

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 Office of the Lieutenant Governor as required by Section 92-7(b), Hawaii Revised Statutes.

Date: Friday, December 16, 1988

Time: 9:00 a.m.

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

Present: Gloria Damron, Chairman
Yoshiko Kano, Kauai Member
Marcus Nishikawa, Member
Larry Ordonez, Public Member
Constance Smales, Public Member, Late arrival
Douglas Sodetani, Maui Member
Yukio Takeya, Hawaii Member
Peter Yanagawa, Member, Late Arrival

Calvin Kimura, Executive Secretary
Cynthia Yee, Information Officer
Russell Wong, Assistant Information Officer
Irene Kotaka, Secretary
Glenn Grayson, Deputy Attorney General

Rodney Maile, Hearings Officer
Sharon Leng, RICO Attorney
Carla Poirier, RICO Attorney
George Nakama, RICO Attorney
Brian Thomas, Liaison, Hawaii Association of Realtors
Eileen Luko, Education Director, Hawaii Association of Realtors
Gary Au Young, Recovery Fund Counsel
John Ramsey, Consultant

Absent: Michele Matsuo, Public Member

Call to Order: Chairman Damron called the meeting to order at 9:05 a.m., at which time quorum was established.

Hearings Officer's Report: BILLIE J. WATTERS, RE 85-198
Upon a motion by Commissioner Nishikawa, seconded by Commissioner Sodetani, it was voted on and unanimously carried to approve the Hearings Officer's Findings of Fact, Conclusions of Law, and Recommended Order.

Commissioner Smales arrived.

HAROLD FULLER, SR., RE 84-228

Upon a motion by Commissioner Takeya, seconded by Commissioner Kano, it was voted on and unanimously carried to defer this matter to a later date.

COLIN CHING, RE 87-90, et al

After a review of the information submitted by Mr. Ching, Commissioner Sodetani moved to accept evidence of successful completion of the "Getting Started" course, presented by the Hawaii Association of Realtors, as meeting the course requirement of the settlement agreement. Commissioner Takeya seconded the motion. The motion was voted on and unanimously carried.

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 items to the agenda:

7. Licensing - Restoration of Forfeited Licenses
Chang, Walter - Salesperson
Pacarro, Franklin Jr. - Salesperson
Shropshire, Elaine - Salesperson
Prentiss, Karen - Reconsideration

8. Licensing - Questionable Applications
Princeville and Hanalei Interval
Ownership, Inc.
A. H. Rodrigues Jr., Inc.
Ann H. Ketell
Bryant Hutchinson
Franklyn Sigston
Larry Hu
Renee Choo

Approval of
Minutes:

Upon a motion by Commissioner Smales, seconded by Commissioner Takeya, it was voted on and unanimously carried to amend the August 26, 1988 Real Estate Commission Minutes as follows:

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 restoration be approved upon successfully completing a Commission-approved real estate course. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried. Commissioner Takeya abstained from voting on the Ernest Hui application.

Upon a motion by Commissioner Sodemani, seconded by Commissioner Smales to approve the minutes of the November 30, 1988 Real Estate Commission meeting with the following correction.

CURRICULUM/CONTINUING EDUCATION
SUBCOMMITTEE, page 6, Item 1 should read
as follows:

- "1. A licensee has the right to retake one test. If the person passes the test in the next period, how long a grace period would the Commission allow?"

Executive
Secretary's Report:

The 1989 Real Estate Commission and Committee Meeting schedule was distributed at the Laws and Rules Review Committee Meeting on December 15, 1988.

The Commission has received a copy of the Legislative Reference Bureau's Comparative Study of the Utilization and Effects of Commercial Leases in Operating Licenses for Hawaii Report.

Committee
Reports:

EDUCATION COMMITTEE

Upon a motion by Commissioner Nishikawa, seconded by Commissioner Sodehara, it was voted on and unanimously carried to adopt the following recommendations of the December 15, 1988 Education Committee Meeting as follows:

1. Approve the reinvestment of two 30-day Certificates of Deposits which shall expire on December 19, 1988 - \$100,000 from the Real Estate Education Fund and \$200,000 from the Real Estate Recovery Fund.
2. Approve Chairman Damron and Committee Chairman Nishikawa's initiating preliminary discussions with RCUH as a funding mechanism for the Real Estate Center. A representative from RCUH and Dean Bess of the University of Hawaii College of Business Administration will be invited to the January Education Committee Meeting.

3. Conduct a staff session review and, where appropriate, revise the proposed rules on continuing education instructor certification to allow the Commission more discretion in certifying teaching ability.

