

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, September 26, 1986

Time: 1:30 p.m.

Place: Hala Room, Kona Surf Resort
78-128 Ehukai St.
Kailua-Kona, Hawaii

Present: G. A. "Red" Morris, Chairman
Yukio Takeya, Member
Joseph Blanco, Member
Gloria J. Damron, Member
Douglas Sodetani, Member
Peter Yanagawa, Member
Yoshiko Kano, Member
Michele Matsuo, Member

Calvin Kimura, Executive Secretary
Cynthia Yee, Information Officer
Mary Cheng, Secretary

Charles Horne, Director, Center for Real Estate Research and Education
Peggy Comeau, HAR Executive Vice-President
Liz Benton, HAR President
Kathleen Stanley, HAR Legislative Advocate
Eileen Luko, HAR Education Director
A. P. "Red" Carlton, NARELLO President
Johnny S. Chaco, Guam Commission Chairman
Michael A. Buenconsejo - Renewal Applicant
Scott Gomes - License Applicant
R. T. Doc Halliday
Annette Cabridor
Doug Thomson - License Applicant
Leroy Smith - License Applicant

Excused: Constance Smales, Member

Call to Order: The meeting was called to order at 1:30 p.m. by Chairman G. A. "Red" Morris. Quorum was established.

Minutes:

The minutes of the August 29, 1986 meeting was distributed to the members for their review prior to the meeting.

Upon a motion by Commissioner Sodetani and second by Commissioner Blanco, the Commission unanimously approved the minutes of the August 29, 1986 meeting as circulated.

Additions to the Agenda:

The Corporate License Application of CPL Realty, Inc.

The License Restoration Application of Charles Ushijima

Rick Nabarette - Educational Requirements for Disciplinary Action

Commissioner Blanco moved to add these items to the agenda. Commissioner Damron seconded the motion, Commission unanimously approved.

Deputy Attorney General's Report:

Complaint Against WBC Corporation, William and Beverly Cox

Due to a scheduling conflict, the Deputy Attorney General was unable to attend the meeting. This matter will be deferred to a later date.

Recovery Fund Orders:

John and Alexandra Martin vs. Frederick J. Puerner, Civil No. 85-3185, First Circuit

The Commission reviewed the recommendation that was received from the Recovery Fund's Attorney, Sidney Ayabe. The recommendation by Consultant Ayabe was to proceed with the order to pay from the Recovery Fund a total of \$20,000.00 for the claim against the licensee.

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

W. G. and Dorothy J. Frazer vs. Pacific Hawaii Realty, Inc. and Clarence K. J. Fung, Civil No. H85-478, First Circuit

The Commission reviewed Consultant Ayabe's recommendation to pay from the Recovery Fund a total of \$3,232.00 for the claim against the licensee.

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

NOTE: This was case previously approved on June 28, 1985 and brought before the Commission in error.

Gene Wai Doo vs. Clifford Laughton, Civil No. H85-37780, First Circuit

The Commission reviewed the Consultant Ayabe's recommendation to pay from the Recovery Fund a total of \$7,812.93 for the claim against the licensee.

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

David A. Johnson vs. Clifford Laughton, Civil No. H85-2872, First Circuit

The Commission reviewed the Consultant Ayabe's recommendation to pay from the Recovery Fund a total of \$3,373.15 for the claim against the licensee.

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

Committee Reports: EDUCATION COMMITTEE

The Education Committee Chairman, Joseph Blanco, circulated the Committee's recommendations (a copy is attached hereto and made a part hereof). The Chairman made the following recommendations:

- 1) that the Commission approve Mary Shern's proposal to provide an update report for the Commission's Mandatory Continuing Education bill for \$4,000.00; and
- 2) that the Commission pay for the entire Investigator Seminar to be held in Los Angeles for one RICO investigator provided that Alfred Costa, Enforcement Officer at RICO, write an article for the Real Estate Bulletin explaining to the licensees the reason why the Compliance Resolution Fund (CRF) fees are being increased. The article will also include provide licensees with information on what the moneys are being used for.

Commissioner Blanco made the motion and Commissioner Yanagawa seconded the motion to approve the Education Committee Recommendations. The motion was unanimously carried.

