

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

MINUTES OF MEETING

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

Date: Thursday, June 24, 1988

Time: 1:00 a.m.

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

Present: Gloria Damron, Chairman  
Joseph Blanco, Member  
Michele Matsuo, Public Member  
Marcus Nishikawa, Member  
Yukio Takeya, Hawaii Member (Early Departure)  
Peter Yanagawa, Member (Late Arrival)

Calvin Kimura, Executive Secretary  
Cynthia Yee, Information Officer  
Russell Wong, Assistant Information Officer  
Linda Saito, Condominium Registration Clerk  
Irene Kotaka, Secretary  
Grant Tanimoto, Deputy Attorney General  
Rodney Maile, Hearings Officer

Larry Ordonez, Public Member  
John Ramsey, Consultant  
Eileen Luko, Educational Director, Hawaii Association of Realtors  
Gary Au Young, Recovery Fund Attorney  
Professor Ed Laitila, College of Business Administration, University of Hawaii  
Steve Gilbert, Associate Director, Real Estate Research and Education Center  
Rose Payan, Senior Field Marketing Representative, Educational Testing Service

Excused:

Yoshiko Kano, Kauai Member  
Constance Smales, Public Member  
Douglas Sodetani, Maui Member

Call to Order:

The meeting was called to order by  
Chairman Damron at 1:20 p.m., at which  
time quorum was established.

Executive  
Secretary's  
Report:

The Executive Secretary reported that Larry  
Ordonez will be sworn in on July 7, 1988,  
at 1:30 p.m. in the House Chambers.

Approval of  
Minutes:

Upon a motion by Commissioner Takeya,  
seconded by Commissioner Blanco, it was  
voted on and unanimously carried to  
approve the May 26, 1988 Minutes as  
circulated.

Hearings  
Officer's Report:

ALFRED ANTHONY AND PARADE REALTY, INC.  
RE 87-352

ALFRED S. BARROS DBA BARROS REALTY, RE  
87-304

ROGER Y. F. CHING AND CONSUMER REALTY,  
INC., RE 87-315

GEORGE C. CORDEROY DBA CORDEROY REALTY AND  
MANAGEMENT, RE 87-316

GEDDES L. NILES AND NILES REALTY, LTD., RE  
87-347

CHARLES J. SMITH, RE 87-362

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

Due to a lack of quorum, the cases listed  
above were deferred to later in the  
meeting.

Commissioner Takeya returned to the  
meeting.

JAMES H. C. CHEN, RE 87-90

Upon a motion by Commissioner Blanco, seconded by Commissioner Takeya, it was voted on and unanimously carried to approve the settlement agreement.

CHARLES H. PETRIK, RE 87-90

Upon a motion by Commissioner Blanco, seconded by Commissioner Matsuo, it was voted on and unanimously carried to accept the settlement agreement.

COLIN Y. L. CHING, RE 87-90

Upon a motion by Commissioner Nishikawa, seconded by Commissioner Matsuo, it was voted on and unanimously carried to approve the settlement agreement.

Deputy Attorney  
General's Report:

The Deputy Attorney General thanked the Commissioners for their support.

Committee Reports:

REAL ESTATE RESEARCH AND EDUCATION CENTER  
SUBCOMMITTEE

Commissioner Nishikawa provided an updated report on the Real Estate Research and Education Center.

Commissioner Nishikawa stated that the contract for the Center was prepared and sent to the Commissioners, Dean David Bess, and the Attorney General for their information. Commissioner Nishikawa has requested that he receive feedback on the contract by June 30, 1988.

Upon a motion by Commissioner Nishikawa, seconded by Commissioner Takeya, it was voted on and unanimously carried to approve the Center's contract and guideline memorandum with the amended flow

chart to reflect that legislative resolution requests go through the Director of the Department of Commerce and Consumer Affairs.

Mr. Gilbert informed the Commissioners of the cost of maintaining the electronic bulletin board. He stated that the Commission would have to decide on the budget for the electronic bulletin board. The Commission must decide on who would use the bulletin board. (1) The bulletin board could be used only between the Center, the Commissioner and NARELLO. (2) The field of use could be expanded and offered to others. (3) Or it could remain the same. The cost of maintaining the current use of the bulletin board would be \$9600. The cost to maintain the bulletin board between the Commission, the Center, and NARELLO would be approximately \$2500.

