4. Neighbor Island Outreach – Hawaii Island, monthly committee meetings to be held on Monday, August 6, 2001 at the Outrigger Waikoloa at 1:00 p.m. LRRC, 1:30 p.m. ERC, 2:30 p.m. CRC.

5. Next Meeting: **Wednesday, July 11, 2001**
Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii

Hawaii Association of REALTORS® Contract Renewal

Upon a motion by Commissioner Imanaka, seconded by Commissioner P. Choi, it was voted on and unanimously carried to approve the automatic renewal of the contract providing for the delivery of condominium seminars for another year for the period beginning July 1, 2001 to and including June 30, 2002, subject to the same terms and conditions of the existing contract, dated January 20, 2001, except that Attachment 2, Time of Performance, paragraph 6, be amended to read that the State reserves the right to withdraw its financial support from the seminars, should be there insufficient attendance.

SWAT

REB Staff has been asked to perform a time-cost analysis at the request of the Lieutenant Governor's Office on the SWAT-based initiatives which were passed this legislative session.

Legislative Report

The SEO reported on the Acts that were passed during the Legislative session and its impact on the Commission.

Licensing and Registration - Ratification:

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

Committee Reports:

Education Review Committee

School – Ralph Foulger School of Real Estate (Principal: Ralph Foulger; Salesperson and Broker Curriculum)

Ralph Foulger, Principal of the Ralph Foulger School of Real Estate, was present at the Commission meeting to discuss his application for a real estate school. Mr. Foulger was asked if he wished to have his application considered in executive session. He declined the offer.

Mr. Foulger was informed that REB staff had received a complaint from a student who thought that she was taking a class from Realty Executives. She was unable to get in touch with Realty Executives. She went to the Commission's website and did not see Realty Executives listed as an approved prelicensing school. An ad appeared in the West Hawaii Today paper on June 20, 2001, which announced a new real estate school. The ad was read to those present.

The Senior Real Estate Specialist ("SRES") stated that she had spoken with Wendy at Realty Executives, who stated that Ralph Foulger had left Century 21 and he had opened a new school and that is why they are offering the course. When asked what kind of information she provides to people requesting information about the prelicense course, she informs them of the course outline, requirements, takes money and distributes the text books. All of the checks are made payable to Realty Executives. Three students have paid in full. All the information that Wendy takes down verbally is later converted to the registration form.

The SRES stated that she had spoken with the owner of Realty Executives and had informed her that it appeared that they were operating as a real estate school. The owner then stated that they were not a real estate school.

The first class was scheduled to begin today. However, the time of the class has been moved to noon and it will not begin until after the Commission meeting. The SRES had spoken with Mr. Foulger and Mr. Foulger had informed her that he had not run the ad in the newspaper. Realty Executives had contacted him to teach the class. Mr. Foulger stated that he did not have any control over the ad. He had submitted the paperwork and had expected to get on the agenda at the last meeting. The class was scheduled with the thought in mind that it would be thirty days after the last meeting. He missed the deadline in scheduling the class.

The SRES stated that the course had been advertised prior to the Commission's approval and the student was under the impression that she was taking the class from Realty Executives. The manner in which the course was advertised and the information that was presented makes it appear that Realty Executives is acting like a real estate school without being properly registered by the Commission. The checks are being made payable to "Realty Executives."

REB Staff was asked to clarify the situation. Was the concern that the class was being offered prior to approval? Or was the concern that they were acting as a real estate school without being properly registered? Both are concerns.

Mr. Foulger stated that he did not place the ad.

Mr. Foulger was asked if he was expecting to teach at Realty Executives once his application was approved. Mr. Foulger answered in the affirmative.

Mr. Foulger stated that Realty Executives never stated that they were running the school. They stated that they were sponsoring the location for the presentation of the course. As he understands it, he could have advertised the course if he had used a disclaimer stating that it was subject to the Commission's approval. Realty Executives placed the ad. He did not. He never intended to deceive or defraud. There was a miscommunication or a misunderstanding. His school would be issuing

the certificates, assuming his school is approved. The bond covers his school. The checks were made payable to Realty Executives, but they were not cashed.