Committee Reports: LAWS AND RULES REVIEW COMMITTEE:

The Executive Secretary presented the Laws and Rules Report and Recommendations on behalf of the Chairman, Yukio Takeya. The Committee recommended that the Commission approve the following:

- 1) The Glenn Adachi proposal relating to the Independent Contractor for \$3,000 plus 4% tax (a copy is attached hereto and made a part hereof).
- 2) Robin K. Campaniano's proposal to perform a study relating to the bonding of managing agents/self-managed associations for \$17,500 (a copy of proposal is attached hereto and made a part hereof).

- 3) A material house bond be accepted in cases where a 100% performance bond cannot be obtained to satisfy the HPR statute relating to the issuance of a public report if the developer escrows the purchaser's fund until completion of the project or a combination of the conditions as set forth in the Laws and Rules Recommendations of April 24, 1986.
- 4) Extension of HHA contract to December 20, 1986.
- 5) Executive Secretary to send a letter to Hilton Head's Holdings Corp. Hawaii that the corporation is a condo/hotel operator and in violation of the trust account rules and laws, as well as any other known condo-hotel operator.
- 6) Public Reports are not to be issued for agricultural HPRs until the Attorney General gets back to the Commission with its recommendations.
- 7) Commissioner Yanagawa reported on Condo/Coop Study and Glenn Adachi's proposal. Discussion followed. Recommend approval of \$24,000 plus gross excise tax with cooperative portion to be completed by December 1986.

Commissioner Takeya moved and Commissioner Sodetani seconded to approve the Laws and Rules Recommendations. Motion was unanimously carried.

REAL ESTATE RESEARCH AND EDUCATION CENTER

Charles Horne, the Center's Director, presented the Center's Mission Statement, Proposed Program of Work, and an Executive Briefing on the 1986 Tax Reform Legislation. The briefing is available to educators to use as they see fit.

The Commission deferred discussion on the Center's program of work until the Education Committee has had an opportunity to review the proposed program and make recommendations. Commissioner Morris noted for discussion purposes that the Center should play a coordinating role in the delivery of seminar topics.

Commissioner Damron proposed to publish a quarterly real estate seminar master calendar to provide a centralized general reference.

Discussion will continue at the October Education Committee Meeting.

Licensing:

Instructor Application (Broker & Salesman)
- Rick Seiler

This matter was deferred to a later date.

Ratification of Corporations, Branch
Offices, and Trade Names (attached list)

Upon a motion by Commissioner Takeya and second by Commissioner Sodetani, it was unanimously carried to approve the corporations, branch offices, and trade names.

Restorations:

BUENCONSEJO, Michael Salesman

Upon a motion by Commissioner Blanco and second by Commissioner Yanagawa, it was unanimously carried to restore Mr. Buenconsejo's license upon producing evidence of successful completion of the Real Estate Update Course on October 7, 1986.

Dunkel, Allan W.	Salesman
Follante, Estelito S.	Salesman
Gallo, Patricia L.	Salesman
Joyner, Kenneth R.	Salesman
Minami, Susan R.	Salesman
Moffett, William B. II	Salesman

Upon a motion by Commissioner Takeya and second by Commissioner Sodetani, it was unanimously carried to have the real estate license of those listed above be restored upon producing evidence of successfully completing a Commission-approved real estate course.

Minutes of September 26, 1986 Meeting

AGUIAR, Maryann K. Salesman

Upon a motion by Commissioner Blanco and second by Commissioner Sodetani, it was unanimously carried to approve restoration of license upon successful completion of a Commission-approved course or successfully passing the real estate examination.

DANG, Robert K. S. Salesman

Upon a motion by Commissioner Blanco and second by Commissioner Sodetani, it was unanimously carried to approve restoration of license upon successfully passing the real estate examination.

Ito, Richard M. Salesman

Upon a motion by Commissioner Blanco and second by Commissioner Sodetani, it was unanimously carried to approve the restoration of license upon successfully completing the required real estate courses.
James, John W. P. Broker

Upon a motion by Commissioner Sodetani and second by Commissioner Blanco, it was unanimously carried to approve restoration of license upon successfully passing the real estate examination.

