

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, May 28, 2010

Time: 9:00 a.m.

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

Present: Trudy Nishihara, Chair, Broker/Honolulu Commissioner
Stanley Kuriyama, Vice Chair, Broker/Honolulu Commissioner
Louis Abrams, Broker/Kauai Commissioner
Annette Aiona, Broker/Hawaii Island Commissioner
Carol Ball, Broker/Maui Commissioner
Frances Gendrano, Broker/Honolulu Commissioner
Walter Harvey, Broker/Honolulu Commissioner
Michele Sunahara Loudermilk, Public/Honolulu Commissioner

Neil K. Fujitani, Supervising Executive Officer
Jon Ellis M. Pangilinan, Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
Amy Endo, Real Estate Specialist
David J. Grupen, Real Estate Specialist
Cheryl Leong, Condominium Specialist
Benedyne Stone, Condominium Specialist
Shari Wong, Deputy Attorney General
Karyn Takahashi, Recording Secretary

Others: Steven P. De Los Reyes
Brian Kim, Esq.
Donna Maul
Marsha Shimizu, Hawaii Association of REALTORS®
Sheryl Lee A. Nagata, Acting Senior Hearings Officer

Absent: Mark Suiso, Public/Honolulu Commissioner

Call to Order: The Chair called the meeting to order at 9:04 a.m., at which time quorum was established.

Chair's Report: The Chair announced that the Commission may move into executive session to consider and evaluate personal information relating to individuals applying for licensure in accordance with section 92-5(a)(1), HRS, and/or 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.

Commissioner Suiso was excused from the meeting. Prior notification of his non-attendance was received.

Executive Officer's Report: The Supervising Executive Officer (SEO) informed the Commissioners that the original applications with any original associated documents to be considered at the meeting were available for review.

Additions to Agenda

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

6. Licensing – Applications
 - d. Donna S. Maul

Additional Distribution

The following was distributed to the Commissioners as additional distribution:

3. Executive Officer's Report
 - b. Minutes of Previous Meetings
4. Committees and Program of Work

Schedule of Non-Accessible Dates for July to December 2010

The Commissioners were asked to turn in their schedule of non-accessible dates for July to December 2010 by June 21, 2010.

Minutes of Previous Meeting

Upon a motion by Commissioner Aiona, seconded by Commissioner Abrams, it was voted on and unanimously carried to accept the minutes of the April 22, 2010 meeting.

Committees and
Program of Work:

Program of Work – FY 11

The draft of the fiscal year 2011 Program of Work was distributed to the Commissioners for their review and comment.

Education Review Committee – Program of Work, FY10

Annual Report, Quarterly Bulletin, and School Files – Printing of Real Estate Bulletin – RFP Proposals

Senior Specialist Fujimura reported that there were six proposals for the recent request for proposals for the printing of the Real Estate Bulletin.

Upon a motion by Commissioner Gendrano, seconded by Commissioner Aiona, it was voted on and unanimously carried to approve the proposal from Hagadone Printing Company for the printing of the next four issues of the Real Estate Bulletin.

Instructor's Development Workshop – Amendment to HAR's IDW Proposal for 2009-2010

Ms. Marsha Shimizu, Hawaii Association of REALTORS®, stated that due to the overwhelming success of the "T3 – Training Trainers to Train" Instructor Development Workshop, HAR is recommending holding two additional sessions of the same IDW rather than holding a different IDW as originally proposed. Ms. Shimizu stated that HAR estimates that there may be approximately 10 – 20 instructors who need to complete an IDW.

When asked about the cost of their proposal, Ms. Shimizu responded that they will be able to hold the two additional sessions and stay within the budget previously approved by the Commission.

Upon a motion by Commissioner Abrams, seconded by Commissioner Gendrano, it was voted on and unanimously carried to accept the amendment to the Hawaii Association of REALTORS® original proposal of conducting two different Instructor Development Workshops for the biennium and to instead allow two additional sessions of the "T3 – Training Trainers to Train."