Commissioner Yanagawa arrived.

4. Approve Tan Tek Lum, Jean F. Brooks, G. A. "Red" Morris, and Raymond A. Leshar for appointment to the Advisory Council for three year terms beginning January 1, 1989, upon the concurrence of Dean Bess.
5. Approve the following instructors to conduct continuing education courses as specified below:
 - a. Eddie Flores, Jr. - Finance, Laws Update & Ethics
 - b. John W. Reilly - Contracts
 - c. Stephen P. Pingree - Contracts, Laws Update & Ethics
 - d. Charles C. Goodin - Contracts, Laws Update & Ethics
 - e. Steven W. Gilbert - Finance (subject to additional information), Laws Update & Ethics
6. Approve the following providers of continuing education courses, subject to the submission of additional documentation:
 - a. University of Hawaii, Small Business Management Program
 - b. John W. Reilly
 - c. Hawaii Association of Realtors, subject to documentation

CONTINUING EDUCATION SUBCOMMITTEE REPORT

Commissioner Sodetani asked if the neighbor island Commissioners could informally meet with licensees to answer some of their questions relating to continuing education.

Commissioner Smales did not feel that this would be beneficial in view of the time frame involved and also the Commissioners may not be able to answer all questions which may arise as to the rationale of the continuing education program.

Ms. Luko and Mr. Thomas suggested that the Commissioners and Commission staff may want to meet with the Executive Branch and Committee Members of the Hawaii Association of Realtors (HAR) at their annual meeting to discuss continuing education issues to members of HAR and any licensees interested in attending.

Arrangements were made to allow the Commission to speak and answer questions relating to continuing education on January 19, 1989, at the Pacific Beach Hotel, from 10 a.m. to 11 a.m.

The Information Officer reported that 2 pamphlets have been prepared by the Hawaii Real Estate Research and Education Center regarding the ten most asked questions by providers and the ten most asked questions by instructors. These pamphlets will be inserted into the next issue of the Real Estate Bulletin.

The Information Officer also stated that there is a shortage of continuing education instructors for the neighbor islands and asked the Commissioners to solicit instructors.

CONDOMINIUM AND COOPERATIVE REVIEW
COMMITTEE

Upon a motion by Commissioner Yanagawa, seconded by Commissioner Sodetani, it was voted on and unanimously carried to approve the recommendations of the December 15, 1988 Condominium and Cooperative Review Committee meeting as follows:

1. Invite William Vandenberg to the January 26, 1989 Condominium and Cooperative Review Committee Meeting for discussion of the condominium managing agents fidelity bond issue.
2. Approve the release of the Attorney General's opinion, dated October 13, 1988, relating to the issue of proxies to interested parties.

LAWS AND RULES REVIEW COMMITTEE

Upon a motion by Commissioner Takeya, seconded by Commissioner Nishikawa, it was voted on and unanimously carried to approve the recommendations of the December 15, 1988 Laws and Rules Review Committee Meeting as follows:

1. Approve amending the BILL FOR AN ACT RELATING TO REAL ESTATE BROKERS AND SALESPERSONS REVOCATION AND SUSPENSION (CCA-24(89)), Section 467-14(19), to include all persons and not only licensees.
2. Commissioners and staff shall review and submit comments of the Preliminary Condominium Hotel Operators Study to Dr. Ordway, no later than December 22, 1988. Commission staff shall work with the Hawaii Real Estate Research and Education Center in developing the

proposed legislation relating to the condominium hotel operators, and that Dr. Ordway present the final Condominium Hotel Operators Study to the Commission at the Special Real Estate Commission Meeting to be held on January 4, 1989, at 9:00 a.m.

3. Approve the response to the Legislative Auditor, dated December 1, 1988, regarding the preliminary Sunset Evaluation of Real Estate Brokers and Salesmen, Chapter 467, Hawaii Revised Statutes.
4. Steps be taken to improve the processing of applications and forms at the Professional and Vocational Licensing Branch.
5. The Commission shall research the errors and omissions policy issue.

REAL ESTATE APPRAISERS AND APPRAISAL
SUBCOMMITTEE

Commissioner Kano reported on the December 15, 1988 Subcommittee Meeting with Dr. Ordway and industry representatives.

Dr. Ordway will compile the various recommended legislation relating to real estate appraisers and appraisals and will report his findings back to the Subcommittee at their next meeting on January 4, 1989, at 3 p.m.

Executive Session:

Upon a motion by Commissioner Sodetani, seconded by Commissioner Yanagawa, it was voted on and unanimously carried to enter into executive session, at 10:15 a.m., 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;"

Upon a motion by Commissioner Yanagawa, seconded by Commissioner Sodetani, it was voted on and unanimously carried to move out of executive session, at 11:02 a.m.