Upon a motion by Commissioner Nishikawa, seconded by Commissioner Blanco, it was voted on and unanimously carried to approve the Center's proposed Budget B with the following modifications:

1. The Center Director/Chairholder's salary will be prorated, 75% Center Director, 25% Chairholder.
2. A 6% increase for the Director/Chairholder's salary.
3. No increase in staff salaries until such time as it is justified.
4. The cost of two fax machines, up to \$4,000.
5. Maintain the use of the electronic bulletin board between the Center, the Commission, and NARELLO, at \$2500.

Upon a motion by Commissioner Nishikawa, seconded by Commissioner Blanco, it was voted on and unanimously carried to approve the Chairholder's contract with the salary of the Chairholder to be 25% of the total Chairholder contract, including fringe benefits.

Commissioner Nishikawa stated that University of Hawaii is researching the issue of State funds going through the Foundation. If a private organization/business donated money to the Center, it would not cause any problems. However, public funds, such as the Education Fund, must go through the University of Hawaii. The University is currently investigating this problem to see what can be done as they are experiencing this problem with other chairholder positions.

Commissioner Nishikawa has requested that Dr. Ordway submit a letter to the Commission stating the status of Mr. Ono's Condominium Hotel Operator's Study. The letter should also state what alternatives the Center will be taking since Mr. Ono will be unable to complete the study.

#### CURRICULUM REVIEW SUBCOMMITTEE

The Information Officer reported that based on the surveys completed, the subcommittee is currently looking at three modules covering the areas of finance, contracts, and law updates. The subcommittee is currently looking into tracking systems that the other states have implemented. The study has not been completed as yet.

#### EDUCATION COMMITTEE

Upon a motion by Commissioner Blanco, seconded by Commissioner Nishikawa, it was

voted on and unanimously carried to approve the recommendations of the June 13, 1988 Education Committee meeting as follows:

1. Approve the program of work for the Education Committee for fiscal year 1988-89.
2. Approve the payment of \$2,500 to Dr. Robert Allen for services rendered in the preparation of the report on pre-licensing curriculum for Hawaii real estate salespersons, subject to revisions.

The approval of the instructor applications of Jon Hudson and Oscar Morris was deferred to the next meeting. Commissioner Takeya declared a conflict of interest for Jon Hudson. Commissioner Matsuo declared a conflict of interest for Oscar Morris. The matter was deferred due to a lack of quorum.

Commissioner Blanco thanked the Commissioners, Commission staff, the Hawaii Association of Realtors, and the University of Hawaii, among others, for their support and hard work during his term on the Commission.

Upon a motion by Commissioner Takeya, seconded by Commissioner Matsuo, it was voted on and unanimously carried to convey the Commission's appreciation to Commissioner Blanco for his hard work and inspiration.

#### LAWS AND RULES REVIEW COMMITTEE MEETING

Upon a motion by Commissioner Takeya, seconded by Commissioner Nishikawa, it was voted on and unanimously carried to approve the following recommendations of the June 23, 1988 Laws and Rules Review Committee Meeting as follows:

1. Approve the assignment of Commissioners Nishikawa and Yanagawa to the subcommittee to investigate the rental of office space for the Real Estate Commission Office.
2. Approve the acceptance of the real estate broker's license as an alternative to the bonding requirement for the condominium hotel operators without any further requirements. This alternative shall be in effect until June 30, 1989. In addition, pending Condominium Hotel Operators applications shall be given 45 days to comply with this requirement or it shall be referred to the Regulated Industries Complaints Office.
3. Approve the final program of work for the Laws and Rules Review Committee for fiscal year 1988-89.

Other Business:

JULY AND AUGUST MEETINGS

The following is the meeting schedule for the months of July and August:

July 27, 1988

Condominium and Cooperative Review  
Committee Meeting, 9 a.m.

Laws and Rules Review Committee Meeting,  
10:00 a.m.

July 28, 1988

Real Estate Commission Meeting, 9:00 a.m.

August 10, 1988

Education Committee Meeting, 9:00 a.m.

August 25, 1988

Condominium and Cooperative Review  
Committee Meeting, 9:00 a.m.

Laws and Rules Review Committee Meeting,  
10:00 a.m.

Hilo, Hawaii

August 26, 1988

Real Estate Commission Meeting, 9:00 a.m.  
Hilo, Hawaii

Commission staff will be working with  
Commissioner Takeya to coordinate  
arrangements for the Hilo meeting.

NAME PLATES

Upon a motion by Commissioner Blanco,  
seconded by Commissioner Matsuo, it was  
voted on and unanimously carried to  
approve the payment of the name plates  
from the Education Fund.