Mr. Foulger was asked if Realty Executives was advised to have the checks made payable to Realty Executives? Mr. Foulger stated that he does not recall. Wendy is the recruiter for Realty Executives. Mr. Foulger stated that she is an aggressive, type "A" personality, who makes decisions and shoots from the hip.

Mr. Foulger was asked if there was an agreement with Realty Executives when he consented to teach a class at that location. Mr. Foulger stated that he had a conversation with Realty Executives. He does not know if that information got transmitted to whomever was collecting the checks. He told them that he couldn't accept the checks because he was not approved as yet.

Mr. Foulger was asked to explain his relationship with Realty Executives. Mr. Foulger stated that Kimi Cook, the owner of Realty Executives, is an acquaintance and was a former student of his. He does not have a contract with them. Realty Executives is just strictly providing a location for them. They will have an opportunity to recruit from those who attend the class. This arrangement provides the firm with an opportunity to come in and answer questions and have the students ask the real estate company questions about a real estate career. The real estate company provides the refreshments. Mr. Foulger stated that he wanted to do that for Realty Executives while he was associated with Century 21, but Century 21 would not allow it. He has been trying to put together a class in Kona for over a year. He resigned from Century 21 and was able to make the class available to everyone.

The SRES stated that she had confirmed with Wendy that she was accepted checks and that twelve students had each paid a \$50 deposit.

The SRES also stated that a person had complained that she was never told that they were not a registered real estate school. This person may not be showing up for the class today.

Mr. Foulger stated that he has not seen the registration forms, so he does not know what is contained on the registration forms. Mr. Foulger stated that the brochures and registration policies were provided to Realty Executives, but he is not sure if they were given out to the students. He stated that the handouts that were given to the students had Ralph Foulger School of Real Estate on them.

Mr. Foulger was asked if he had provided Realty Executives with the registration forms. Mr. Foulger stated that at some point in time, he did. He does not believe that they are using it.

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

Licensing –
Questionable
Applications:

Emily T. Gail

Emily T. Gail was present at the meeting to answer questions on her application for a real estate broker's experience certificate. Ms. Gail was asked if she wished to have her application considered in executive session. She declined the offer.

Jay Spadinger was present on Ms. Gail's behalf. Mr. Spadinger was Ms. Gail's prelicensing instructor and has been her mentor for a few years.

In a letter to Ms. Gail, Barrie Parker, Ms. Gail's former principal broker, stated: "It is my thought the independent contractor status clearly runs against the grain of counting hours." Ms. Gail stated that she did not think that Mr. Parker remembered the number of hours that she had participated in real estate activities.

Ms. Gail submitted the following additional documents:

1. 1999 Civilian Community Enrichment Certificate from the Kona Board of REALTORS
2. Program, Kona Board of REALTORS, Realtor-Associate of the Year Nomination
3. Letter from Emily T. Gail, dated June 28, 2001
4. Letter from Emily Gail & Associates to John DeFries, dated June 8, 2001
5. June 8, 2001

Ms. Gail stated that she has been humbled by what she has had to learn. The amount of time spent was more than full time. Ms. Gail stated that she would like Mr. Spadinger to speak on her behalf.

