

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 25, 1987

Time: 9:10 a.m.

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

Present: Gloria J. Damron, Chairman  
Joseph Blanco, Member  
Yoshiko Kano, Kauai Member  
Michele Matsuo, Public Member (Late arrival/early departure)  
Marcus Nishikawa, Member (Early departure)  
Constance Smales, Public Member  
Douglas Sodetani, Maui Member  
Yukio Takeya, Hawaii Member  
Peter Yanagawa, Member

Calvin Kimura, Executive Secretary  
Cynthia Yee, Information Officer  
Russell Wong, Assistant Information Officer  
Irene Kotaka, Secretary  
Grant Tanimoto, Deputy Attorney General  
Virginia Lea Crandall, Hearings Officer  
Victoria Marks, Attorney for RICO  
G. A. "Red" Morris, Special Assistant

Dr. Nicholas Ordway, Chairholder/Director,  
Real Estate Research & Education Center  
Steve Gilbert, Real Estate Research  
& Education Center  
Barbara Dew, President-Elect, HAR  
Gary Au Young, Recovery Fund Counsel  
Gerald Kremkow, Licensee  
Sidney K. Ayabe, Attorney for Mr. Kremkow  
Nancy Gillingham, Licensee  
Suzanne Doroen, Licensee

Call to Order:

The meeting was called to order at 9:10 a.m. by Chairperson Gloria Damron. Quorum was established.

Additions to the Agenda:

Upon a motion by Commissioner Sodetani, seconded by Commissioner Kano, it was voted and unanimously approved to add the following to the agenda:

Restoration - Over 2 years  
K. Russell Ho, salesman

Questionable Applications  
John Paulisin  
Mary Eschen  
Nancy Gillingham

Approval of Minutes:

Upon a motion by Commissioner Kano, second by Commissioner Sodetani, the Commission unanimously approved the minutes of the September 3, 1987 Commission Meeting as circulated with the following corrections:

Page 9, Executive Session

Upon a motion by Commissioner Sodetani, seconded by Commissioner Kano, it was voted and unanimously carried to enter into Executive Session, pursuant to Section 92-4, to Section 92-5(a)(1), "To consider and evaluate personal information relating to individuals applying for professional or vocational licenses cited in Section 26-9 or both;" at 10:10 a.m.

The motion was voted on and unanimously carried.

Hearings Officer's Reports:

GERALD K. KREMKOW, RE-LIC 87-4 - ORAL ARGUMENTS ON WRITTEN EXCEPTIONS

Mr. Kremkow was present and was represented by his Attorney, Sidney K. Ayabe. The State was represented by Victoria Marks.

Mr. Ayabe requested that restoration be granted without requiring Mr. Kremkow to pass the real estate licensing examination. Mr. Ayabe stated that Mr.

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Kremkow has not been involved in any real estate activity while his license was forfeited. Mr. Kremkow has never received commissions as a result of his real estate license. Mr. Kremkow's licensing fee has always been paid by his corporate employer and he assumed that the fees were paid.

Ms. Marks stated that the Real Estate Commission has the discretion to decide on the terms of Mr. Kremkow's restoration requirements.

Commissioner Takeya moved to accept the Hearings Officer's recommendation that Mr. Kremkow successfully pass the real estate licensing examination. Commissioner Sodetani seconded the motion. Chairman Damron abstained from voting. The motion was voted on and carried.

Commissioner Takeya stated that the Commission is following the previously established precedents that it is the responsibility of the individual licensee to make sure that their licensing fees are paid.

SEBASTIANO VANI AND PROFESSIONAL RENTAL MANAGEMENT CORPORATION, RE-85-147, 86-17, 86-43, 86-45, 86-51, 86-79, 86-82, 86-56, AND 86-252

Commissioner Takeya moved to defer discussion on this matter until the parties could be present. Commissioner Blanco seconded the motion. The motion was voted on and unanimously carried.