Executive Session:

Upon a motion by Commissioner Blanco,  
seconded by Commissioner Nishikawa, it was  
voted on and unanimously carried to enter  
into Executive Session, pursuant to  
Chapter 92-5(a)(4), "To consult with the  
board's attorney on questions and issues  
pertaining to the board's powers, duties,  
privileges, immunities, and liabilities;"  
at 2:34 p.m.

Commissioner Yanagawa arrived.

Upon a motion by Commissioner Takeya,  
seconded by Commissioner Blanco, it was  
voted on and unanimously carried to move  
out of Executive Session at 3:23 p.m.

Additions to the  
Agenda:

Commissioner Blanco moved to add the  
agenda:

1. Recovery Fund Reports
  - a. Pamela Wright vs. Inter Island  
Properties, Inc., and Harry De  
Gregory, Civil No. 6869, Circuit  
Court, Third Circuit
2. Licensing - Restoration of Forfeited  
License



- a. Under Two Years - Brokers,  
01/01/87
  - (1) Chee, William S.
  - (2) Lentz, Evelyn M.
  - (3) O'Connor, Bruce E.
- b. Under Two Years - Salesman,  
01/01/87
  - (1) O'Connor, Colleen
- c. Over Two Years - Salesman,  
01/01/85
  - (1) Cortez, Armi A.
- 3. Licensing - Questionable Applications
  - a. Wodehouse, James H. Jr.
  - b. Real Estate Works Hawaii, Inc.
  - c. Okuhara, Chris T.
  - d. Keahi, Noreen N.
  - e. Kitsuda, Yumi
  - f. Lee, Derek

Commissioner Takeya seconded the motion.  
The motion was voted on and unanimously  
carried.

Commissioner Blanco moved to add Glenn S.  
Hara to the agenda under License -  
Restoration of Forfeited License, Under  
Two Years.

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

This matter was deferred to the next  
meeting due to a lack of quorum.

Commissioner Yanagawa returned to the  
meeting.

Recovery Fund  
Report:

PAMELA WRIGHT VS. INTER ISLAND PROPERTIES,  
INC. AND HARRY DE GREGORY, CIVIL NO. 6869,  
CIRCUIT COURT, THIRD CIRCUIT

After reviewing the recommendation of the  
Recovery Fund Attorney, Commissioner  
Takeya moved to approve the settlement of  
\$7500 for the claim against Inter Island  
Properties, Inc. and Harry De Gregory.  
Commissioner Nishikawa seconded the  
motion. The motion was voted on and  
unanimously carried.

Commissioner Takeya was excused from the meeting.

Committee Reports: CONDOMINIUM AND COOPERATIVE REVIEW  
COMMITTEE

Upon a motion by Commissioner Yanagawa, seconded by Commissioner Blanco, it was voted on and unanimously carried to approve the recommendations of the June 23, 1988 Condominium and Cooperative Review Committee Meeting as follows:

1. Approve the following proposals from Kenneth Chong's study on "Hawaii Agricultural Condominiums".
  - a. To include a caveat in the public report that the maps are prepared for assessment purposes only and not determining whether a lot is legally subdivided and further to initiate a letter to the counties to request that a similar disclosure be reflected on the tax maps.
  - b. To provide the appropriate county with the draft of the proposed agricultural condominium public report for their input before issuance by the Commission.
  - c. To request that additional disclosures as outlined in the Recommendations section numbered 4a. through 4e. on page 10 of the study be included in the public reports for agricultural condominiums, ohana projects, phased project and unimproved "pseudo" subdivided lots with the rationale that the land use maps and tax maps at the City and County or County Property Tax Assessor's Office may not be consistent with the lots of record at the Bureau of Conveyances.

2. Approve the monitoring of the agricultural condominium situation by Kenneth Chong for one year to see whether the problems continue or diminish and to extend the original contract to compensate Mr. Chong \$500 plus general excise tax.
3. No increase in the condominium registration fees since the current legislation deleted the provision of refunding one-half of the registration fee to the developer.
4. The condominium consultants to evaluate the cost and availability of liability insurance and provide feedback to the Commission of their findings. Upon obtaining this information, the Commission will then reevaluate the consultant fee structure.
5. Approve the "Guidelines for Condominium Managing Agent's Fidelity Bond Requirements" with an amendment to item 6a. to include "That the condominium managing agent notify all the condominium associations it manages of the deductible amount and submit to the Real Estate Commission a written acknowledgment from the President of the Association of such notification by each condominium association." (Amendment is underscored.)
6. The Real Estate Commission is to move in the direction of establishing a process of condominium governance to aid in resolving disputes between the association, its board of directors, and its managing agents.

