

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: Friday, August 26, 1988

Time: 9:00 a.m.

Place: Hilo Lagoon Centre  
101 Aupuni Street  
Hilo, Hawaii

Present: Gloria Damron, Chairman,  
Marcus Nishikawa, Member  
Yoshiko Kano, Kauai Member  
Michele Matsuo, Public Member,  
Douglas Sodetani, Maui Member  
Yukio Takeya, Hawaii Member

Calvin Kimura, Executive Secretary  
Cynthia Yee, Information Officer  
Gayle Kauihou, Secretary

Gary AuYoung, Recovery Fund Attorney  
(Late Arrival)  
Millie Kim, Legislative Auditor  
Doc Halliday, Kona Board of Realtors  
Scott Bowman, Legislative Advocate, Hawaii  
Association of Realtors (Late Arrival)

Excused: Larry Ordonez, Public Member  
Constance Smales, Public Member  
Peter Yanagawa, Member

Call to Order: The meeting was called to order by  
Chairman Damron at 9:09 a.m., at which  
time quorum was established.

Executive Secretary's Report: Executive Secretary reported that the  
following were passed out:

1. Minutes of July 28, 1988 meeting
2. "Initiative: building for the future  
for questionable applications

3. Additions to Agenda: James Hentz for questionable application; Sandra Dunn for restoration of forfeited license

Additions to the Agenda:

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

1. Licensing - Questionable Applications
  - a. James Hentz
2. Licensing - Restoration of Forfeited License
  - a. Over Two Years - Salesman  
01/01/85  
(1) Sandra Dunn

Upon a motion by Commissioner Nishikawa, seconded by Commissioner Takeya, it was voted on and unanimously carried to accept the minutes of the June 24, 1988 meeting.

Upon a motion by Commissioner Sodetani, seconded by Commissioner Kano, it was voted on and unanimously carried to accept as circulated the minutes of the July 28, 1988 meeting.

Committee Reports:

EDUCATION COMMITTEE

Commissioner Nishikawa moved that the Commission approve in principle for the initial investment period, the investment of \$900,000; representing a combined amount from the Education and Recovery Funds with Dean Witter & Reynolds; \$450,000 (\$200,000 Education Fund; \$250,000 Recovery Fund) of the amount to be placed in 3 months money market certificates and \$450,000 to be placed in 6 months money market certificates aimed at ensuring safety and liquidity of the funds.

And that Commission further instruct Carl Choy of Dean Witter & Reynolds to invest at any one financial institution, whether such institution be in this State or out of state, only so much funds up to the

maximum federally insured amount and that the specific investment guidelines be reviewed by Commission staff and the Deputy Attorney General.

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

Commissioner Nishikawa moved that Commission approve in principle the program of work as outlined in Exhibit II, referenced as version 5 and dated 5/88, for implementing continuing education.

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

Commissioner Nishikawa moved that Commission recommit the following propose rules to the Laws and Rules Committee:

Pre-License Instructor Qualifications  
Education Waivers  
Equivalent Experience Requirement  
Advertising Rules deleted option 1  
and 2 (See Exhibit III)

Commissioner Sodetani seconded to motion. The motion was voted on and unanimously carried.

Commissioner Nishikawa moved that Commission approve the following licensing matters:

1. Alternating monthly licensing examining between Hilo and Kona.
2. For the Island of Maui, alternate the monthly test between Keyway and paper and pencil.
3. Continuing Walk-in registration for failed candidates only.
4. Discontinue thumbprinting at the testing sites and continuing identification of license candidate by picture I.D.'s.

5. Increase the examination fee for paper and pencil testing to \$30.00.

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

Commissioner Nishikawa moved that the Commission continue the deferred licensing process for the last 90 days of the year (See Exhibit IV).

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

Commissioner Matsuo exited the meeting at 9:20 a.m.

Commissioner Nishikawa moved that the Commission approve the instructor application of Steven Gilbert for both the brokers and sales pre-license courses.

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

Commissioner Nishikawa moved that continuing education is a paramount issue and Center as well as the Commission are involved and Connie Smales has done an excellent job spearheading this project as well as curriculum review. Wishes to acknowledge Commissioner Smales as well as staff on work done on continuing education. Commissioner Takeya seconded the motion. The motion was voted on and unanimously carried.

Executive Secretary requested to hear from Doc Halliday in regards to his opinion of alternating monthly exams between Kona and Hilo. Executive Secretary explained reasons for this change.

Doc Halliday responded that there should be no problem at all.

Executive Secretary addressed the issue of deferred licensing. If a you comes within the 90 days of the end of the year to be

licensed, so therefore the 90 day rule comes into effect and technically 6 months, the July, August and September candidates, should they decide to defer their license, they don't need to be licensed until the first of the year they can go for the deferment and just pay for the next renewal period with the understanding that (1) they are not to conduct any real estate activity until January 1; and (2) this is irrevocable when done.

