

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: Wednesday, November 26, 1986

Time: 9:00 a.m.

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

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

Calvin Kimura, Executive Secretary
Cynthia Yee, Information Officer
Irene Kotaka, Secretary
Susan Sato, Deputy Attorney General
Virginia Lea Crandall, Hearings Officer
Rodney Maile, Hearings Officer
Sidney K. Ayabe, Recovery Fund Attorney

Eileen Luko, HAR Education Officer
Charles Horne, REC Research & Education Center, Director
Liz Benton, HAR President

Ira Gordon, Licensee
Ralph LaFontaine, Attorney for Mr. Gordon
Ron Scott, Licensee
William H. Gillardi, Attorney for Mr. Scott

Excused: Constance Smales, Member
Peter Yanagawa, Member

Call to Order:

The meeting was called to order at 9:12 a.m. by Chairman G. A. "Red" Morris. Quorum was established.

Minutes:

The minutes of the October 31, 1986 meeting was distributed to the members for their review prior to the meeting.

Commissioner Blanco stated that he was present during the Anne Gross case and voted with the majority.

Upon a motion by Commissioner Takeya, noting Commissioner Blanco's correction, second by Commissioner Kano, the Commission unanimously approved the minutes of the October 31, 1986 Meeting with the corrections as circulated by the Executive Secretary. A copy of the corrections is attached hereto.

Hearings Officer's Reports:

RE-83-11 and RE-83-88, RUDY T. HIROTA, MOTION FOR RECONSIDERATION

The matter was deferred for discussion at a later date.

RE-84-229, IRA GORDON, EXCEPTIONS TO RECOMMENDED DECISION

Oral exceptions were presented by Mr. Gordon and his attorney, Ralph LaFountaine. Virginia Lea Crandall, Hearings Officer, was present. Richard Marshall, RICO attorney, was not present.

Ira Gordon and Ralph LaFountaine:

The Fishers knew that Mr. Gordon was a salesman for Jack Russell and Associates, Inc. The DROAs for the Milolii property and the Makakilo property informed the Fishers that Jack Russell and Associates, Inc. represents the seller. Mr. Gordon told the Fishers that he represented the sellers. The Gordons knew that all three properties were listed with Jack Russell and Associates, Inc.

The Milolii property had some problems which Mr. Gordon was aware of but did not notice any cracks, exterior or interior. The settling was pointed out to the Fishers. The appraisal done prior to the purchase by the Fishers did not mention the settling or any cracks. The tenants who occupied the unit did not mention any cracks. The new owner, two years after the Fishers purchase, did not observe any new cracks.

The Fishers failed to reasonably manage their finances and they had the financial capability. They had good equity in their residence. Mr. Gordon assisted the Fishers during their financial predicament.

Virginia Lea Crandall:

The Fishers were interested in investing in real estate and was recommended to Mr. Gordon. Mr. Gordon held himself out as an investment counselor and a real estate salesman. Mr. Gordon's real estate salesman's business card also includes "investment counselor." The Fishers were interested in investing in real estate for a profit. They were not knowledgeable about finance or real estate investments and relied on Mr. Gordon for his expertise.

The Fishers knew that Mr. Gordon was a salesman for Jack Russell and Associates, Inc., who represented the sellers. Mr. Fisher admitted that he knew that Mr. Gordon represented the sellers.

Mr. Gordon acted as an agent for both the buyer and the seller in the Milolii property, Harbour Ridge property, and the Makakilo property without the written permission to act in the dual capacity.

Chairman Morris:

Mr. Gordon was in a dual capacity and did not secure written permission to act in this capacity. The Fishers went to Mr. Gordon to assist them in real estate investing for a profit.

Commissioner Blanco:

Where is the State - RICO Attorney?

Ms. Crandall:

Mr. Marshall was informed of the proceedings.

After discussion, Commissioner Takeya moved to dismiss all charges against Mr. Gordon. Commissioner Matsuo seconded the motion. The motion was voted and carried. Commissioner Morris opposed the motion.

The Commission also requested that Mr. Marshall explain why he was not present.

DONNA P. TING, and TRI-ISLE REALTY AND DEVELOPMENT COMPANY., INC., EXCEPTIONS TO RECOMMENDED DECISION

Hearings Officer, Rodney Maile, reported that since no violations against Chapter 467, HRS, were found, charges against the above-named licensees be dismissed.

Commissioner Sodetani moved that the Commission adopt the Hearings Officer's Findings of Fact, Conclusions of Law, and Recommended Order to dismiss all charges against the above-named licensees. Commissioner Matsuo seconded the motion. It was voted and unanimously carried.