Mr. Spadinger stated that when she was in prelicense class, he had the time to talk with Ms. Gail. He was aware of her prior to her taking the class. He had a good idea of the direction that Ms. Gail would be taking as she was different from the other agents. She was aware of what was involved. Ms. Gail's goal was to get as much information as she could when she could. She was not going to participate in any real estate transactions until she was well grounded. In the last 21 years, offices have changed. Twenty years ago, most of the activity occurred in the office. Now, because of the internet, other activities and the cost of leasing office space, the offices are downsizing. One of the largest companies in Kona wants their employees to work out of their own homes. Mr. Spadinger stated that in 1989, he was a treasurer and in 2000 he was a Director for the Kona Board of REALTORS. Ms. Gail was one of the very few non-members at the Board who would show up just to get information. She wants to get a good, solid base of information so that she can help her clients. She has been right on with what she intended to do three years ago. The onus is on the principal broker to certify that the agent is qualified to become a real estate broker. Some principal brokers are afraid to sign the certification statement. They are afraid that they may be held liable if they certify the experience statement and a problem arises.

Mr. Spadinger stated that he has some concerns relating to the downsizing of offices because real estate salespersons are then required to work more outside of the office. The principal broker does not know what the licensee is doing unless they are involved with their licensees on a daily basis. Of all of his candidates in the last 16 years of teaching, Ms. Gail is probably the most well grounded.

Ms. Gail stated that she was pleased with Mr. Spadinger's letter. She stated that the first time she went to Mr. Parker, he did not want to fill out the form. It was against his grain to fill out the experience statement.

Ms. Gail stated that in the first year that she was licensed, she compromised from her original intention to be well grounded before entering the real estate field. She learned that she had to learn the business first. She stated that she is in real estate for the long haul. Her first eight months in real estate were a real lesson for her. She learned that a foundation was important.

Ms. Gail was asked about her business, Emily Gail and Associates. She stated that everything she does is related to real estate. She is a writer and has a freelance radio program. The whole idea was to incorporate her experience into real estate. She stated that she had spent a lot of the last year focused on Hokuli'a. It was her case study when the property was sold to someone and things changed. As an agent, she knew nothing about selling her clients property in a real estate development. She is more aware of real estate development issues now.

Mr. Spadinger stated that Ms. Gail puts her education and helping her clients before earning a living. Her principal brokers may not be happy with this because they are looking for more income. Sometimes the principal brokers are upset when their agents are not making money.

Ms. Gail stated that she only has one closed transaction and she has dealt with dozens of clients. In her first year, she wanted to have ten transactions.

When asked if she had taken her continuing education courses, Ms. Gail responded that she had taken more courses than what was required. She stated that she wanted to sell lots in the Hokuli'a development, but it wasn't until she learned more about land use ordinances that she realized that she needed to learn more. She feels that she has a better idea of whether or not she wants to sell in Hokuli'a.

Ms. Gail stated that she still writes but is not compensated for work she does with Emily Gail & Associates. Ms. Gail was asked how many hours she committed to Emily Gail & Associates while she was with Asset Real Estate & Management, Inc. Ms. Gail stated that she committed very few hours to Emily Gail & Associates, maybe five hours per week. Ms. Gail stated that when her real estate broker's license is approved, she would apply for her license as Emily T. Gail & Associates. She would use her

marketing skills in real estate and she would incorporate her company into a real estate marketing company. Ms. Gail stated that when she initially joined Asset Real Estate & Management, Inc. she would generate calls to the office. However, the calls were not being evenly distributed to them so she parted. She has been with Emily Gail & Associates since 1990 to the present. She stated that from the time she received her real estate license, she has been happy. Her marketing skills were used in her real estate practice. Ms. Gail stated that her radio shows are also part of her real estate activity. She has a community affairs show in which she would include real estate related topics, such as time share. Previously, her radio shows would be about golf or other upcoming special events. She did radio shows without receiving compensation, but she now receives a stipend for it. The time that she spent on her radio show was included in her experience under Emily Gail & Associates.

Ms. Gail was informed that her activities under Emily Gail & Associates did not require a real estate license. Ms. Gail stated that it may not have required a real estate license, but the way in which she did it would have been done differently if she did not have a real estate license.

Ms. Gail was informed that the Commission could only recognize activities for which a real estate license is needed. Even though it might be the best activity, the Commission cannot recognize it unless a real estate license was required for that activity.