Commissioner Nishikawa reported that Center did approach Education Committee for use of staff to assist them in their portion of their work - continuing education. Came forth to ask to utilize Cynthia Yee for a couple times per week. An invited committee moved that Commission should consider approving this request.

Commissioner Nishikawa moved that Commission allow the Center to utilize Cynthia Yee's time - one day a week to implement this change over. This to include a caveat that Center consider through its Advisory Council to revamp some of its organizational procedures by putting Steve Gilbert on for assistant or deputy director toward this continuing education project. Commissioner Takeya seconded the motion. The motion was voted on and unanimously carried.

#### CURRICULUM/CONTINUING EDUCATION SUBCOMMITTEE

Information Officer Yee reported that she did meet with Dr. Ordway and Commissioner Smales and did set a timetable and task to be done and the people responsible. At the September meeting Dr. Ordway is to present for Commission approval the three modules. By the October Education Committee meeting the whole packet, including instructor's applications, certification, PR-what is going out to the public, should be completed and proposed

rules will be presented to the Committee. The tracking system will come later. The subcommittee is to meet once a week to report their progress on these areas.

Information Officer Yee is looking at other state's continuing education programs. Have summarized half the state's responses and Commission received that at last education committee meeting. Have suggested Commission get a mission statement of what continuing education is about. After looking at other state's that have sent information, the better state's have a good mission statement that guides them in the implementation of continuing education. This would give flexibility as far as regulatory concerns. Dr. Ordway will deal with the curriculum and Russell Wong is working on the tracking system.

Information Officer also reported that in regards to the school packets, she has written a letter to the instructors and relating field representatives who attended the brainstorming session to submit information on what they feel instructor's qualifications should be.

Executive Secretary reported that the following are being worked on: rules, developing the forms, the guidelines and putting all the package together and getting it ready by early October. Any school or instructor receiving the packet and start filling it out and getting it submitted to Commission staff for review. Commission staff is doing this completely.

Information Officer Yee noted that from the meeting with UH-Hilo on August 25, 1988, that she could see their eagerness for these vendors to start promotion this continuing education project. Thinking of trying to get to database into Commission computer and make it available to vendors for a price and they could be promoting the staff's own time deadlines instead of Commission taking part.

Chairman Damron suggested that Tan Tek Lum or herself should be present at these weekly progress meetings and a agenda set to see the progress.

REAL ESTATE RESEARCH AND EDUCATION CENTER  
SUBCOMMITTEE

Commissioner Nishikawa reported that no comments from the University have been received yet regarding Center's contract.

The Executive Secretary reported that research purchasing for the Center, through the Foundation have come a halt. Computer software programing, for disciplinary cases tracking, done by Don Steeler have a few bugs left even after Don volunteered alot of extra hours. Commission will not be able to debug the program. Russell Wong is looking into tracking and he would need additional hardware and software. Working through the Department to obtain this computer equipment.

Executive Secretary also reported that the hiring of a continuing education clerk is being worked on. The civil service Real Estate Specialist is part of the reorganization plan and if the plan is approved, the positions funded by the Education Fund will come under employee status. The continuing education clerk and condominium specialist are part of the reorganization.

Even if the reorganization plan is not approved, the continuing education clerk is needed to learn the renewal process. Hopes to hire that person by October.

CONDOMINIUM AND COOPERATIVE REVIEW  
COMMITTEE

Chairman Damron reported for Commissioner Yanagawa who could not attend the meeting. She reported that a subcommittee would be established to study whether all condominiums should be registered immediately even if not for sale; work with the counties and see if it can revise a way where condominiums that might be later subdivided to be dotted lines and be drawn; and provide to counties the notice of intention once as soon as it is filed for their comments.

LAWS AND RULES REVIEW COMMITTEE

Commissioner Takeya reported that the administrative bills were passed out to commissioners for review and any comments to be submitted to Executive Secretary as soon as possible. A condo-hotel operators meeting is scheduled for September 12, 1988 and a report of that meeting will be submitted for the next Laws and Rules Review meeting. Reported the progress of the fee amendments, and AICUZ project. Deferred the excise tax issue.

Deputy Attorney  
General's Report:

Executive Secretary reported that both Deputy Attorney Generals could not make the trip.

Doc Halliday and Millie Kim exit meeting at 10:05 a.m.

Executive Session:

Upon a motion by Commissioner Takeya, seconded by Commissioner Kano, 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 10:06.

Attorney Gary AuYoung arrived at 10:10 a.m.  
Attorney Gary AuYoung exits meeting at 10:37 a.m.  
Commissioner Matsuo reenters meeting at 10:38 a.m.



Upon a motion by Commissioner Sodetani, seconded by Commissioner Kano, it was voted on and unanimously carried to move out of Executive Session at 11:00 a.m.

Recovery Fund Report:

HSU VS. ESTER CHU REALTY, INC.

