

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

MINUTES OF MEETING

The agenda for this meeting was filed with the Lieutenant Governor's Office as required by Section 92-7(b), Hawaii Revised Statutes.

Date: Friday, July 25, 1986

Time: 9:00 a.m.

Place: Board Room, Second Floor
Kamamalu Building
1010 Richards Street
Honolulu, Hawaii

Present: G. A. "Red" Morris, Chairman
Joseph F. Blanco, Member
Gloria J. Damron, Member
Constance B. Smales, Member
Yukio Takeya, Member
Peter N. Yanagawa, Member

Michele Matsuo, Incoming Commissioner
Yoshiko Kano, Incoming Commissioner
Calvin Kimura, Executive Secretary
Janice Sevilla-Meeker, REC Staff

Susan Sato, Deputy Attorney General
Virginia Lea Crandall, Hearings Officer
Rodney Maile, Hearings Officer
Sidney Ayabe, Esq., REC Recovery Fund

Dean David Bess, UH College of Bus. Admin.
Brian Thomas, President, Honolulu Board of
Realtors
Greg Wiles, Pacific Business News
Robert Furin, Guava Graphics

Excused: Douglas R. Sodetani, Member

Call to Order: The meeting was called to order at 9:46 a.m. by Chairman G. A. "Red" Morris. Quorum was established.

Minutes: The minutes of the May 21, 1986 and June 27, 1986 meetings were distributed to the members for their review prior to the meeting.

Upon a motion by Commissioner Takeya and second by Commissioner Smales, the Commission

unanimously approved the minutes of the May 21, 1986 and June 27, 1986 meetings as circulated.

Committee Reports: EDUCATION COMMITTEE

Real Estate Research and Education Center

Dean David Bess reported that the Advisory Council sub-committee in search for a Director for the Center has narrowed the list of candidates, but will be re-opening the recruitment period. An announcement will be made July 27, 1986, in the Honolulu Star Bulletin and Advertiser that will designate August 11 as the new deadline date for applicants. Interviews will be held during that week, with a decision to be made shortly thereafter. The Commission members will be given an opportunity to meet the selected finalists.

The goal of the Advisory sub-committee is to have the Director on board at the Center on September 1, 1986.

Chairman Morris expressed his concern that the extension of the deadline should not delay the Center from initiating on September 1st. Chairman Morris also expressed his concern that the Director's salary be in the range of \$45,000 to \$60,000.

Dean Bess discussed the terms of four (4) members of the Advisory Council expiring this month. Discussion was held as to renewing the terms of these members.

After some discussion on these council members, Commissioner Damron moved to renew the terms for Advisory Council members Doris Smith, Elizabeth Benton, and Jack Palk for another year and to ask ex-Commissioner Gregg Yamanaka to serve a term of one year on the Advisory Council. Motion was seconded by Commissioner Takeya, voted and carried.

Chairman Morris requested the Dean to thank retiring Council Member Ralph Black for his assistance this past year. Dean Bess will initiate all correspondence to all renewed members of the Council and new member Yamanaka.

Commissioner Blanco asked Dean Bess if plans were being made to integrate the Center with the new Chairholder and the University of Hawaii College of Business Administration. Dean Bess replied that it was the intent of the College to integrate all three, and that the search for the Chair had commenced.

Commissioner Blanco asked Dean Bess if the location set aside for the Center was also being intended to be used partly as a classroom for the College. The Dean replied that that information was incorrect and the location is reserved for the Center's use only.

Committee Report: LAWS AND RULES REVIEW COMMITTEE

Recommendation to elect new REC Vice-Chairman

Commissioner Blanco recommended acceptance of Committee recommendation and nominated Commissioner Yukio Takeya to be REC Vice-Chairman. Commissioner Damron seconded the motion, motion was voted and unanimously approved.

Additions to the Agenda:

Executive Secretary requested that Attorney Sidney Ayabe be added to the agenda to present a report to the Commission on the recovery fund claim by the Association of Apartment Owners of Napili Sands, and that instructor applicant William "Bim" Wilson, III, be added to the agenda.

Commissioner Smales moved to add these two items to the agenda. Commissioner Takeya seconded the motion. Motion was voted and carried.

Note:

At this point on the agenda, Chairman Morris excused himself from the meeting at 10 a.m.

Hearings

Officers' Report: RE-83-215 - Steven Nariyoshi, Robert K. Gaddis dba Condo Plus Realty, Luke & Luke Realty, Inc.

The Commission reviewed the recommendation by the Hearings Officer as stated in the settlement agreement. Commissioner Yanagawa moved to approve the settlement agreement. The motion was seconded by Commissioner Blanco, voted and unanimously approved.

RE-84-28 - Thomas C. Patas, dba Patas Realty

The Commission reviewed the settlement agreement in the above-entitled matter. Commissioner

Damron moved to approve the settlement agreement. The motion was seconded by Commissioner Smales, voted, and unanimously approved.

RE-85-63 - Stanley R. Sax

The Commission deferred action on the above entitled matter until Chairman Morris' return to the meeting.