Recovery Fund:

Executive Session

Commissioner Blanco moved to enter into Executive Session, pursuant to Section 92-4, at 10:39 a.m. to discuss recovery fund issues with the legal counsel, Sidney Ayabe. Commissioner Kano seconded the motion. It was voted and unanimously carried.

Upon a motion by Commissioner Takeya, second by Commissioner Kano, it was voted and unanimously carried to move out of executive session at 10:43 a.m. and to resume the meeting. Motion was carried.

Recovery Fund:

HAROLD AND SHARON OSHIRO VS. BRENDA KUAMOO,
CIVIL NO. 85-496, THIRD CIRCUIT COURT

The Commission reviewed Consultant Ayabe's recommendation. Commissioner Takeya moved to pay from the Recovery Fund a total of \$4,706.25 for the claim against the licensee. The motion was seconded by Commissioner Damron, voted and unanimously carried.

LOURDES WALKER AND FELY TABAL VS. GREGORY
LANGAN AND MICHAEL NEWBY, CIVIL NO. 72310,
FIRST CIRCUIT COURT

The Commission reviewed Consultant Ayabe's recommendation. Commissioner Takeya moved to pay from the Recovery Fund a total of \$14,135.43 for the claim against the licensees, Gregory Langan and Michael Newby. The motion was seconded by Commissioner Damron, voted and unanimously carried.

ANTHONY RIGGI AND LORETTA RIGGI VS. CHARLES
B. FEY, ED MENDEL, CIVIL NO. 86-1312, FIRST
CIRCUIT COURT

The Commission reviewed Consultant Ayabe's recommendation. Commissioner Takeya moved to pay from the Recovery Fund a total of \$20,000.00 for the claim against the licensee, Ed Mendel. The motion was seconded by Commissioner Damron, voted and unanimously carried.

WILLIAM F. ABELL AND FRANK H. SAYRE VS.
ANTON LEEB, CIVIL NO. 85-242, THIRD CIRCUIT
COURT

The Commission reviewed Consultant Ayabe's recommendation. Commissioner Takeya moved to pay from the Recovery Fund a total of \$20,000.00 for the claim against the licensee. The motion was seconded by Commissioner Damron, voted and unanimously carried.

Committee Reports: EDUCATION COMMITTEE

Upon a motion by Commissioner Blanco, second by Commissioner Sodetani, it was voted and unanimously carried to accept the recommendations of the November 25, 1986 Education Committee Meeting as circulated as follow:

1. Approve contract with John Ramsey for writing, publishing and printing of Commission bulletin for a total of \$14,850 plus gross excise tax.
2. Increase compensation paid to Trade Publishing Company to \$4,350.20 for the necessary additional costs related to the publishing and mailing of the 1986 Annual Report.
3. Increase contractual compensation paid to Sam Schneider PR Work for July and October for necessary additional costs incurred in the writing, publishing, and mailing of the bulletin to \$72.02 for July and \$453.78 for October.
4. Staff permitted to process pre-license Education Waivers for individuals coming from States whose pre-licensing education waivers are similar to Hawaii's, using only hours as the criteria - 40 hours for salesman, 46 hours for brokers.

LAWS AND RULES REVIEW COMMITTEE

Upon a motion by Commissioner Takeya, second by Commissioner Sodetani, it was voted and unanimously carried to accept the recommendations of the November 25, 1986 Laws and Rules Review Committee Meeting as circulated as follows:

1. Commission deny Leolua Gardens application for a waiver of the disclosure abstract.
2. Issue Final Public Report for Namahama Acres and Kipapa Acres provided all pertinent facts are disclosed, disclosure of facts is confirmed by Condominium Consultant, and a copy of Kauai County's letter be attached to the Final Public Report as an addendum for Namahama Acres.

3. Accept Kenneth Chong's proposal to conduct a study on agricultural condominiums for \$2,000 plus gross excise tax.
4. John Reilly and Susan Sato to incorporate proposed agency rules. Rules to be reviewed by industry, then proposed to the Commission at the December 17, 1986 meeting. Public hearing is tentatively scheduled for January, 1987.
5. Laws and Rules Review Committee meet on December 16, 1986 and the Real Estate Commission meet on December 17, 1986.

Licensing:

Restorations:

Aubrey, Carol A.	Salesman
Barut, Irene C.	Salesman
Brand, Richard S.	Salesman
Jorg, Stanley A.	Salesman
Kagan, Scott K.	Salesman
Mercereau, Sandra	Salesman

After a review of information submitted by the applicants, a motion was made by Commissioner Blanco, seconded by Commissioner Sodetani, voted and unanimously carried to have the real estate license of those listed above restored upon producing evidence of successfully completing a Commission-approved real estate course.

