

**LAWS AND RULES REVIEW COMMITTEE**  
Professional and Vocational Licensing Division  
Department of Commerce and Consumer Affairs  
State of Hawaii  
[www.hawaii.gov/hirec](http://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: Wednesday, December 12, 2007

Time: 9:00 a.m.

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

Present: Michele Sunahara Loudermilk, Vice Chair, Public/Honolulu Commissioner  
Annette Aiona, Broker/Hawaii Commissioner  
Carol Ball, Broker/Maui Commissioner  
Frances Gendrano, Broker/Honolulu Commissioner  
Stanley Kuriyama, Broker/Honolulu Commissioner  
Trudy Nishihara, Broker/Honolulu Commissioner  
Mark Suiso, Public/Honolulu Commissioner

Calvin Kimura, Supervising Executive Officer  
Neil Fujitani, Executive Officer  
Diane Choy Fujimura, Senior Real Estate Specialist  
Amy Endo, Real Estate Specialist  
David Grupen, Condominium Specialist  
Cynthia Yee, Senior Condominium Specialist  
Benedyne Stone, Condominium Specialist  
Shari Wong, Deputy Attorney General  
Irene Kotaka, Secretary

Others: Myoung Oh, Hawaii Association of REALTORS  
Dennis Lombardi, Esq.  
Esther Hara, Esq.

Absent: Louis Abrams, Chair, Broker/Kauai Commissioner  
William Chee, Broker/Honolulu Commissioner

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

Chair's Report: No report was presented.

The Vice Chair announced that the Committee may move into executive session to consult with the Commission's attorney on questions and issues pertaining to the Commission's powers, duties, privileges, immunities, and liabilities in accordance with Section 92-5(a)(4), HRS.

LRRRC Chair Abrams and Commissioner Chee were excused from the meeting. Prior notice of their non-attendance was received.

SEO's  
Report:

**Addition to the Agenda**

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

4. Program of Work, FY08
  - b. Licensing, Registration and Certification Administration - Condominium Hotel Operator Application for Registration

**Minutes of Previous Meetings**

Upon a motion by Commissioner Aiona, seconded by Commissioner Gendrano, it was voted on and unanimously carried to accept the minutes of the November 19, 2007, Laws and Rules Review Committee meeting.

Program of  
Work, FY08:

**Licensing, Registration and Certification Administration**

Specialist Stone requested clarification on whether or not Questions 1 through 6 on the Condominium Hotel Operator ("CHO") Application for Registration applies to the applicant as named on the application and/or to the individual signing the application, e.g., an employee or principal having direct management and responsibility over the CHO.

A CHO registration application was submitted recently in which the application was signed by the "CHO principal with direct management" over the CHO. The applicant does not have a history of any complaints or being filed against it, nor does it have any disciplinary actions pending. However, RICO does have a history of pending complaints against the "CHO principal with direct management."

If the Commission was concerned about the person responsible for the day-to-day management over the CHO operations, it was suggested that Questions 1 through 6 be amended to include the "employee or principal having direct management and responsibility over condominium hotel operations."

Activities of real estate brokers who are involved in condominium hotel operations are covered under the Real Estate Recovery Fund and are subject to the licensing laws and rules. Those involved in CHO activities who are not licensed real estate brokers must register as a CHO and must obtain and maintain a fidelity bond throughout the period of registration. There are currently less than 20 registered CHOs.

It was suggested that the staff develop a form to be used to report changes in the employee or principal having direct management and responsibility over the CHO. CHOs are to report changes within ten days of the change.

In the instance where a bond is terminated, the rules state that the registration shall be terminated for failure to comply with the bond requirements.

Upon a motion by Commissioner Ball, seconded by Commissioner Nishihara, it was voted on and unanimously carried to amend Questions 1 through 6 on the CHO

Application for Registration form to include the employee or principal having direct management and responsibility over the CHO.

It was suggested that the Commission discuss at a later date whether or not to move the registration of CHOs to the Condominium Review Committee's Program of Work.

### **Legislative Acts and Resolutions**

A copy of the 2007 Annual Report of the Real Estate Commission was distributed to the Commissioners for their information. The report will be released and posted on the Commission's website after the report has been formally transmitted to the Legislature.

The Commissioners noted that the information contained in the report should be disseminated as much as possible. Information contained in the Annual Report will be included in articles in the Real Estate Bulletin and School Files.

### **Neighbor Island Outreach**

The next neighbor island outreach is scheduled for May 7, 2008, on the island of Maui.

### ARELLO. **Meetings, Workshops and Reports**

Other  
Organizations None.  
and  
Jurisdictions:

Special None.  
Issues:

### Budget & **Real Estate Recovery Fund Report** Finance

Report: None.

Open Forum: None.

Next Wednesday, January 9, 2008  
Meeting: 9:00 a.m.  
Queen Liliuokalani Conference Room  
King Kalakaua Building  
335 Merchant Street, First Floor  
Honolulu, Hawaii

Laws and Rules Review Committee  
Minutes of the December 12, 2007 Meeting  
Page 4

Adjournment: With no further business to discuss, the Chair adjourned the meeting at 9:25 a.m.

Reviewed and approved by:

/s/ Calvin Kimura  
Calvin Kimura  
Supervising Executive Officer

December 18, 2007  
Date

[  ] Approved as is.  
[  ] Approved with amendments. See minutes of \_\_\_\_\_ meeting.

CK:isk/071213