Questionable Applications

Coldwell Banker Commercial Group, Inc. dba
Coldwell Banker Commercial Real Estate
Services - 1001 Bishop St., 2610 Pacific
Tower, Honolulu, HI 96813 - Fred A.
O'Banion, Jr.

Upon a motion by Commissioner Damron and second by Commissioner Blanco, it was unanimously carried to approve the application subject to final approval by Licensing Branch.

Gomes/Smith/Thomson, Inc. - 733 Bishop St.,
Suite 1560, Honolulu, HI 96813 - Douglas
R. Thomson, pb

Mr. Gomes and Mr. Thompson summarized for the Commission their reasons for requesting that Gome's name (a salesman) appear in the corporate name application. Discussion followed. Mr. Gomes and Mr. Thompson acknowledged, that if a conditional corporate license was granted, should Gomes did not pass the brokers exam, each individual and the corporation would be waive their rights to appeal the expiration of the conditional license. Commissioner Matsuo discussed and noted a number of consumer protection considerations in connection with issuing applicants a conditional corporate license. Applicant informed the Commission that upon the expiration of the conditional license they would take it upon themselves to notify the public that this conditional license has expired.

Upon a motion by Commissioner Blanco and second by Commissioner Damron, Commissioner Matsuo and Commissioner Takeya opposed the motion, it was carried to grant the applicant a conditional corporate license until December 31, 1986, subject to the conditions as previously set forth in a similar case before the Commission and agreed to by the applicant through written agreement.

VW, Inc. - 615 Piikoi St., Suite 2000,
Honolulu, HI 96814 - William S. C. Kee, pb

Upon a motion by Commissioner Takeya and second by Commissioner Damron, it was unanimously carried to approve the corporate license.

Charles Ushijima

Upon a motion by Commissioner Sodetani and second by Commissioner Blanco, it was unanimously carried to approve restoration of license upon successful completion of a Commission approved course.

Zacharias-DeLong, Inc.

Upon a motion by Commissioner Sodetani and second by Commissioner Blanco, with Commissioners Matsuo and Takeya opposing, it was carried to grant the applicant a corporate license until December 31, 1986, subject to the conditions as previously set forth in a similar case before the Commission and agreed to by the applicant through executing a written agreement. Commissioner Matsuo and Commissioner Takeya opposed the motion.

Himmah, Gael C.

Upon a motion by Commissioner Takeya and second by Commissioner Sodetani, it was unanimously carried to approve a maximum experience waiver of 18 months but Mr. Himmah will still need to meet the 10 transaction requirement.

Tomko, Nick

Upon a motion by Commissioner Sodetani and second by Commissioner Blanco, with Commissioner Takeya opposed, it was carried to approve a six-month experience waiver.

CPL Realty

Upon a motion by Commissioner Sodetani and second by Commissioner Blanco, it was carried to approve application for partnership license pending final approval by Licensing Division.

Old Business:

Ricardo Nabarette

Upon a motion by Commissioner Blanco and second by Commissioner Damron, it was unanimously carried to allow Mr. Nabarette to substitute the Commission-sponsored seminars attended by Mr. Nabarette for the courses required to be taken as part of the imposed disciplinary sanction. Mr. Nabarette is required to take all four courses.

Executive
Session:

Commissioner Sodetani moved and Commissioner Takeya seconded, with unanimous approval, to go into Executive Session to discuss personnel matters at 4:00 p.m. The Executive Session ended at 4:15 p.m. at which time the Commission meeting reconvened.

Commissioner Blanco moved and Commissioner Sodetani seconded to contract Janice Sevilla-Meeker at \$8.65/hour on a month-to-month basis until January 31, 1987. Discussion followed relating to the change in the scope of work to be performed. Motion was unanimously carried.

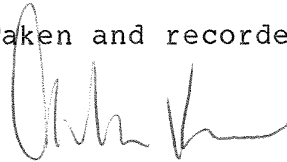
Next Meeting:

October 31, 1986
9:00 a.m.
Board Room, Kamamalu Building
Honolulu, Hawaii

Adjournment:

There being no further business to discuss, the meeting was adjourned at 4:25 p.m.

Taken and recorded by:



Calvin Kimura
Executive Secretary