

REAL ESTATE COMMISSION  
Professional & Vocational Licensing Division  
Department of Commerce and Consumer Affairs  
State of Hawaii

MINUTES OF MEETING

Date: Friday, November 22, 1985

Place: Board Room, 1010 Richards St.  
Kamamalu Building, Honolulu, Hawaii

Present: G. A. "Red" Morris, Chairman  
Toru Kawakami, Vice Chairman  
Joseph F. Blanco, Member  
Constance B. Smales, Member  
Douglas R. Sodetani, Member  
Yukio Takeya, Member  
Gregg T. Yamanaka, Member  
Peter N. Yanagawa, Member

Cynthia M. L. Yee, Information/Education Officer  
Betsy Cuaresma, Secretary  
Glenn M. Adachi, Executive Secretary

Virginia Lea Crandall, Hearings Officer  
Violet King, former licensee

Excused: Gloria J. Damron, Member

Call to Order: The meeting was called to order at 9:10 a.m. by  
Chairman G. A. "Red" Morris.

Notice of Meeting: The notice of meeting was filed in the Office of  
the Lt. Governor in accordance with law on  
November 15, 1985.

Minutes of Pre-  
vious Meetings: The minutes of the September 27, 1985 and  
October 25, 1985 meetings were circulated to the  
Commissioners prior to the meeting. Commissioner  
Sodetani moved to approve as circulated the  
minutes of the two prior meetings. The motion  
was seconded by Commissioner Smales and unanimously  
approved.

Hearings Officer's  
Reports: RE-84-217 Charles H. Bond, William H. Ferem,  
Hazel M. Ferem

The Commission reviewed the Hearings Officer's  
recommended decision. It was noted that Respondent  
Bond appeared to be trying to rectify the situa-  
tion by pursuing Mims; however, Bond was using  
client trust funds in his attempts to collect from  
Mims. Some of the Commissioners were concerned

that the penalty was too severe in light of the Respondent's action to correct the situation. In previous Commission actions involving similar violations, it was noted that the Commission revoked the licenses. Commissioner Takeya moved to modify the Hearings Officer's recommended decision to require that Respondent take Commission approved educational courses, that Respondent's license be suspended for two years; provided, that 23 months of the suspension be suspended upon Respondent's completion of the required educational courses.

The staff will check on courses that will be available on Molokai and Maui.

The Commission asked that RICO be informed that offerings of the RECCAL course will be suspended and that future settlement agreements substitute language to the effect that Respondents be required to take educational course or courses approved by the Real Estate Commission.

RE-85-84 Joseph H. Main dba Wailea Properties

The Commission reviewed the settlement agreement entered into between the State and the Respondent. Commissioner Sodetani moved to approve the settlement agreement. The motion was seconded by Commissioner Yanagawa and unanimously approved.

RE-85-273 Larry W. Grogan and RE-84-23 Hawaiian Resort Corporation (Honolulu), Ltd.

The Commission reviewed the settlement agreements entered into between the State and the Respondents. Upon motion by Commissioner Blanco and seconded by Commissioner Sodetani, the Commission unanimously approved the settlement agreements entered into with the above-named Respondents.

RE-80-161 Waipio Realty Corp. and Michael Teramoto

Commissioner Kawakami moved to add the above-entitled case to the agenda. The motion was seconded by Commissioner Takeya and unanimously approved.

The Commission reviewed the Hearings Officer's findings of fact, conclusions of law and recommended decision.

The Commission discussed the impact of this case on future Commission actions on pertinent facts.

Committee Reports: Laws and Rules Committee

The Executive Secretary reviewed the recommendations that were made by the LRRC.

Rules The Committee decided to circulate the draft of the rules to the Hawaii Association of Realtors and the real estate schools.

Mandatory Continuing Education The Committee recommended that if the Mandatory Continuing Education Committee can prepare a detailed package to submit to the legislature to justify mandatory continuing education then the Commission should proceed. The Committee requested that Robert Allen submit a proposal to prepare a report on continuing education.