7. Approve the Condominium Registration Documents: Records Retention Policy memorandum from the Condominium Registration Clerk, dated May 19, 1988, with the amendment that the public reports will be kept for ten years after the expiration date of the last public report.
8. Approve the final program of work for the Condominium and Cooperative Review Committee for fiscal year 1988-89.

Commissioner Blanco seconded the motion. The motion was voted on and unanimously carried.

Executive Session:

Upon a motion by Commissioner Matsuo, seconded by Commissioner Yanagawa, it was voted on and unanimously carried to enter into Executive Session pursuant to Chapter 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 3:56 p.m.

Upon a motion by Commissioner Blanco, seconded by Commissioner Yanagawa, it was voted on and unanimously carried to move out of Executive Session at 4:20 p.m.

Licensing:

RESTORATIONS

HARBOTTLE, BARBARA J.      Salesperson

After a review of the information presented by the applicant, Commissioner Blanco moved to approve restoration upon successfully passing the real estate salesperson's examination. Commissioner Nishikawa seconded the motion. The motion was voted on and unanimously carried.

DAVIS, TRUDY M.                      Broker

After a review of the information submitted by the applicant, Commissioner Nishikawa moved to restore Ms. Davis's real estate broker's license. Commissioner Matsuo seconded the motion. The motion was voted on and unanimously carried.

ING, LOWELL C. E.                      Broker

After a review of the information submitted by the applicant, Commissioner Matsuo moved to restore Mr. Ing's real estate broker's license. Commissioner Nishikawa seconded the motion. The motion was voted on and unanimously carried.

LEE, SHEILA A.                      Broker

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

HELD, JOHN R.                      Salesperson

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

HO, TIMOTHY Y. F.                      Salesperson

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

MUGFORD, JANA J.                      Salesperson

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

RILEY, CHARLES L.                      Salesperson

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

VAN WAGNER, GORDON L.                      Salesperson

After a review of the information submitted by the applicant, Commissioner Nishikawa moved that restoration be approved upon submitting evidence of successful completion of a Commission-approved real estate course. Commissioner Yanagawa seconded the motion. The motion was voted on and unanimously carried.

CHEE, WILLIAM S. Broker

After a review of the information submitted by the applicant, Commissioner Yanagawa moved for immediate conditional restoration, in that the applicant is to provide 32 hours of research to the Real Estate Research and Education Center. Commissioner Blanco seconded the motion. The motion was voted on and unanimously carried.

LENTZ, EVELYN M. Broker

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

O'CONNOR, BRUCE E. Broker

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

O'CONNOR, COLLEEN Salesperson

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

CORTEZ, ARMI A.                      Salesperson

After a review of the information submitted by the applicant, Commissioner Nishikawa moved that restoration be approved upon successfully passing the real estate salesperson's licensing examination. Commissioner Yanagawa seconded the motion. The motion was voted on and unanimously carried.

QUESTIONABLE APPLICATIONS

LIPS MARKETING ENTERPRISES, LTD.

After a review of the information submitted by the applicant, Commissioner Blanco moved to deny the real estate broker's license of LIPS MARKETING ENTERPRISES, LTD. as the name includes the initials of non-brokers. Commissioner Matsuo seconded the motion. The motion was voted on and unanimously carried.

GRAHAM MURATA RUSSELL, A PARTNERSHIP

After a review of the information submitted by the applicant, Commissioner Nishikawa moved to deny the preliminary approval of a real estate broker's license of Graham, Murata, Russell, A Partnership. In which each of the corporate partners would continue to maintain separate brokerage operations except for the partnership transactions. Commissioner Matsuo seconded the motion. The motion was voted on and unanimously carried.

RODGERS, DOROTHY V.

After a review of the information provided by the applicant, Commissioner Matsuo moved to approve the real estate salesperson's application of Dorothy V. Rodgers. Commissioner Yanagawa seconded the motion. The motion was voted on and unanimously carried.



CORTILET, TOM

After a review of the information submitted by the applicant, Commissioner Blanco moved to deny the real estate salesperson's application of Tom Cortilet as Mr. Cortilet failed to submit his completed application within the 90 day filing deadline. Commissioner Matsuo seconded the motion. The motion was voted on and unanimously carried.

E. L. FORDE, LTD.

After a review of the information submitted by the applicant, Commissioner Nishikawa moved to deny the change form for place of business a home occupation exemption as one of the County of Hawaii conditions, states, "no visits or business opportunities by the public are to be conducted in the subject premises," is in direct conflict with the Commission's rules. Commissioner Blanco seconded the motion. The motion was voted on and unanimously carried.