PAULA CASTELLANO Salesman

After a review of the information submitted by the applicant, Commissioner Blanco moved that restoration of license be approved upon successful completion of a Commission-approved real estate course. Commissioner Sodetani seconded the motion. The motion was voted on and carried. Commissioner Matsuo opposed the motion.

MICHAEL CONWAY Salesman

After a review of the information submitted by the applicant, Commissioner Blanco moved to approve restoration of Mr. Conway's license upon successful completion of a Commission-approved course. Commissioner Sodetani seconded the motion. The motion was voted on and carried. Commissioner Matsuo opposed the motion.

KIANA K. WEINBERG Salesman

After a review of the information submitted by the applicant, Commissioner Blanco moved to approve restoration of Ms. Weinberg's license upon passing the salesman's examination. Commissioner Sodetani seconded the motion. The motion was voted on and carried. Commissioner Matsuo opposed the motion.

QUESTIONABLE APPLICATIONS:

RICHARD H. KUITNEN

Commissioner Takeya was excused due to a conflict of interest.

After review of the information submitted by the applicant, Commissioner Sodetani moved to deny Mr. Kuitnen's application for a broker experience waiver of 18 months. Commissioner Matsuo seconded the motion. The motion was voted on and unanimously carried.

Commissioner Takeya returned to the meeting.

GEORGE W. HOOK

After review of the information submitted by the applicant, Commissioner Damron moved that the Executive Secretary send a certified letter to Mr. Hook asking him to submit evidence of his honesty, truthfulness, and fair dealings. If the

Executive Secretary is unable to contact Mr. Hook, the matter will be scheduled for the December 17, 1986 Meeting. Commissioner Kano seconded the motion. The motion was voted and unanimously carried.

GORDON SCOTT REALTY, INC. dba GORDON SCOTT REALTY

Ron Scott and his attorney, William H. Gillardi, appeared before the Commission to answer any questions the Commission may have.

Ron Scott and William H. Gillardi:

Gordon Scott, who is Ron Scott's father, is gravely ill and has relinquished the real estate business in care of Ron Scott. The business name is well known and business is generated through word of mouth. Gordon Scott has given permission to the use of his tradename and has sold the assets of his business including the tradename to Ron Scott. Gordon Scott's license has been placed on an inactive status and will not be involved with the new corporate licensee.

After a review of the information submitted by the applicant and the oral testimony provided by the licensee and his attorney, Commissioner Sodemani moved to approve the Corporate Real Estate Broker's license. Commissioner Takeya seconded the motion. The motion was voted on and unanimously carried.

JUNE CHRISTIANSEN

After a review of the information submitted by the applicant, Commissioner Takeya moved to approve Ms. Christiansen's request for a 10 day experience waiver. Commissioner Sodemani seconded the motion. The motion was voted on and unanimously carried.

Miscellaneous:

ETS October 25, 1986 Test Results

The Executive Secretary reported as follows:

Brokers tested - 39
Brokers passed - 26 (67%)
Salesmen tested - 278
Salesmen passed - 190 (68%)

CERTIFICATE OF APPRECIATION

Chairman Morris requested that Certificates of Appreciation be given to the Honorable George R. Ariyoshi, Governor of Hawaii, Russel S. Nagata, Director, DCCA, Robert A. Alm, Deputy Director, DCCA, Susan T. Sato, Deputy Attorney General, and Nobuo Kitsuda, Executive Vice-President, Mauna Lani Resort, Ltd.

The Executive Secretary informed the Commissioners that Mr. Tom Fujise will be doing the scrolling for the Certificates of Appreciation.

Commissioner Takeya moved, Commissioner Kano seconded the motion, it was voted and unanimously carried.

Announcements:

Chairman Morris requested that the Commissioners sign up for the NARELLO Committees that they are interested in.

Adjournment:

The meeting was adjourned at 11:34 a.m.

Executive Session:

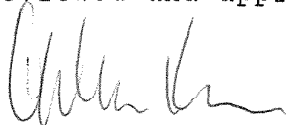
Upon a motion by Commissioner Sodetani, second by Commissioner Blanco, it was voted and unanimously carried to enter into Executive Session, pursuant to Section 92-4, at 11:44 a.m. to discuss procedural matters.


Upon a motion by Commissioner Takeya, second by Commissioner Sodetani, it was voted and unanimously carried to move out of the Executive Session at 11:54 a.m.

Respectfully submitted,


Irene S. Kotaka, Secretary

Reviewed and approved:


Calvin Kimura, Executive Secretary


Date