ESTER C. S. CHU AND ESTER CHU REALTY, INC., RE-84-271, 84-161, 84-147, 84-146, 83-269, 83-46, 83-47, 82-124, AND 81-137

Commissioner Sodetani moved to accept the Hearings Officer's Recommended Order. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

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ROBERT E. GARRITY, MARIA A. HANSEN, RE  
84-232

Commissioner Blanco moved to accept the settlement agreement of a fine of \$400 to be paid to the Compliance Resolution Fund. Commissioner Takeya seconded the motion. The motion was voted on and unanimously carried.

FIRST AMERICAN REALTY AND MANAGEMENT  
CORPORATION, JAMES WODEHOUSE, JR., RE 87-7

Commissioner Blanco moved to accept the settlement agreement of revocation of First American Realty and Management Corporation's real estate license and a fine of \$2,000 with \$1,000 of that fine suspended against James Wodehouse, Jr. Commissioner Sodetani seconded the motion. The motion was voted on and unanimously carried.

OIHANA PROPERTY MANAGEMENT AND SALES, INC.  
AND DICK WEAVER, RE-86-182

Commissioner Takeya moved to approve the settlement agreement of an administrative charge of \$500 to the Compliance Resolution Fund; and respondents to pay complainant \$1,500. Commissioner Yanagawa seconded the motion. The motion was voted on and unanimously carried.

KAY MCMAHON, RE 86-135

Commissioner Sodetani moved to accept the settlement agreement of \$1,000 to the Compliance Resolution Fund, and respondent to complete a real estate education course approved by the Real Estate Commission and to submit evidence of successful completion. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

The Real Estate Commission extended its best wishes and mahalos to Virginia Lea Crandall, Hearings Officer.

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 September 9, 1987 Education Committee Meeting as circulated.

1. Approve the Hawaii Real Estate Research and Education Center's budget for Fiscal Year 1988 up to an amount of \$314,293.00 to be expended for those purposes and programs (except for county research project) described in its submitted "Center Budget Proposal" to the Chairman of the Advisory Council, dated September 9, 1987, provided that funds not be moved from one budget line item to another and that the Center report monthly to the Commission on the progress of its projects.
2. Approve the Commission's earmarking an amount in the Education Funds up to an amount of \$30,000.00 for the Center's county research projects, which funds shall be transferred to the Center upon Center's presentation of and Commission's approval of the purpose and scope of the proposed research project for each county.
3. Approve the extension of the terms of the members of the Advisory Council whose appointments are ending to December 31, 1987.
4. Approve Consultant Hirata's request for excess compensation for personal services rendered and expenses incurred in the performance of his contract. The contract will be amended to include an increase of \$6,590.06.
5. Approve the Myers Advertising Inc., Jean Myers request for excess compensation for personal services rendered and expenses incurred in

the performance of their contract. The contract will be amended to include an increase of \$34,103.84 and an additional \$656.54 which was inadvertently omitted from the original contract.

6. Approve the extension of Cynthia Yee's contract, for the period commencing October 1, 1987 to and including September 30, 1988, at \$51,276.29. The amount includes compensation for a secretarial position.
7. Approve the extension of Russell Wong's contract for the period commencing November 3, 1987 to and including November 2, 1988, at \$26,797.71.

Dr. Ordway will be working at the Real Estate Commission Office for a full day each week to work on the pertinent facts study and the condo hotel study. A report will be given at the November Commission meeting.

#### CURRICULUM REVIEW

Commissioners Blanco, Smales, and Yanagawa, Chairman Damron, and staff will be meeting with Consultant, Robert Allen, to discuss the status of the Curriculum Review Report.

#### LAWS AND RULES REVIEW COMMITTEE

Upon a motion by Commissioner Takeya, second by Commissioner Sodehani, it was voted and unanimously carried to approve the recommendations of the September 24, 1987 Laws and Rules Review Committee Meeting, as circulated and defer the Investigator Training issue:

1. The Commission to present the Senior Hearings Officer, Virginia Lea Crandall, with a certificate of appreciation and a bouquet of flowers.