MWJ CORPORATION

After a review of the information submitted by the applicant, Commissioner Yanagawa moved to grant the site office registration renewal subject to confirmation of an active time share report. Commissioner Blanco seconded the motion. The motion was voted on and unanimously carried.

MUGFORD, JANA J.

After a review of the information submitted by the applicant, Commissioner Yanagawa moved to deny Ms. Mugford's request for an experience certificate while holding a forfeited real estate salesperson's license. Commissioner Nishikawa seconded the motion. The motion was voted on and unanimously carried.

RESS, PAULA

After a review of the information submitted by the applicant, Commissioner Matsuo moved to deny the real estate salesperson's application of Paula Ress as she failed to submit her completed application within the 90 day filing deadline. Commissioner Nishikawa seconded the motion. The motion was voted on and unanimously carried.

WODEHOUSE, JAMES H. JR.

After a review of the information submitted by the applicant, Commissioner Nishikawa moved to reinstate Mr. Wodchouse's suspended real estate broker's license. Commissioner Blanco seconded the motion. The motion was voted on and unanimously carried.

REAL ESTATE WORKS HAWAII, INC.

After a review of the information submitted by the applicant, Commissioner Yanagawa moved to deny the applicants request to have multiple tradenames, Kona Vacation Resorts and Property Management Hawaii. Commissioner Blanco seconded the motion. The motion was voted on and unanimously carried.

OKUHARA, CHRIS T.

This matter was deferred pending the Executive Secretary's determining how many commercial and residential leases Mr. Okuhara took part in.

KEAHI, NOREEN N.

After a review of the information submitted by the applicant, Commissioner Blanco moved to grant the real estate

salespersons license of Noreen N. Keahi. Commissioner Nishikawa seconded the motion. The motion was voted on and unanimously carried.

KITSUDA, YUMI

After a review of the information submitted by the applicant, Commissioner Blanco moved to deny the real estate salesperson's application of Yumi Kitsuda as Ms. Kitsuda failed to submit her completed real estate salesperson's application within the 90 day filing deadline. Commissioner Matsuo seconded the motion. The motion was voted on and unanimously carried.

LEE, DEREK

After a review of the information submitted by the applicant, Commissioner Blanco moved to deny the real estate salesperson's application of Derek Lee as Mr. Lee failed to submit his completed real estate salesperson's application within the 90 day filing deadline. Commissioner Matsuo seconded the motion. The motion was voted on and unanimously carried.

Hearings Officer's  
Reports:

ALFRED ANTHONY AND PARADE REALTY, INC.;  
RE 87-352

ALFRED S. BARROS DBA BARROS REALTY; RE  
87-304

ROGER Y. F. CHING AND CONSUMER REALTY,  
INC.; RE 87-315

GEORGE C. CORDEROY DBA CORDEROY REALTY AND  
MANAGEMENT; RE 87-316

GEDDES L. NILES AND NILES REALTY, LTD.; RE  
87-347

CHARLES J. SMITH; RE 87-90 ET AL

The Hearings Officer stated that in the cases listed above, the State did not establish evidence that the businesses were not conducting business in accordance with the statutes and therefore the charges should be dismissed.

Commissioner Blanco questioned if the service contract was a part of the record. The Hearings Officer reported that the service contract was a part of the record for one of the cases.

Commissioner Yanagawa asked if the Regulated Industries Complaints Office contacted those involved in the transaction to see if they actually had difficulty in contacting the licensees in their offices. He also asked if they contacted those who leased space to ask them how many times a person came in. The Hearings Officer said "No."

The Hearings Officer stated that the definition of "place of business" would have to be amended to fit the Commission's definition. Chairman Damron stated that Commissioner Takeya will be working on the definition of place of business.

Commissioner Matsuo asked counsel to research to see if the concerns expressed at today's meeting could be reasonably construed to fall within the existing rules.

Commissioner Matsuo moved that this matter be taken under advisement. Commissioner Blanco seconded the motion. The motion was voted on and unanimously carried.

Next Meeting:

July 28, 1988  
Exam/Conference Room, Second Floor  
Kamamalu Building  
1010 Richards Street  
Honolulu, Hawaii

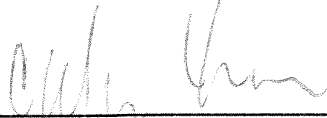
Adjournment:

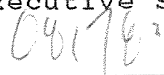
With no further business to discuss,  
Commissioner Damron adjourned the meeting  
at 4:55 p.m.

Taken and recorded by:

  
Irene S. Kotaka, Secretary

Reviewed and approved by:

  
Calvin Kimura  
Executive Secretary

  
Date