Managing Agents The Committee recommended the following experience requirements for managing agents to satisfy the broker experience requirements:

1. 2 years full-time experience as a property manager.
2. Managing 10 condo association or 240 units or its equivalent as determined by the Commission.
3. Allow co-management of associations.
4. Statement from certified public accountant verifying recordkeeping and accounting procedures met minimum accounting standards.
5. Employer or condo association president to verify list of duties applicant performed.
6. Licensed salesman.

In addition, the applicant must satisfy the educational requirements for the broker examination.

There was discussion on what is entry level for a managing agent. The statement was made that entry level for managing agents cannot be higher than what is entry level or a real estate broker.

The question was raised whether the applicant must have a salesman license. The experience requirements were not to supercede the license requirements

and therefore, the applicant must still have a salesman license as a prerequisite to taking the broker examination as would any other applicant for the broker examination.

Commissioner Takeya moved to accept the LRRC report and the recommendations contained in the report. The motion was seconded by Commissioner Blanco and unanimously approved.

Education Committee

The Education Committee Chairman reported on the Education Committee meeting.

The Committee deferred the media consulting contract.

The Chairman of the Continuing Education Committee reported receiving an outline of the continuing education legislative packet. The Continuing Education Committee will be making a recommendation to the Education Committee at its December meeting.

The Curriculum Review Committee Chairman reported that the scope of the proposed survey is being discussed.

The Chairman reported that the Hawaiian School of Real Estate and ERA Hawaii School of Real Estate have submitted all required documents for renewal of their school registrations.

The Chairman also reported that the Committee recommended that the Commission sponsor in 1986, after investigation into the issue legislation requiring that the licensee after lapse of any applicable time period, reapply as a salesman in the event their license is revoked and that the Commission give no recognition to any education, examination or sales experience earned prior to the revocation.

The Chairman recommended that the Commission approve payment of the sum of \$584.04 to Trade Publishing Company for extra professional services rendered in publishing the annual report.

The Chairman recommended that the Commission issue a certificate of appreciation to Gladys Leong for her many years of service to the Commission.

Commissioner Blanco moved to approve the Education Committee report and the recommendations contained therein. The motion was seconded by Commissioner Takeya and unanimously approved.

New Business:

LICENSING

Corporation

Amaral Land Company, Inc. dba Alvin T. Amaral,  
Realtor - Kahului Shop Ctr., Kahului  
Alvin T. Amaral, pb

Kailua Realty, Ltd. - 130 Kailua Rd., Ste 110  
Richard A. Wheelock, pb Kailua

Regent Realty, Inc. - 3536 Harding Ave., Ste 600  
Grace M. Lawson, pb Hon.

Branch Office

ERA Maui Properties & Investments, Inc. -  
888 Wainee #209, Lahaina  
Lauren B. Koch, bic

ERA Maui Properties & Investments, Inc. -  
2439 S. Kihei Rd., A-205, Kihei  
William G. Weimer, bic

Tradenname

Doug Clark - Douglas S. Clark, dba, 75-5744  
Alii Dr., Ste 231, Kailua-Kona

Jean Gursahani, Realtor - Jean H. Gursahani,  
dba, 407 Uluniu St., Kailua

Hoff Realty - Leo J. Hoff, dba, 1875 Kalani-  
anaole Ave., #713, Hilo

Hughes Realty - Sallie W. Hughes, dba, 900  
Fort St. Mall, #805, Hon.

Home & Garden West Realty - Albano & Associates,  
Inc., dba, 3322 Campbell Ave., Hon.

Investor Consultants for Maui - Numia B.  
Blackwell, dba, 270 Hookahi St., #211, Wailuku

Kona Kohala Land Co. - Martin E. Smith, dba,  
75-5759 Kuakini Hwy, Kailua-Kona

Lerud Realty - Roger C. Lerud, dba, 1188 Bishop St., #1709, Hon.

Stan Lizama Realty - Stanley F. Lizama, dba, 1127 11th Ave., #202, Hon.

Match-Maker Realty - Norman Dee Frane, dba, 159 Kalakaua St., Hilo

Andrew K. Okubo Realty - Andrew K. Okubo, dba, 961 Kilauea Ave., Hilo

SRL - Scully Rogers Ltd., dba, 2222 Kalakaua Ave. #901, Hon.

