

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, April 28, 1989

Time: 3:30 p.m.

Place: Waikiki Room, Second Floor
Ilikai Hotel
1777 Ala Moana Boulevard
Honolulu, Hawaii

Present: Gloria Damron, Chairman
Yoshiko Kano, Kauai Member
Michele Matsuo, Public Member
Marcus Nishikawa, Member
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
Glenn Grayson, Deputy Attorney General
Irene Kotaka, Secretary

Gary Au Young, Esq., Recovery Fund Counsel
Dr. Nicholas Ordway, Chairholder/Director, Real Estate Research and Education Center
John Ramsey, Consultant
Barbara Dew, Incoming Member
Stanley Kuriyama, Incoming Member

Gordon Damon, Licensee
Jeff Stone, Daniels Management, Inc.
Susan Hansen, Daniels Management, Inc.

Absent: Larry Ordonez, Public Member

Call to Order: Chairman Damron called the meeting to order at 3:30 p.m., at which time quorum was established.

Chairman's Report: No report was presented.

Executive Secretary's Report: No report was presented.

Approval of Minutes: Upon a motion by Commissioner Sodetani, seconded by Commissioner Kano, it was voted on and unanimously carried to approve the minutes of the March 31, 1989 Real Estate Commission Meeting as circulated.

Additions to the Agenda: Upon a motion by Commissioner Yanagawa, seconded by Commissioner Sodetani, it was voted on and unanimously carried to add the following items to the agenda:

4. Disciplinary Cases
 - b. Allison Heise, RE 87-90, et al.
7. Licensing - Restoration of Forfeited Real Estate License - Lawrence D. Fish
8. Licensing - Questionable Applications
 - a. MWJ Corporation
 - b. Michael M. F. Liu dba Advantage Land Co.
 - c. James Claesgens
 - d. Catherine J. Gaudin dba Catherine Aiu Realtor

Disciplinary Cases: PROGRESSIVE INVESTMENT CORPORATION, STANLEY H. KAKUNO, ET AL., RE 86-226, 85-1465-RE-262

The Commission, at its February 26, 1988 meeting, ordered that the sanctions against Progressive Investment Corporation be modified. Progressive Investment Corporation appealed this decision to the Circuit Court. On December 12, 1988, Judge Klein ordered that the matter be remanded back to the Real Estate Commission for further action as Progressive Investment Corporation was not given an opportunity to respond to the modifications imposed.

The order proposed as follows:

1. Respondent Nelson Secretario, charges to be dismissed.
2. Respondent Thomas T. Koki, fine of \$500.00 to be paid within 30 days from the date of the Final Order.
3. Respondent Stanley H. Kakuno, revocation of real estate broker's license and a fine of \$9,000.00.
4. Respondent Progressive Investment Corporation, revocation of real estate broker license and a fine of \$9,000.00.

The Executive Secretary presented a draft of the Commission's Recommended Order for review and approval.

Upon a motion by Commissioner Takeya, seconded by Commissioner Sodetani, it was voted on and unanimously carried to approve the Commission's Recommended Order pending review by the Attorney General's Office.

Recovery
Fund:

SUSIE X. HAMILTON VS. ROBERT J. LAYSON, ET AL.,
CIVIL NO. 85-0419

After a review of the information presented by Gary Au Young, Recover Fund Attorney, Commissioner Kano moved to approve payment of \$25,000 from the real estate recovery fund against Robert J. Layson and Ho'Oli Hale Real Estate Corporation. Commissioner Yanagawa seconded the motion. The motion was voted on and unanimously carried.

SIDNEY FILSON AND PETER KONECKY VS. ROBERT
GADDIS DBA CONDO PLUS REALTY, CIVIL NO. H87-2148

JAMES E. KIRK AND LOUIS J. MERKLE VS. ROBERT
GADDIS DBA CONDO PLUS REALTY, CIVIL NO. H87-5746

DANIEL R. SUBURU AND FRANCINE C. SUBURU VS.
ROBERT GADDIS DBA CONDO PLUS REALTY, CIVIL NO.
87-2059-08

AMERICAN EXCHANGE CORPORATION AND MULTI
CALIFORNIAS CORPORATION VS. ROBERT GADDIS DBA
CONDO PLUS REALTY, CIVIL NO. H86-2743

After a review of the information presented by Mr. Au Young, Commissioner Takeya moved to approve payment from the real estate recovery fund to the following plaintiffs:

Sidney Filson and Peter Konecky, \$5,474.60
James E. Kirk and Louis J. Merkle, \$2,038.18
Daniel R. and Francine C. Suburu, \$11,779.41
American Exchange Corporation and Multi
Californias Corporation, \$5,620.21
Electra Perkins, \$2,650.14

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

MICHAEL K. OWENS, ET AL. VS. KERRY K. BARKER,
ET AL., CIVIL NO. W87-1553

After a review of the information presented by Mr. Au Young, Commissioner Matsuo moved to approve payment of \$7,012.71 against Kerry K. Barker. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Disciplinary
Cases:

ALLISON M. HEISE, RE 87-90, ET AL.