RE-84-248 - Jo Ann Mullen, John Mullen, Yacht Harbor Real Estate Ltd.

The Commission reviewed the settlement agreement in the above entitled matter. Commissioner Damron moved to approve the settlement agreement. The motion was seconded by Commissioner Smales, voted and unanimously approved.

RE-85-204 - Elmer Masa Shinsato and Thomas Shinsato

The Commission approved the settlement agreement at the June 27, 1986 meeting.

Recovery Fund Claim:

Association of Apartment Owners of Napili Sands vs. Ho'oli Hale Real Estate Corporation, Robert Junius Layson, Perfecta Domingo Villanueva and Robert John Layson; Civil No. 85-0398

Recovery Fund Attorney Ayabe reviewed the above entitled case as distributed in a letter to the Commission. Recommendation by Consultant Ayabe was to proceed with the order to pay from the Recovery Fund a total of \$54,140.40 for the claim against the three (3) licensees listed. The Court has ordered that payment of \$88,788.52 be granted, which Consultant Ayabe stated was in error of interpreting the statute regarding the Recovery Fund. Consultant Ayabe further recommended the Commission appeal the case to pursue claim against the bond on the management company. This appeal would be made in coordination with the AOA Napili Sands. Restitution for the Recovery Fund payment in the amount of \$54,140.40 would then be made by the insurance company bond if the appeal is won.

Commissioner Blanco moved to accept Consultant Ayabe's recommendations. The motion was seconded by Commissioner Damron, voted and unanimously approved.

Consultant Ayabe informed the Commission that the Supreme Court has upheld and affirmed Judge Honda's decision to issue payment to complainants against Hallmark Properties (Gaylen Yuruki, Licensee) cases on a pro-rata basis.

Consultant Ayabe stated that he is available for the Commission for appearances at the Commission meetings if the Commission so desires in the future.

Licensing:

Questionable Applications

AMK, Inc. - Corporate License

Commissioner Blanco moved to deny the licensure of AMK, Inc. The motion was seconded by Commissioner Smales, voted and unanimously approved.

Hampton Greene, Inc.

Commissioner Damron moved to deny licensure to Hampton Greene, Inc. The motion was seconded by Commissioner Takey, voted and unanimously approved.

Kauai Jewelry Manufacturing Corporation dba
Kauai Scabrecze Realty

After some discussion, Commissioner Damron moved to approve licensure of the above-entitled party. The motion was seconded by Commissioner Blanco, voted and unanimously approved.

Leyton House (Hawaii), Inc. dba Leyton House
Realty Inc.

Commissioner Blanco moved to approve licensure to Leyton House Realty Inc. The motion was seconded by Commissioner Yanagawa, voted and unanimously approved.

VW Inc.

Commissioner Smales moved to deny licensure to VW Inc. The motion was seconded by Commissioner Blanco, voted and unanimously approved.

Irma P. Sai - Salesman Applicant

Commissioner Smales moved to request character references from former employers of Irma P. Sai prior to the Commission making a decision on her application. Motion was seconded by Commissioner

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Blanco, voted and unanimously approved. Executive Secretary will contact Sai to inform her of this request.

Polly Watanabe - Broker Applicant

Executive Secretary reported that applicant switched brokerage firms about December 28, 1984, which the records do not reflect. Notification of change form was executed by both releasing and new broker on December 28, 1984, per copy submitted plus affidavits and statements by the involving brokers.

After some discussion and review of the documents as submitted plus concurrence with Deputy Attorney General Sato, Commissioner Blanco moved to approve the application of Polly Watanabe. The motion was seconded by Commissioner Yanagawa, voted and unanimously approved.

Thomas G. Gagliardi - Salesman Applicant

Gagliardi was permitted to take the real estate salesman examination with an expired pre-licensing school certificate, which he passed.

After some discussion, Commissioner Blanco moved to approve the application of Gagliardi for salesman. The motion was seconded by Commissioner Damron, voted and unanimously approved.

Commissioner Blanco stated he will contact ETS to apprise them of the problem as a follow-up to Executive Secretary's letter.

Cunningham, Wolfe, and Associates, Inc.

The above entitled matter was deferred to the next Commission meeting per request by the applicant's attorney.

Restorations

Carrieri, Michael R.	Teves, Harvey A.
Chapman, Kimberly A.	Yi, Kyong H.
Clarke, John K., III	Gates, Harold M.
Lee, Gail	Howard, Nina M.

The Commission reviewed the supporting documents submitted by the above-named individuals.

Commissioner Blanco moved to approve restoration of the licenses of the above-named individuals upon meeting completion of one of the GRI courses or the UH SBMP real estate courses or passage of the real estate examination with waiver of the education requirement one time only. Motion was seconded by Commissioner Damron, voted, and unanimously approved.

Sheila M. Morales

Commission reviewed the supporting documents submitted for the above entitled individual.

Commissioner Damron moved to approve restoration upon passage of the real estate examination, one time educational waiver only. Commissioner Smales seconded the motion. Motion was voted and unanimously approved.