Commissioner Yanagawa was excused from the meeting.

Recovery Fund
Fund:

GEORGE A. L. YUEN VS. JUNE JU ULICNY, BK.
NO. 86-00115, ADV. PRO. NO. 86-0062

Mr. Au Young, Attorney for the Real Estate Recovery Fund, reported on the status of the above-mentioned case.

The Plaintiff's attorney had obtained a judgment from the United States Bankruptcy Court based on false representations and fraud. The Plaintiff's attorney had requested that the Commission arrange for a settlement agreement with the Plaintiffs. Mr. Au Young brought forth this request to the Commission for the Commission to decide if they would like to enter into a settlement agreement with the plaintiffs.

Upon a motion by Commissioner Takeya, seconded by Commissioner Kano, it was voted on and unanimously carried to deny the Plaintiff's request for settlement.

IN THE MATTER OF ROBERT GADDIS DBA
CONDOPLUS

Mr. Au Young stated that he has received five Orders Directing Payment Out of the Real Estate Recovery Fund against Robert Gaddis dba Condoplus. He also has one order that is pending. The total claims pending against Mr. Gaddis are approximately \$60,000.

Licensing:

RESTORATIONS

Cotten, James M.

Upon a motion by Commissioner Smales, seconded by Commissioner Takeya, it was voted on and unanimously carried to

reverse the Commission's original decision, dated October 28, 1988, and to defer decision making on Mr. Cotten's application until further information is received.

Lopez, Richard L. Broker

After a review of the information submitted by the applicant, Commissioner Sodetani moved that restoration be approved upon submitting evidence of successfully passing the real estate broker's licensing examination, with a one-time waiver of the education and experience requirements. Commissioner Smales seconded the motion. The motion was voted on and unanimously carried.

Hirata, Shelly Salesperson
Chang, Walter Salesperson

After a review of the information submitted by the applicants, Commissioner Sodetani moved that restoration be approved upon submitting evidence of successfully passing the real estate salesperson's licensing examination, with a one-time waiver of the education requirement. Commissioner Smales seconded the motion. The motion was voted on and unanimously carried.

Ching, Sheryl Marie Broker
Foley, Bill Broker
Haines-Olof, Nancy Broker
Hirahara, Leslie Broker
Matsuo, Jack Broker
Tema, Robert P. Broker
Williams, Wayne Broker
Pacarro, Franklin Jr. Broker
Shropshire, Elaine Broker

Akau, Marleen L. Salesperson
Aki, Charles A. Salesperson
Franks, Helen Salesperson
Gorman, Laurel Salesperson

Iinuma, Robert	Salesperson
Javonillo, Herbert	Salesperson
Keamo, Alberta	Salesperson
Lau, Tina	Salesperson
Machado, Sheila	Salesperson
Maeda, Nancy	Salesperson
Morse, Joanne W.	Salesperson
Nagata-Pagan, Janis	Salesperson
Nelson, Kathleen	Salesperson
O'Ishi, Tony	Salesperson
Ottoson, Elizabeth	Salesperson
Shima, Howard M.	Salesperson
Stabbert, Rano	Salesperson
Yee, Michael	Salesperson

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

Prentiss, Karen

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

Upon a motion by Commissioner Sodetani, seconded by Commissioner Smales, it was voted on and unanimously carried to grant Ms. Prentiss's request for reconsideration of the Commission's decision dated October 28, 1988.

After a review of the information submitted by the applicant, Commissioner Sodetani moved that the Commission reaffirms its decision, dated October 28, 1988, and that Ms. Prentiss's license be restored upon submitting evidence of successful completion of a Commission-approved real estate course. Commissioner Smales seconded the motion. The motion was voted on and unanimously carried.

Commissioner Takeya returned to the meeting.

QUESTIONABLE APPLICATIONS

Himeno Corporation

After a review of the information submitted by the applicant, Commissioner Takeya moved to deny the real estate broker's license of the Himeno Corporation as the name includes non-licensees. Commissioner Sodetani seconded the motion. The motion was voted on and unanimously carried.

CPL Realty

After a review of the information submitted by the applicant, Commissioner Takeya moved to approve the application for site office extension at the Cliffs Club, 3811 Edwards Road, Hanalei, Kauai, subject to a current time share registration. Commissioner Sodetani seconded the motion. The motion was voted on and unanimously carried.