REEA 2010 Annual Conference, San Antonio, TX – IDW approval for Hawaii Instructors – "DREI Workshop" June 12, 2010

Senior Specialist Fujimura reported that instructors are required to complete an IDW every biennium and there will be an IDW offered at the upcoming 2010 REEA Annual Conference in June.

Upon a motion by Commissioner Ball, seconded by Commissioner Abrams, it was voted on and unanimously carried to approve the "DREI Workshop" being offered on June 12, 2010, at the 2010 REEA Annual Conference as a Commission-approved Instructors Development Workshop.

Licensing –
Ratification:

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

Licensing –
Applications:

The Supervising Executive Officer informed the Commissioners that the information provided to the Commissioners is related only to the issue that is before the Commission for consideration. The other materials submitted are available for the Commissioners review should they desire to review it. If the applicants have an issue, which is personal in nature, they have the right to request that their application be considered in executive session.

At this time, Commissioner Ball disclosed that she sold a book and spoke to applicant David L. Ameen; however, she stated she is able to remain unbiased in her review of his application.

At this time, Commissions Kuriyama and Loudermilk recused themselves from discussion and voting on Randall H. Endo's application.

Steven P. De Los Reyes

Mr. De Los Reyes was present and represented by his attorney Mr. Brian Kim.

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

Mr. De Los Reyes stated that he has been in the real estate business for almost 15 years, doing real estate and some loans in California. In 2009, he tried to service some clients with loan modifications. Loan modifications were new at the time and he helped by communicating with the bank. He stated that, at the time, no laws were in place and he was unaware that he needed an authorized advanced fee agreement until he received a call from the licensing authorities. He immediately ceased activities, shut down that part of his office and continued in real estate.

Mr. Kim stated that Mr. De Los Reyes had no intention to defraud, but it was an error in judgment and an error in clerical procedures. This was a new industry and his client did not know he needed a pre-approval form. He stated that Mr. De Los Reyes stopped as soon as he knew and has not conducted loan modifications since then.

Mr. Kim stated that Mr. De Los Reyes worked in real estate right out of high school and paid his way through college by working in real estate. He stated that this was a one-time incident, has accepted responsibility, complied and continues to comply with the California Department of Real Estate ("CADRE") and has no intention of doing loan modifications again. Mr. Kim stated that the CADRE accepted Mr. De Los Reyes' responsibility for the incident and allowed him to keep his license, which speaks largely of California and that Mr. De Los Reyes can still contribute to the real estate industry.

Mr. Kim continued by stating that Mr. De Los Reyes has family on Maui. He would like to get a fresh start here and continue to provide real estate services and be able to support his family by doing what he enjoys.

Mr. De Los Reyes was questioned about violation of laws and reviewing California's laws prior to conducting loan modifications. Mr. De Los Reyes responded that his main focus was on selling real estate; however, there were no laws implemented at that time. He added that he knew this from his partners in the loan business. He stated that his guidelines were from his underwriters and processors. He stated that together they put these packages together to submit to banks.

Mr. Kim interjected that he has advised his client that he needs to take reasonable actions to make sure he has dotted his i's and crossed his t's. It was a true mistake and he will be more diligent.

Mr. De Los Reyes was asked why he has not complied with all stipulations of the order. Mr. De Los Reyes has responded that he was given a time frame for completion. Mr. Kim added that his client has not paid the audit costs because the CADRE has not sent him an invoice as they do not close their books until the end of the year. Mr. Kim stated that his client's requirements are spaced to give him ample time for completion. He added that Mr. De Los Reyes is scheduled to take the exam in July.

Commissioner Harvey stated that since Mr. De Los Reyes has been a California licensee for 15 years, he has been required to take a trust fund management class every four years. Did it not occur to Mr. De Los Reyes that he was taking in funds, although loss mitigation was new? Mr. De Los Reyes responded that he has never opened a trust account, as he never took earnest trust monies. He stated that he had clients write checks directly to the escrow company. He noted that he has completed another class.