Ms. Gail stated that if she had promoted herself as a person who had a real estate license, it would have been inappropriate.

Ms. Gail stated that she had received the Civilian Award in 1999. A group of her peers had decided that she was doing enough things in the community to enrich the community.

Ms. Gail was asked if there was documentation or evidence of the number of hours that she worked while she was with Asset Real Estate & Management, Inc. Ms. Gail stated that she kept a calendar and she keeps every piece of paper from her clients. She could produce that if the Commission wanted her to do so.

Ms. Gail stated that there had been a dispute prior to her asking her former principal broker for her broker's experience statement. Ms. Gail stated that Mr. Parker had a single office and they had talked for years about her joining his company and bringing her contacts with her to the company. It was one of those things that went awry.

The \$26,085 commission was based on a sales transaction. Ms. Gail stated that when they would have meetings, it was under the assumption that she was involved in real estate. She directed golf tournaments. She did it as a real estate salesperson under Asset Real Estate & Management, Inc. In hind sight, she can see how others would view it as not being considered real estate activity.

Mr. Spadinger stated that according to NAR statistics, 85% of new licensees are out of the profession in three years. If Ms. Gail had been a traditional agent who sat by the phone, it would not have given her the foundation, knowledge or the experience needed in order to be a good real estate salesperson. If Ms. Gail had been sitting in the office 40 hours a week, it would not have been a problem to sign her broker's experience statement. Instead, Ms. Gail worked outside of the office. Asset Real Estate & Management, Inc. benefited from her efforts.

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

Recess:

The Chair recessed the meeting at 10:16 a.m.

Reconvene:

The Chair reconvened the meeting at 10:23 a.m.

Executive
Session:

Upon a motion by Commissioner Evangelista, seconded by Commissioner P. Choi, 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 Evangelista, seconded by Commissioner P. Choi, it was voted on and unanimously carried to move out of executive session.

Committee Reports:

Education Review Committee

School – Ralph Foulger School of Real Estate (Principal: Ralph Foulger; Salesperson and Broker Curriculum)

After a review of the information presented by the applicant, Commissioner Ching moved to approve the real estate school application of Ralph Foulger School of Real Estate (Principal: Ralph Foulger; Salesperson and Broker Curriculum).

However, the Commission has concerns about the way the applicant handled his application and Mr. Foulger's relationship with Realty Executives. The registration information and form should have stated the name of Ralph Foulger School of Real Estate, not Realty Executives. Proper disclosures should have been made to inform the public that the Ralph Foulger School of Real Estate was awaiting Commission approval. This matter will be referred to RICO for further investigation on possible violations. Mr. Foulger was also advised that even though he was unaware of Realty Executives' activities, as a real estate broker, he has responsibilities under the law. Mr. Foulger was also informed that even though there was no consumer harm, it did not mean that there were no violations of the law. Mr. Foulger was asked if he understood that. He stated that he did.

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

The Chair informed Mr. Foulger that he would like him to understand that this matter needs to be cleared up. It would be beneficial to Mr. Foulger that he point out to Realty Executives that what they were doing was not proper. They cannot collect checks and advertise as though they were a real estate school. Also, the advertisement should have stated that Ralph Foulger School of Real Estate was awaiting the Commission's approval.

Mr. Foulger was informed that Realty Executives and Ralph Foulger will be referred to RICO for further investigation.

Executive
Session:

Upon a motion by Commissioner Evangelista, seconded by Commissioner P. Choi, 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 Evangelista, seconded by Commissioner P. Choi, it was voted on and unanimously carried to move out of executive session.

Chapter 91, HRS,
Adjudicatory
Matters:

The Chair called for a recess from the meeting at 10:35 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 Edward A. Neizman and Kaiman Realty, Inc., REC 1999-89-L; REC 2000-4-L; REC 2000-7-L; REC 2000-36-L

Upon a motion by Commissioner Imanaka, seconded by Commissioner Aki, it was voted on and unanimously carried to accept the Settlement Agreement After Filing of Petition for Disciplinary Action and Commission's Final Order.