Joe M. Stimbroski, Realtor - Joseph M. Stimbroski dba, 111 Hana Hwy, ClB, Kahului

Corporation Name Change

Trans-Oceanic Real Estate, Ltd. - formerly Trans-Con Real Estate, Ltd., 510 Piikoi St., #204, Hon.

The Commissioners reviewed the list of new corporations, branch offices, tradenames and corporation name change for the month of November, 1985.

Restorations

Kauai E. Lew  
Shirley Ann Miyashiro  
William Soares, Jr.  
Margaret A. Sussex  
Bert A. Yamamoto

The Commission reviewed the supporting documents submitted by the above-named applicants with their applications for restoration.

Commissioner Blanco moved to require Kauai E. Lew, Shirley Ann Miyashiro, William Soares, Jr. and Bert Yamamoto to take and pass the real estate salesman examination as a condition to restoration. The motion was seconded by Commissioner Takeya and unanimously approved.

The application of Margaret Sussex was discussed. Commissioner Blanco moved to require that Ms. Sussex attend the agency seminar in January, GRI I, or the SBMP Essentials course as a

condition to restoration. The motion was seconded by Commissioner Kawakami and unanimously approved.

Commissioner Kawakami moved to add the restoration application of Nancy Powers to the agenda. The motion was seconded by Commissioner Blanco and unanimously approved.

Commissioner Sodetani moved to require Ms. Powers take John Reilly's ISP course or one of the GRI courses as a condition to restoration. The motion was seconded by Commissioner Kawakami and unanimously approved.

#### Questionable Applications

Baird-Stewart & Associates, Inc.

The executive secretary reported that David Baird is only a licensed salesman. Based on previous decisions, Commissioner Blanco moved to give conditional approval of the license for a period of six months during which time Baird must become licensed as a broker and if he does become a broker, then the corporation must change its name. The motion was seconded by Commissioner Takeya and unanimously approved.

Lee Tracy Realty

The executive secretary reported that the first name of the individual is Roberta but she goes by the name Lee. Commissioner Smales moved to approve the tradename of Lee Tracy Realty. The motion was seconded by Commissioner Yanagawa and unanimously approved.

Commissioner Blanco moved to add the application of Huarte Financial Group dba R. Thomas Ashley to the agenda. The motion was seconded by Commissioner Kawakami and unanimously approved.

The executive secretary reported that the above company has registered with the Business Registration as a foreign corporation to do business in Hawaii. Commissioner Kawakami moved to approve the application of Huarte Financial Group dba R. Thomas Ashley. The motion was seconded by Commissioner Sodetani and unanimously approved.

Miscellaneous:

Recovery Fund

Kannal v. Harbinger International Hawaii

Commissioner Blanco moved to approve the order directing payment out of the recovery fund. The motion was seconded by Commissioner Kawakami and unanimously approved.

RE-82-68 Calvin Ontai

The Commission reviewed the request of Mr. Ontai for an extension in which to file exceptions to the Hearings Officer's recommended decision. Commissioner Smales moved to approve Mr. Ontai's request of an extension to November 27, 1985 to file exception and that no further extensions will be granted. The motion was seconded by Commissioner Takeya and unanimously approved.

Adoption of Rules

The Commission discussed the public hearing on the proposed real estate rules. Commissioner Kawakami moved to approve the rules subject to the draft of the amendments to the proposed rules being circulated and approved by the Commissioners. The motion was seconded by Commissioner Blanco and unanimously approved.

Mauna Lani Point Letter of Credit

The Chairman declared a conflict and excused himself from discussions in this matter.

The executive secretary reported that the developer of the condominium project was requesting approval of a letter of credit on the same terms and conditions as the one that was previously approved by the Commission for the Mauna Lani Resort condominium project. Commissioner Takeya moved to approve the letter of credit on the same conditions as the letter of credit that was given for the Mauna Lani Resort project. The motion was seconded by Commissioner Sodemani and unanimously approved.

Adjournment:

There being no further business the meeting was adjourned at 11:40 a.m.

Taken and recorded by:



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Glenn M. Adachi  
Executive Secretary