MWJ Corporation

After a review of the information submitted by the applicant, Commissioner Takeya moved to approve the application for site office extension at the Hawaii Princess at Makaha Beach, 84-1021 Lahilahi Street, Makaha, Hawaii, subject to a current time share registration. Commissioner Sodetani seconded the motion. The motion was voted on and unanimously carried.

BJ Realty, Inc.

After a review of the information submitted by the applicant, Commissioner Takeya moved to approve the zoning form submitted by the applicant. Commissioner Sodetani seconded the motion. The motion was voted on and unanimously carried.

Imperial Properties, Inc.

Discussion on this matter was deferred pursuant to a request from the applicant's attorney.

Sohn, Julia Y. G.

The Assistant Information Officer presented an oral summary of the documents submitted by Ms. Sohn and her attorney, Stuart Cowan.

It appears that Ms. Sohn has not made full payments on all the judgements, no satisfaction of judgements or signed statements by the complainant of full payment of judgements or lossess.

Commissioner Ordonez asked if the owners acknowledge that she satisfied all the judgments.

The Assistant Information Officer replied, negative.

Ms. Sohn's attorney was notified prior to the November meeting that if he or Ms. Sohn wished to be present to assist in the interpretation of the documents submitted, they could do so. The Commission has not heard from Ms. Sohn or her attorney since.

After a review of the information submitted by the applicant, Commissioner Nishikawa moved to deny Ms. Sohn's application for real estate salesperson's license. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Princeville and Hanalei Interval
Ownership, Inc.

After a review of the information submitted by the applicant, Commissioner Takeya moved to approve the application for extension of real estate office, subject to applicant being granted final approval from the Kauai County Planning Department and compliance with the conditions imposed by the County of Kauai. Commissioner Sodetani seconded the motion. The motion was voted on and unanimously carried.

A. H. Rodrigues, Jr.

After a review of the information submitted by the applicant, Commissioner Takeya moved to approve the zoning form submitted by applicant. Commissioner Sodetani seconded the motion. The motion was voted on and unanimously carried.

Ann H. Ketell

After a review of the information submitted by the applicant, Commissioner Takeya moved to approve the zoning form submitted by the applicant. Commissioner Sodetani seconded the motion. The motion was voted on and unanimously carried.

Hutchinson, Bryant

After a review of the information submitted by the applicant, Commissioner Takeya moved to approve Mr. Hutchinson's real estate salesperson's application. Commissioner Sodetani seconded the motion. The motion was voted on and unanimously carried.

Sigston, Franklyn

After a review of the information submitted by the applicant, Commissioner Takeya moved to approve Mr. Sigston's real estate salesperson's license. Commissioner Sodetani seconded the motion. The motion was voted on and unanimously carried.

Hu, Larry H.

After a review of the information submitted by the applicant, Commissioner Takeya moved to deny Mr. Hu's request to defer his real estate salesperson's license until January 1, 1989. Commissioner Sodetani seconded the motion. The motion was voted on and unanimously carried.

Choo, Renee

Ms. Choo had requested a predetermination as to whether or not she would qualify for a real estate salesperson's license.

After a review of the information submitted by the applicant, Commissioner Takeya moved to preliminarily approve granting a real estate salesperson's license subject to Ms. Choo meeting the prelicensing requirements and submitting her application for real estate salesperson's license. Commissioner Sodetani seconded the motion. The motion was voted on and unanimously carried.

Other Business:

CERTIFICATES OF APPRECIATION

Upon a motion by Commissioner Nishikawa, seconded by Commissioner Smales, it was voted on and unanimously carried to issue certificates of appreciation to David Ramsour and Edwin Shiroma, for their hard work on the Advisory Council.

REAL ESTATE COMMISSION REORGANIZATION

Commissioner Nishikawa gave a brief report on the Commission's reorganization plan.

Next Meeting:

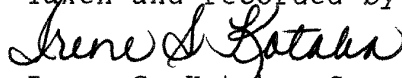
Special Real Estate Commission Meeting
Wednesday, January 4, 1989
DBED Conference Room
250 South King Street, Penthouse
Honolulu, Hawaii

Real Estate Commission
Friday, January 27, 1989
Kuhina Nui Room
Second Floor
1010 Richards Street
Honolulu, Hawaii

Adjournment:

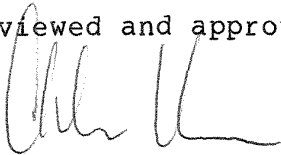
With no further business to discuss, Chairman Damron adjourned the meeting at 11:10 a.m.

Taken and recorded by:



Irene S. Kotaka, Secretary

Reviewed and approved by:



Calvin Kimura
Executive Secretary

January 16, 1989

Date