In the Matter of the Real Estate Broker's Licenses of Donald H. Matsumura and Matsumura & Associates, Inc.; REC-1999-88-L

Upon a motion by Commissioner Aki, seconded by Commissioner Imanaka, it was voted on and unanimously carried to accept the Settlement Agreement After Filing of Petition for Disciplinary Action and Commission's Final Order.

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 10:40 a.m.

Licensing -
Questionable
Applications:

Edison R. Iloreta

After a review of the information submitted by the applicant, Commissioner Aki moved to approve the real estate salesperson's license of Edison R. Iloreta. Commissioner P. Choi seconded the motion. The motion was voted on and unanimously carried.

Raymond J. Croteau

After a review of the information submitted by the applicant, Commissioner Aki moved to approve the real estate salesperson's license of Raymond J. Croteau. Commissioner Imanaka seconded the motion. The motion was voted on and unanimously carried.

Kamaileohualalai Mary Shoaf

After a review of the information submitted by the applicant, Commissioner Ching moved to most likely approve Kamaileohualalai Mary Shoaf's real estate salesperson's license application, subject to applicant submitting written proof of payment, written payment plan or written proof of discharge. Commissioner Imanaka seconded the motion. The motion was voted on and unanimously carried.

Emily T. Gail

After a review of the information presented by the applicant, Commissioner Evangelista moved to deny the real estate broker's experience certificate application of Emily T. Gail, based upon §467-9.5(2)(B)(iii), HRS. Commissioner Ching seconded the motion. The motion was voted on and unanimously carried.

Next Meeting:

Friday, July 27, 2001
9:00 a.m.
Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii

Adjournment:

With no further business to discuss, the Chair adjourned the meeting at 10:45 a.m.

Reviewed and approved by:

/s/ Calvin Kimura
Calvin Kimura
Supervising Executive Secretary

July 27, 2001
Date

[X] Approved as circulated.

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

APPROVED APPLICATIONS FOR REAL ESTATE
REAL ESTATE COMMISSION MEETING ON JUNE 29, 2001

<u>Brokers – Corporation and Partnership</u>	<u>Effective Date</u>
SVO Pacific, Inc. Daniel J. Cretton, PB	05/09/01
Brandt International, Inc., Kahala Realty Associates Myra Brandt, PB	05/09/01
Pegasus Realty, Inc. R. T. "Doc" Halliday	05/14/01
Anini Aloha Services, Inc. Gary R. Fischer, PB	05/15/01
Hawaii Vacation Rentals, Inc. Patricia Kathryn Freeman, PB	05/18/01
Clearly Maui, Inc. Alvin Y. Takahashi, PB	06/05/01
General Growth Management, Inc. Roxanne J. Murakami, PB	06/12/01
Nathalie Mullinix REALTY UNIVERSAL, Inc. Nathalie Mullinix, PB	06/06/01
Blue Hawaii Properties, Inc. Tito Castillo, PB	06/04/01

<u>Brokers – Limited Liability Companies and Partnerships</u>	<u>Effective Date</u>
Maui Beach Properties, LLC David W. Siefker, PB	05/18/01
Hawaiian Joy, LLC Seiji Fukayama, PB	05/25/01
CI Management LLC Janet Ann Cunha, PB	05/30/01
Kohala By The Sea Realty, LLC Barbara J. Lusardi, PB	06/07/01

<u>Branch Office</u>	<u>Effective Date</u>
Sofos Commercial Brokerage Corporation S. Steven Sofos, PB G. Warren Freeland, BIC	05/07/01