Mr. De Los Reyes was asked if he was taking in a consultant fee or was he taking in money from the consumer to be given to a third party. Mr. De Los Reyes responded that he was charging his clients a service fee. Mr. Kim added that the loan industry was tainted and the CADRE required that anytime you took in money that you haven't yet earned, it must be placed in a trust account. No one was defrauded and all clients received loan modifications.

When asked about when the advanced fee agreement rule took effect, Mr. Kim stated that it was in the provisions, but not a lot of people in the industry knew about it. He could not confirm how old or new the law was, but it was there. He stated that his client should have looked into the rules, but he did make a mistake. Mr. Kim added that the laws are continually evolving and it is difficult to keep up with the laws.

Mr. De Los Reyes was asked if he plans to apply for a mortgage license in Hawaii. He replied no. His current goal is to move here and sell real estate. He added that he will be new to Hawaii and does not plan on opening his own brokerage, but rather have his principal broker guide him.

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

Donna Maul

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

Ms. Maul gave an explanation of the circumstances which resulted in her voluntary surrender of her general contractor's license in the state of North Carolina. Ms. Maul stated that she built homes in North Carolina. Ms. Maul stated that there were two fire damaged apartments, for which another company, Custom Renovations, applied for two building permits. The City of Durham required that the renovation be done under one permit as it was under one roof, which then exceeded the allowable amount of work that Custom Renovations could perform. The owner of Custom Renovations then came to her and asked if she would work with him. She agreed. Ms. Maul stated that she did not allow someone else to use her license, but rather she neglected to re-do a new contract with the owner and kept the original contract in place.

Rather than have the case pursued and as Ms. Maul had decided she was not going to build anymore, she surrendered her contractor's license. Ms. Maul stated that she was not guilty, but the reports make her look guilty as North Carolina reports that her license was revoked.

Ms. Maul was asked about her plans if granted her license. She stated that she has been offered a position with Wyndham Vacation Rentals—time share.

In regards to her outstanding judgment, Ms. Maul stated that it was a loan from the owner of Custom Renovations, which needs to be paid back. However, the work at the site was to cease, but he went back without her supervision and completed the job. She is aware of this because she received a notice of completion. She stated that she now has a problem, because he did use her license illegally, without her permission, and she plans to address this issue. Ms. Maul stated she needs to be sure that it is not on record that she completed the building.

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

Chapter 91, HRS,
Adjudicatory
Matters:

The Chair called for a recess from the meeting at 10:05 a.m., to discuss and deliberate on the following adjudicatory matters, pursuant to Chapter 91, HRS:

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Abrams, it was voted on and unanimously carried to accept the settlement agreements in the following matters:

- In the Matter of the Real Estate License of Donald A. Wright, a Real Estate Salesperson; REC 2008-212-L
- In the Matter of the Real Estate License of Jennel Douglas, a Real Estate Salesperson; REC 2009-22-L
- In the matter of the Real Estate License of Ryan R. Wells, a Real Estate Salesperson; REC 2009-82-L
- In the Matter of the Real Estate License of Cori L. Shimabukuro, a Real Estate Salesperson ; REC 2009-84-L
- In the Matter of the Real Estate License of Cara Bohne, a Real Estate Salesperson; REC 2009-48-L
- In the Matter of the Real Estate License of Gregory S. Skaltas dba Oki-Spar, a Real Estate Broker; REC 2009-46-L
- In the Matter of the Real Estate License of Leilani Shackelford, a.k.a. Leilani Griego, a.k.a. Leilani Luka Rios-Griego, a Real Estate Salesperson; REC 2009-120-L
- In the Matter of the Real Estate License of Rebecca Hirsch-Kelihoomalua, a Real Estate Broker; REC 2009-47-L
- In the Matter of the Real Estate License of Andrew K. Cabebe, a Real Estate Salesperson; REC 2009-39-L

**In the Matter of the Real Estate Broker's License of Flora G. Lamontagne;
REC 2006-233-L and REC 2008-294-L**

Commissioner Kuriyama moved to approve the final order. Commissioner Ball seconded the motion. The motion was voted on and unanimously carried.