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2. Consultant Yukio Naito will be provided with copies of the Agricultural Condominium Report and the Bonding Study when issued and Mr. Naito is to discuss condominium issues with Dr. Ordway.
3. Examine the possibility of assigning the responsibility of xeroxing declarations and by laws to the Real Estate Research and Education Center.
4. Commissioner Matsuo's corrections and other corrections noted be incorporated into the letter to Mr. Clark regarding the issue of Special Assistant Morris's position with the Commission.
5. Hawaii Real Estate Commission delegates to testify in behalf of the Commission on the proposed amendments to the NARELLO Constitution and By-Laws.
6. Consultant Tom to meet with Commissioners Yanagawa, Blanco, Nishikawa, Special Assistant Morris, the Executive Secretary, and the Information Officer to discuss the findings of the bonding study report.
7. The Hawaii delegates to the NARELLO Convention shall submit a nominee for the Western District Director Vacancy.
8. The contract with the Educational Testing Service shall be finalized at the NARELLO Conference in Philadelphia, Pennsylvania.
9. Approve the Recovery Fund Counsel's contract, retroactive from October 1, 1986 to September 30, 1987, with the same terms as previous contracts. Furthermore, approve the contract effective October 1, 1987 to September 30, 1988, including a provision for extension and requiring that the consultant provide a more comprehensive digest of each case.

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10. Retain G. A. "Red" Morris as Legislative Consultant to the Real Estate Commission at an annual salary of \$1 per year.
11. Approve the proposed meeting schedule with the following changes:
  - a. April 13, 1988 - Laws and Rules Review Committee Meeting and Education Committee Meeting
  - b. April 28 and 29, 1988 - Annual Symposium
  - c. December 15, 1988 - Laws and Rules Review Committee Meeting and Education Committee Meeting
  - d. December 16, 1988 - Real Estate Commission Meeting
  - e. All Commission and Committee meetings will begin at 9:00 a.m.
12. The next Education Committee Meeting will be postponed to October 21, 1987.
13. Staff to secure copies of the Hawaii Housing Authority's study on condominium leasehold to fee conversion.
14. Approve purchase of office partitions from Alexander Brothers at a cost of \$2,500.

RICO INVESTIGATOR'S TRAINING

Upon a motion by Commissioner Takeya, second by Commissioner Sodetani, it was voted on and unanimously carried to approve funding for Investigator, to attend the investigator training in Philadelphia, Pennsylvania, subject to:

1. RICO is to fund per diem, ground transportation, incidentals, etc.
2. RICO assumes any costs above the cost breakdown of \$848.00 for airfare and \$155.00 for the registration fee. That any savings incurred on airfare



and registration fee be remitted to the Real Estate Education Fund.

3. Lori Urakawa attends the subject seminar.
4. Lori Urakawa is to provide a written report to the Commission on the subject seminar for the October 29, 1987 Commission meeting. The report is to include the subject areas covered, the strengths of the curriculum, the weaknesses of the curriculum, an evaluation of each instructor, and any suggestions or comments.
5. Your commitment that Lori Urakawa will continue to investigate real estate cases and that real estate cases will always represent a substantial portion of her caseload.

Commissioners Blanco and Yanagawa will meet with Al Costa to discuss a general policy on requests for funding from the Education Fund for RICO training.

Commissioner Matsuo arrived.

G. A. "Red" Morris' Eligibility as an Active Member of NARELLO

Commissioner Matsuo presented a draft of a letter in response to the letter Special Assistant Morris received from Mr. Charles Clark, questioning Mr. Morris' eligibility to serve as an active member of NARELLO.

The Commissioners revised Commissioner Matsuo's draft. The letter will be sent to Mr. Clark and the members of the Board of Directors of NARELLO.

Commissioner Matsuo was excused from the meeting.

AGENCY BROCHURE

There was a discrepancy in one of the illustrations on the agency brochure. The names broker and seller were switched on the last illustration. The Real Estate

Research and Education Center purchase a rubber stamp with the correct words and stamp the brochure.

Recovery Fund:

PAUL T. YAMAMURA VS. PROGRESSIVE INVESTMENT CORP., CIVIL NO. H85-1624

Gary Au Young, Recovery Fund Counsel, requested that the Commission refer out the above-mentioned case as their office has a conflict of interest.