After a review of the information presented by Ms. Heise, Commissioner Sodetani moved to approve Ms. Heise's request to attend the "Real Pro" course, offered by the Maui Board of Realtors, in order to meet the real estate course requirement of the settlement agreement. Commissioner Takeya seconded the motion. The motion was voted on and unanimously carried.

Committee
Reports:

EDUCATION COMMITTEE

Upon a motion by Commissioner Nishikawa, seconded by Commissioner Sodetani, it was voted on and unanimously carried to accept the recommendations of the April 26, 1989 Education Committee Meeting as follows:

1. Approve the following investments: Real Estate Education Fund - \$450,000 for 60 days; Real Estate Recovery Fund - \$200,000 for 60 days.

2. Approve the request of student candidate, Persephone, to take the pre-recorded audio-visual tapes prelicense class at the Fahrni School of Real Estate because of medical hardship in attending the normal classes.
3. Approve the following prelicense school:
 - a. Seiler School of Real Estate
 - b. Hawaiian School of Real Estate - Change of Owners
4. Approve the following continuing education providers:
 - a. Kauai Community College
 - b. Hawaii Institute of Real Estate - Approve upon correction of deficiencies
 - c. Duplanty School of Real Estate, Ltd. - Approve upon amendment of monitoring policy and acknowledgement form
 - d. Leeward Community College
 - e. Hawaii Business College, Inc. - Approve upon correction of deficiencies
5. Approve the following continuing education instructors:
 - a. Paige B. Vitousek - Contracts and Finance
 - b. Gordon E. Stellway - Laws Update/Ethics - Approved; more information required for Finance and Contracts
 - c. David M. Medaris - Contracts
 - d. Robert J. Morris - Laws Update/Ethics
 - e. John F. Stapleton - Contracts, Finance, and Laws Update/Ethics

- f. Jeffrey S. Grad - Contracts, Finance,
Laws Update/Ethics
- g. Robert E. Sutterfield - Finance
- h. John Reilly - Finance, Laws
Update/Ethics
- i. Allison Loew - Finance
- j. George W. Lindell - Finance

REAL ESTATE RESEARCH AND EDUCATION CENTER

Upon a motion by Commissioner Nishikawa, seconded by Commissioner Sodetani, it was voted on and unanimously carried to approve Budget "B" as presented by Dr. Ordway, with the provision that in the event that the Associate Director returns, the Center may request supplementary funding for the Associate Director position, and that Item M-3, relating to hard journal columns be approved subject to confirmation by the Attorney General that it is allowable to use professional organizations to disseminate information to licensees.

Upon a motion by Commissioner Nishikawa, seconded by Commissioner Sodetani, it was voted on and unanimously carried to approve the supplementary allocation of \$74,354 to the Real Estate Research and Education Center for fiscal year 1989-90.

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 April 26, 1989 Condominium and Cooperative Review Committee meeting as follows:

1. The Commission shall consider the concerns stated by the prospective purchasers of the Bayview Ridge Condominium project through an Attorney General's opinion and the program of work. In that, staff to draft a request for an Attorney General's opinion as to the legal responsibility of

the original and new developers under Chapter 514A, Hawaii Revised Statutes, when a condominium property regime project with a preliminary public report is sold to a new developer, the contractual obligations, project plans, and all representations by the original developer.

2. Appoint a subcommittee to examine the issues on disclosure requirements and rescissionary periods of Chapter 514A and 514E, HRS; include this subject on the program of work; and solicit the assistance of Mitchell Imanaka and Sheryl Nagata, Time Share Administrator, to resolve this problem.
3. The public report format to be amended to include disclosure that clearly states that the sales contracts entered under a preliminary public report is not binding to the developer or the prospective purchaser.
4. Defer action on the matter regarding the association's or board of director's approval on the modification/alteration done within the apartment/unit.
5. The Commission shall develop an educational brochure and notify the public of the owner-occupant provisions, rights of developer, on contract, and what is binding.

LAWS AND RULES REVIEW COMMITTEE

Upon a motion by Commissioner Takeya, seconded by Commissioner Yanagawa, it was voted on and unanimously carried to approve the recommendations of the April 26, 1989 Laws and Rules Review Committee Meeting as follows:

1. Review the proposed rules that were forwarded to the Attorney General's Office for review and submit comments or revisions to Commission staff as soon as possible.
2. Refer the study of the definition of "Material Facts" to Commissioner Matsuo for further study and follow up.