Commissioner Smales requested the Education Committee look into development of a video taped course to enable licensees to meet the Commission's requirement of taking a course to update the licensees' knowledge of laws and rules.

Commissioner Blanco stated it is the general policy of the Commission to allow a restoration applicant to have the option to sit for the real estate examination instead of taking the course as set as a requirement by the Commission prior to restoration, if the applicant so desires to do so. All applicants, however, must pay for the examination fee and all delinquent license fees prior to restoration of the license.

Committee
Reports
Continued:

LAWS AND RULES REVIEW COMMITTEE REPORT

Report recommended the following:

1. Condo Review Committee to review the "surrender clause" issue.
2. Pertinent facts study to include the "surrender clause" issue.
3. Accept UH SBMP's proposal to administer the REC-NARELLO Post-Conference Seminar
4. September 1986 REC meeting and Laws and Rules Review Committee meeting be held on September 26, 1986 at Kailua-Kona, Hawaii.

Commission reviewed the Convention schedule of the CLEAR Association and reached general consensus that the Executive Secretary should attend, if he is available for those dates.

After reviewing the recommendations as presented by the Committee Report, Commissioner Blanco moved to accept the recommendations. Commissioner Smales seconded the motion. Motion was voted and unanimously approved.

EDUCATION COMMITTEE REPORT

The Program of Work for the new fiscal year, proposed budget, agency rules and public hearing schedule, and pretest items were presented and recommended for approval by the Commission.

Robert Furin Appearance

Robert Furin from Guava Graphics answered questions from the Commission in regards to his submitted proposal to publish and print the Commission's 1986 Annual Report.

Commission reviewed the proposal and thanked Furin for his appearance.

Note:

At this point on the agenda, Chairman Morris returned to the meeting at 11:35 a.m.

Commission returned to address the recommendations by the Education Committee. Commissioner Smales requested the budget be amended on Exhibit C to include the Coop Bill study with the Condo Code study. Commissioner Damron requested staff to obtain a copy of Kentucky's handbook to assist in the development of Hawaii's handbook.

Commissioner Blanco moved to accept the recommendations of the Education Committee Report with the amendment presented by Commissioner Smales. Motion was seconded by Commissioner Damron, voted and unanimously approved.

Commissioner Blanco requested appropriation of funds for computerization of the purchase order system of the Education Fund. Commissioner Blanco received authority from the Commission to award consultant contracts for computerization projects provided such contracts stay within the approved budget of the Commission. Request was made in the form of a motion, Commissioner Yanagawa seconded the motion. Motion was voted and unanimously approved.

Licensing
Continued:

Instructor Application

Marietta Fowler - salesman course
William "Bim" Wilson, III - broker course

Commission reviewed the applications as presented. Commissioner Blanco moved to approve the application of Fowler subject to receipt of three escrow closings as requested, and approve the application of Wilson. Motion was seconded by Commissioner Smales, voted and unanimously approved.

License Applications for Ratification

All applications for corporations, tradename as presented by the Licensing Division were reviewed. Commissioner Blanco moved to ratify all applications as submitted. Motion was seconded by Commissioner Takeya, voted and unanimously approved.

Hearing
Officers' Report
Continued:

RE-85-63 - Stanley R. Sax

Due to conflict concurred by Deputy Attorney General Sato, Commissioner Damron was excused by the Chairman. Commissioner Takeya moved to accept the settlement agreement as presented by the Hearing's Officer. Commissioner Yanagawa seconded the motion, motion was voted and unanimously approved.

Miscellaneous:

Annual Report Proposals

Information Officer Yee solicited proposals from six (6) individuals. Two (2) proposals were received and distributed to the Commission for review. After some discussion, Commissioner Blanco moved to accept the proposal of Trade Publishing Company, Inc. as submitted, to publish the 1986 Commission Annual Report. Motion was seconded by Commissioner Takeya, voted and unanimously approved.

Certificate of Appreciation

Executive Secretary requested a certificate of appreciation be presented to Saeko Whang, secretary of the Commission Office, upon her retirement on July 31, 1986.

Chairman Morris suggested a certificate also be presented to outgoing Executive Secretary George Arine, who is leaving PVL on July 31, 1986.

Commissioner Blanco moved the Commission present Certificates of Appreciation to Whang and Arine. Motion was seconded by Commissioner Takeya, voted and unanimously approved.

Next Meeting: August 29, 1986
9:00 a.m.
Board Room, Second Floor, Kamamalu Building
1010 Richards Street, Honolulu, Hawaii

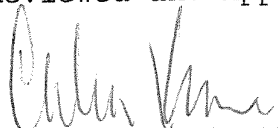
Adjournment: There being no further business to discuss, the meeting was adjourned at 12:01 p.m. by Chairman Morris.

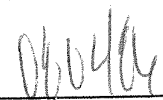
Respectfully submitted,



Janice Sevilla-Meeker, REC Staff

Reviewed and Approved:



Calvin Kimura, Executive Secretary

Date