Upon a motion by Commissioner Sodetani, seconded by Commissioner Kano, it was voted on and unanimously carried to pay out of the recovery fund \$13,888.34 to Duff D. F. Hsu and his attorney, Kerry Komatsubara. Commissioner Matsuo abstained from voting.

YOSHIDA VS. HAWAII ESCROW AND TITLE

Upon a motion by Commissioner Takeya, seconded by Commissioner Nishikawa, it was voted on and unanimously carried to have attorney proceed with informing the attorney for plaintiff that Commission will not settle and will be waiting to take part in the order with the courts. Commissioner Matsuo abstained from voting.

CLAIMS AGAINST ROBERT GADDIS

Upon a motion by Commissioner Nishikawa, seconded by Commissioner Takeya, it was voted on and unanimously carried to prorate any claims filed within 90 days of the court order directing payment against Robert Gaddis. Commissioner Matsuo abstained from voting.

Licensing:

RESTORATIONS - Over Two Years

Ion, Nelson	Salecsperson
Awaya, Alvin	Salesperson
Ells, Michael	Salesperson
Dunn, Sandra	Salesperson

After a review of the information submitted by each applicant, Commissioner Sodetani, moved that restoration be approved upon successfully passing the real estate licensing examination. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried. Commissioner Matsuo abstained from voting on the Alvin Awaya application.

Under Two Years

Hammann, Constance	Broker
Hui, Ernest	Broker
Kim, Kim	Broker
Ah Sing, Patrick	Salesperson
Beecham, Nancy	Salesperson
Byrd, Bruce	Salesperson
Chen, Larry	Salesperson
Darrow, Sue Ann	Salesperson
Foti, Frank	Salesperson
Gay, Barry	Salesperson
Hoyt, Myles	Salesperson
Robeson, Joel	Salesperson
Sylva, Sharen	Salesperson
Toyama, Francis	Salesperson
Turkoglu, Dorothy	Salesperson

After a review of the information submitted by each applicant, Commissioner Nishikawa, moved that restorations be approved upon successfully passing the respective real estate licensing examination. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried. Commissioner Takeya abstained from voting on the Ernest Hui application.

QUESTIONABLE APPLICATIONS

Orlino C. Valiente

After a review of the information submitted by the applicant, Commissioner Nishikawa moved to approve the salesperson application. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Steven D. Moody

After a review of the information submitted by the applicant, Commissioner Kano moved to approve the broker application. Commissioner Matsuo seconded the motion. The motion was voted on and unanimously carried.

Jane Hartman-Carrier

After a review of the information submitted by the applicant, Commissioner Sodetani moved to deny an educational waiver to Jane Hartman-Carrier. Commissioner Matsuo seconded the motion. The motion was voted on and unanimously carried.

Lea Properties, Ltd.

After a review of the information submitted by the applicant, Commissioner Kano moved to approve an extension of the site office located at 3411 Wilcox Road, Lihue. Commissioner Matsuo seconded the motion. The motion was voted on and unanimously carried.

Robert Smestad

After a review of the information submitted by the applicant, Commissioner Nishikawa moved to deny Mr. Smestad's application for real estate salesperson license because he failed to submit his completed application within 90 days from the date of the examination. Commissioner Takeya seconded the motion. The motion was voted on and unanimously carried.

Donald Merwin

After a review of the information submitted by the applicant, Commissioner Nishikawa moved to deny Mr. Merwin's application for real estate salesperson license because he failed to submit his completed application within 90 days from the date of the examination. Commissioner Matsuo seconded the motion. The motion was voted on and unanimously carried.

Rosemary Winn

After a review of the information submitted by the applicant, Commissioner Takeya moved to deny Ms. Winn's application for reconsideration on place of business and that a place of business be secured immediately. Commissioner Nishikawa seconded the motion. The motion was voted on and unanimously carried.

James Hentz

After a review of the information submitted by the applicant, Commissioner Takeya moved to deny Mr. Hentz's application for reconsideration on change form application and retroactive application back to July 1986. Commissioner Matsuo seconded the motion. The motion was voted on and unanimously carried.

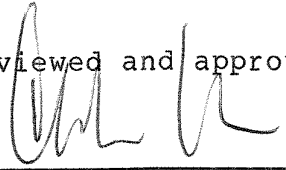
Upon a motion by Commissioner Sodetani, seconded by Commissioner Takeya it was voted on and unanimously carried to promulgate rules for disciplinary action against principal brokers and broker-in-charge's to Laws and Rules Committee.

Scott Bowman enter meeting at 11:09 a.m.

Adjournment: Upon a motion by Commissioner Takeya, seconded by Commissioner Matsuo, it was voted on and unanimously carried to adjourn the meeting at 11:15 a.m.

Respectfully submitted,  
*Gayle T. K. Kaihou*  
Gayle T. K. Kaihou, Secretary

Reviewed and approved:



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Calvin Kimura  
Executive Secretary

*09/19/88*

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Date