**In the Matter of the Real Estate Broker's License of Jill McGowan; REC
2008-225-L**

Commissioner Gendrano moved to approve the final order. Commissioner Loudermilk seconded the motion. The motion was voted on and unanimously carried.

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 meeting at 10:37 a.m.

Executive Session:

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Gendrano, 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;" and pursuant to section 92-5(a)(4), HRS, "To consult with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities."

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

Licensing
Applications:

Randall H. Endo

Commissioners Kuriyama and Loudermilk recused themselves from discussion and voting on this matter.

After review of the information presented by the applicant, Commissioner Abrams moved to approve the real estate salesperson's license of Randall H. Endo. Commissioner Harvey seconded the motion. The motion was voted on and unanimously carried.

David L. Ameen

After review of the information presented by the applicant, Commissioner Loudermilk moved to approve the real estate broker's license of David L. Ameen. Commissioner Gendrano seconded the motion. The motion was voted on and unanimously carried.

Steven P. De Los Reyes

After review of the information presented by the applicant, Commissioner Ball moved to deny the real estate broker's license of Steven P. De Los Reyes based on sections 467-8(3), 436B-19(1), 436B-19(7), 436B-19(8) and 436B-19(12), Hawaii Revised Statutes. Commissioner Harvey seconded the motion. Commissioners Nishihara, Kuriyama, Aiona, Ball, Gendrano, Harvey and Loudermilk voted aye. Commissioner Abrams voted nay. The motion carried.

Donna S. Maul

After review of the information presented by the applicant, Commissioner Kuriyama moved to approve the real estate salesperson's license of Donna S. Maul, subject to the condition that her Hawaii real estate salesperson's license shall be restricted to real estate activities in the timeshare industry and that she shall inform the principal broker or sole proprietor real estate broker (including a broker-in-charge of a real estate branch office) with whom she is associated with that a conditional real estate salesperson license has been granted and the terms of the conditional license, amongst other conditions. Commissioner Abrams seconded the motion. Commissioners Nishihara, Kuriyama, Abrams, Aiona, Ball, Gendrano and Loudermilk voted aye. Commissioner Harvey voted nay. The motion carried.

Next Meeting: Thursday, June 24, 2010
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 10:57 a.m.

Reviewed and approved by:

/s/ Neil K. Fujitani
Neil K. Fujitani
Supervising Executive Officer

June 15, 2010
Date

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

APPROVED APPLICATIONS FOR REAL ESTATE
 REAL ESTATE COMMISSION MEETING ON MAY 28, 2010

<u>Brokers – Limited Liability Companies and Partnerships</u>	<u>Effective Date</u>
BPG Hawaii, LLC	04/08/10
Tyler Greene, PB	
Homes Hawaii Realty LLC	04/09/10
Vicki D. Hanby, PB	
Margy Grosswendt Real Estate Agency LLC	04/14/10
Margy Grosswendt, PB	
Respect Property, LLC	04/14/10
Joe Megna, PB	
Vai Endo Realty LLC	04/16/10
Violet K. Endo, PB	
Na Pua Paulele LLC, S.M.A.R.T. Properties	04/19/10
Renee Takahashi, PB	
808 Maui Realty LLC	04/22/10
Ana Koyanagi, PB	
Advantage Realty, LLC	05/10/10
Ambur Kim Kiri, PB	
 <u>Brokers – Corporations and Partnerships</u>	 <u>Effective Date</u>
Sunahara Realty, Inc.	04/09/10
Glen H. Sunahara, PB	
 <u>Brokers – Sole Proprietor</u>	 <u>Effective Date</u>
Eduardo A. Gandolfo	03/03/10
Doris J. Jacober	03/08/10
Sylvia M. Cabral	03/08/10
Colin E. Stillwagen	03/13/10
Larry Hinkel	03/31/10
Cheryl L. T. Lau	04/13/10
John W. Shaw	04/15/10
 <u>Limited Liability Companies and Partnerships Name</u>	 <u>Effective Date</u>
Premier Executive LLC	04/22/10
Brian Bowers, PB	
 <u>Branch Office</u>	 <u>Effective Date</u>
Kamaaina Realty LLC	03/04/10
Richard Pascua, Sr., PB	
 <u>Equivalency to Uniform Section of Examination Certificate</u>	 <u>Expiration Date</u>
Nelida Mora	04/13/12
Eleonore Maria Carter	04/14/12
Sara Beth Cutter	04/15/12
Alvin Joseph Church	04/16/12
Darci Steer Johnson	04/20/12
Russell Albert Franklin	04/20/12
Mark Alan Ribbach	04/20/12
Teresita Nekuzi Crisanto	04/20/12
Pritpal Aujla	04/21/12