Upon a motion by Commissioner Takeya, second by Commissioner Sodetani, the above-mentioned recovery fund case shall be referred out to Gary Lee, Attorney for the Contractor's Recovery Fund, under the terms of the contract with the Real Estate Commission. The motion was voted on and unanimously carried.

Commissioner Nishikawa was excused from the meeting.

Executive Session:

Upon a motion by Commissioner Blanco, second by Commissioner Takeya, it was voted and unanimously carried to enter into Executive Session, pursuant to Chapter 92-4, to Section 92-5(a)(1) "To consider and evaluate personal information relating to individuals applying for professional or vocational licenses cited in Section 26-9 or both;" at 12 Noon.

Upon a motion by Commissioner Blanco, second by Commissioner Takeya, it was voted on and unanimously carried to move out of Executive Session at 12:40 p.m.

Licensing:

Restorations:

P. Harrison Thurston                      Broker

After a review of the information submitted by the applicant, Commissioner Sodetani moved to deny Mr. Thurston's request for reconsideration of the Commission's decision. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Michelle L. Wong-Wilson                      Salesman

After a review of the information submitted by the applicant, Commissioner Takeya moved that restoration of license be approved upon successfully passing the salesman's examination. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

K. Russell Ho                                      Salesman

After a review of the information submitted by the applicant, Commissioner Yanagawa moved that restoration be approved based on the fact that the applicant has successfully completed a number of Commission approved courses and has experience reflecting knowledge of the licensing laws and rules. Commissioner Blanco seconded the motion. The motion was voted on and unanimously carried.

Setsuko Ioane

After a review of the information submitted by the applicant, Commissioner Blanco moved to approve the equivalency of two listing contracts. Commissioner Sodetani seconded the motion. The motion was voted on and unanimously carried.

Suzanne F. Doroen

Ms. Doroen appeared before the Commission to request an equivalency to the three listing contracts for the experience certificate.

After a review of the information presented and submitted by the applicant, Commissioner Takeya moved to approve the equivalency to the three listing contracts. Commissioner Blanco seconded the motion. The motion was voted on and unanimously carried.

Masano Murai

After a review of the information submitted by the applicant, Commissioner Blanco moved to approve Mr. Murai's

application for salesman's license as he did not receive timely notification by her mail box. Commissioner Sodetani seconded the motion. The motion was voted on and unanimously carried.

John Paulisin

After a review of the information submitted by the applicant, Commissioner Blanco moved to approve Mr. Paulisin's application for a salesman's license. Commissioner Yanagawa seconded the motion. The motion was voted and unanimously carried.

Mary Eschen

After a review of the information submitted by the applicant, Commissioner Blanco moved to approve the equivalency to the two listing contracts. Commissioner Takeya seconded the motion. The motion was voted on and unanimously carried.

Nancy Gillingham

Commissioner Sodetani was excused from the meeting due to a conflict of interest.

Ms. Gillingham appeared before the Commission to request an equivalency to the three listing contracts and the three sales contracts that have closed escrow.

After a review of the information presented and submitted, Commissioner Blanco moved to approve the equivalency to the three listing contracts and three sales contracts that have closed escrow. Commissioner Yanagawa seconded the motion. The motion was voted on and unanimously carried.

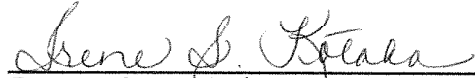
Next Meeting:

October 30, 1987, 9:00 a.m.  
Board Room, Second Floor  
Kamamalu Building, 1010 Richards Street  
Honolulu, Hawaii

Adjournment:

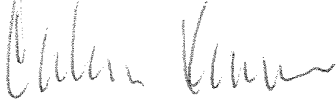
With no further business to discuss,  
Chairperson Damron adjourned the meeting  
at 12:55 p.m.

Respectfully submitted,



Irene S. Kotaka, Secretary

Reviewed and approved:



Calvin Kimura, Executive Secretary

October 22, 1987

Date

10/8/87