<u>Brokers - Sole Proprietor</u>	<u>Effective Date</u>
Peter P. Moix, Property House Realty	05/09/01
Chris K. Inouye, PHP Management	05/17/01
Ernest W. Johnston, Realistic Realty	05/10/01
Choon H. Jams, CJ Real Estate International	05/17/01
Patrick T. Kubota	04/30/01
Micheline P. Okazaki	05/01/01
Carol L. Hong	05/09/01
Jeffry R. Buchli, B.E.I Realty	06/12/01

<u>Equivalency to Uniform Section of Examination Certificate</u>	<u>Expiration Date</u>
Gary M. Cia	05/16/02
Noah C. Groothuis	05/21/03
JoAnn Jean King	05/29/03

Linda M. Daly	05/29/03
George Hoffberg	05/29/03
Anthony Charles Taranto	05/30/03
<u>Equivalency to Uniform Section of Examination Certificate</u>	<u>Expiration Date</u>
Sharon M. Bryant	06/06/03
Darcy G. Thiele	06/12/03
Roger D. Michael	06/19/03
Earle W. Clark	06/19/03

<u>Educational Equivalency Certificate</u>	<u>Expiration Date</u>
Sandra Lee Bailey Keefer	05/15/02
Gayle L. Troutwine	05/16/02
Steven H. W. Lau	05/21/03
Noah C. Groothuis	05/21/03
Darcy G. Thiele	05/23/03
Michael C. Castle	05/23/03
Russell L. Keefer	05/23/03
Thomas David Herndon	05/29/03
Kui Chanene J. Eli	05/29/03
JoAnn Jean King	05/29/03
Linda M. Daly	05/29/03
George Hoffberg	05/29/03
Maile Ann Chong	05/30/03
Anthony Charles Taranto	05/30/03
Douglas Robert Turk	06/05/03
Earle William Clark	06/05/03
Dirk Paul Huffman	06/18/03
Roger D. Michael	06/19/03

<u>Real Estate Broker Experience Certificate</u>	<u>Expiration Date</u>
Donald A. Wright	05/16/02
Norman S. Hom	05/21/03
Angela S. Hodge	05/21/03
Wade A. Park	05/21/03
Kelly Liberatore	05/21/03
Donna D. Hansen	05/23/03
Gary M. Cia	05/29/03
Ronald G. Riggs	05/29/03
Jane A. Riggs	05/29/03
Sam I. Ishigo	05/31/03
Ginger Yiao	06/05/03
Joett Colgan	06/06/03
Kevin K. Aoki	06/08/03
Tonya L. Bush	06/08/03
Barbara L. Kennedy	06/15/03
Eric K. Yoshida	06/15/03
Carolyn N. Lyum	06/18/03
Romeo T. Romero	06/18/03

<u>Real Estate Broker (upgrade)</u>	<u>Effective Date</u>
Michael J. Smith	05/04/01
David S. Catanzaro	05/07/01

Real Estate Commission
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Susan C. Onishi Andrade	05/09/01
P. Denise La Costa	05/09/01
Mon Jiuan Ide	05/15/01
Joy K. Nakagawa	05/18/01
James I. Fernandez	05/21/01
Mitsuo Kishi	05/21/01
<u>Real Estate Broker (upgrade)</u>	<u>Effective Date</u>
Harold Alan Livingston	05/21/01
Carol L. Andrews	05/30/01
Nathalie C. Mullinix	06/06/01
<u>Restoration – Real Estate Salesperson</u>	<u>Effective Date</u>
Jill D. Cross	05/03/01
Hamana C. Ventura	05/10/01
Jianhua Zhao	05/14/01
David K. Hamada	05/21/01
<u>Restoration - Real Estate Broker</u>	<u>Effective Date</u>
Allen Raymond Bowman	05/09/01
<u>Condominium Hotel Operator</u>	<u>Effective Date</u>
Bob Cook Realtors, Inc., Captain Cook & Associates	05/09/01
<u>Condominium Hotel Operator w/ Real Estate Broker Exemption</u>	<u>Effective Date</u>
Hololani Rental Association, LLC	05/23/01