Equivalency to Uniform Section of Examination Certificate

	<u>Expiration Date</u>
Thomas Higgins Lyttleton	04/21/12
William Albert Carter	04/22/12
Laura Ellen Pope	04/22/12
Diane Louise Cline	04/26/12
Gary Wendell May	04/27/12
Sharon Kay Martin	04/27/12
Isabelle Ann Lizotte	04/27/12
David Ferguson	04/27/12
Corinne Elizabeth Huntress	04/29/12
Cheryl Ann Beckel	04/29/12
Charles E Thomas	05/05/12
Rick J. Hall	05/05/12
Dan Michael Roberts	05/11/12
Gracelyn R. LaFleur	05/18/12

Educational Equivalency Certificate

	<u>Expiration Date</u>
Nelida Mora	04/13/12
Walter K. Coronel	04/13/12
Eleonore Maria Carter	04/14/12
Sara Beth Cutter	04/15/12
Alvin Joseph Church	04/16/12
Darci Steer Johnson	04/20/12
Russell Albert Franklin	04/20/12
Ryan Ken Hinaga	04/20/12
Teresita Nekuzi Crisanto	04/20/12
Pritpal Aujla	04/21/12
Thomas Higgins Lyttleton	04/21/12
William Albert Carter	04/22/12
Laura Ellen Pope	04/22/12
Diane Louise Cline	04/26/12
Gary Wendell May	04/27/12
Sharon Kay Martin	04/27/12
Isabelle Ann Lizotte	04/27/12
David Ferguson	04/27/12
Corinne Elizabeth Huntress	04/29/12
Cheryl Ann Beckel	04/29/12
Charles E Thomas	05/05/12
Rick J. Hall	05/05/12
Dan Michael Roberts	05/11/12
Mary Ellen DeVincent	05/11/12
Gracelyn R. LaFleur	05/18/12

Real Estate Broker Experience Certificate

	<u>Expiration Date</u>
Daniel John Scholz	04/13/12
Cynthia Anne Siok	04/15/12
Harry M. Pritikin	04/19/12
Russell Albert Franklin	04/20/12
Ransom Early Ryman II	04/20/12
Pritpal Aujla	04/21/12
Thomas Higgins Lyttleton	04/21/12
William Albert Carter	04/22/12
Laura Ellen Pope	04/22/12
Isabelle Ann Lizotte	04/27/12

Real Estate Broker Experience Certificate

	<u>Expiration Date</u>
Charles E Thomas	05/05/12
Rick J. Hall	05/05/12
Harold Clarke	05/05/12
Therese A. Jasper	05/06/12
Dan Michael Roberts	05/11/12
Hollis Paige Lazo	05/11/12
Deborah Oakley-Melvin	05/12/12
Bee Kee Tan	05/12/12

Real Estate Broker (upgrade)

	<u>Effective Date</u>
Masato Hirata	04/07/10
Tyler S. Greene	04/08/10
Stephanie L. Lopez	04/09/10
Glen H. Sunahara	04/09/10
Julie Ching	04/12/10
Lena L. Fong	04/15/10
Violet K. Endo	04/16/10
Keiki-Dawn Izumi	04/20/10
Bob Anderson	05/03/10
Mathew Vye	05/03/10
Bonnie A. Wedemeyer	05/06/10
Heidi B. Smith	05/06/10
Ambur Kim Kiriu	05/10/10
David M. Dunham	05/18/10