3. Commissioner Sodetani to follow upon the new developments in real estate appraiser certification, registration, and legislation and coordinate appropriate responses with the Licensing Administrator.
4. The Commission's delegation to the NARELLO Board of Director's Meeting to coordinate meeting attendance so that all committee meetings which are of interest to the Commission is attended. Commissioners are to submit their requests for meeting attendance to the Commission's delegation.
5. The Commission, through Commissioner Matsuo, as a member of the NARELLO Constitution and Bylaws Committee, requests that NARELLO consider proxy voting for NARELLO Committee Meetings. In that, most states are not able to send all of their delegation who are committee members to the NARELLO meetings.

Executive
Session:

Upon a motion by Commissioner Takeya, seconded by Commissioner Yanagawa, it was voted on and unanimously carried to enter into Executive Session at 4:14 p.m., pursuant to Chapter 92-5(a)(1), HRS, "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 Sodetani, seconded by Commissioner Takeya, it was voted on and unanimously carried to move out of Executive Session at 5:33 p.m.

Licensing:

RESTORATIONS

Kiley, Thomas	Broker
Yang, Min Ho	Broker
Nagai, Bert	Broker

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

Furlong, Mary Karen V.	Salesperson
Servito, Philip F.	Salesperson
Song, John S. K.	Salesperson
Daly, Jerry S.	Salesperson
Greenside, Gerald H.	Salesperson
Mori, Stephen G.	Salesperson
Slagel, Sheldon D.	Salesperson
Fish, Lawrence D.	Salesperson

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

Damon, Gordon Broker

Mr. Damon was present before the Commission to request that the Commission reconsider its previous order, dated March 31, 1989. Mr. Damon stated that he is aware that it was his responsibility to see that his real estate broker's license was renewed in a timely manner. He also stated that he has been a member of the Board of Realtors for 25 years. He requested that the Commission reconsider its previous decision of requiring him to take the real estate broker's examination and allow him the opportunity to provide some services to the Real Estate Research and Education Center at the University of Hawaii.

After a review of the information presented by the applicant, Commissioner Smales moved that Mr. Damon be asked to submit further information on his educational training and experience, that once the information is submitted, the Executive Secretary review the information and determine whether or not it would be appropriate to require that Mr. Damon provide 32 hours of service to the Real Estate Research and Education Center in order to restore his real estate broker's license. Commissioner Takeya seconded the motion. The motion was voted on and unanimously carried.

QUESTIONABLE APPLICATIONS

L and P Whitehead Realty and Rentals, Inc.

After a review of the information submitted by the applicant, Commissioner Sodetani moved to deny the application for real estate corporation of L and P Whitehead Realty and Rentals, Inc., as it contains the initials of a non-licensee. Commissioner Matsuo seconded the motion. The motion was voted on and unanimously carried.

Hannon Realty, Ltd.

After a review of the information submitted by the applicant, Commissioner Takeya moved to approve the extension of real estate site office registration of Hannon Realty, Ltd., located at 2310 Kuhio Avenue, #217, for the Kuhio Banyan Club, pending the submission of a letter from the City and County of Honolulu approving the sale of time shares in that location. Commissioner Smales seconded the motion. The motion was voted on and unanimously carried.

CPL Realty

After a review of the information submitted by the applicant, CPL Realty, Commissioner Takeya moved to approve the extension of real estate site office registration of CPL Realty, located at 3811 Edward Road, Hanalei, Kauai, for the Cliffs Club, pending verification from the County of Kauai that the site office is in compliance with the land use requirements. Commissioner Smales seconded the motion. The motion was voted on and unanimously carried.

Claiborne, Douglas

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

Harris, Jonathan T.

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

Cadiente, Katherine

After a review of the information submitted by the applicant, Commissioner Matsuo moved to deny Ms. Cadiente's request for a waiver to the three listing and three sales that have closed escrow broker's experience requirement. Commissioner Takeya seconded the motion. The motion was voted on and unanimously carried.

Daniels Management, Inc.

Mr. Jeff Stone was present on behalf of Daniels Management, Inc. Mr. Stone is currently associated with Stone Realty. He will be appointed as the principal broker of Daniels Management, Inc., should the application for real estate corporation be approved by the Real Estate Commission.

Mr. Stone stated that the Daniels Organization is the developers of the Pan Pacific Plaza, which will be located at the old S. H. Kress store. The parent corporation is currently licensed in the State of California as the "Daniels Organization." They would like to make the Hawaii office uniform with the California entity. They have received approval for the tradename from the Business Registration Division. Mr. Daniels himself will not be conducting business in this State. There are currently seven different companies under the Daniels Organization. Daniels Management, Inc. will be responsible for managing and leasing all of their own buildings. The Daniels Organization is asking the Commission to reconsider its previous decision.

After a review of the information presented by the applicant, Commissioner Matsuo moved to approve the application for real estate

corporation because the "Daniels Organization" is a well-known California corporate entity. Commissioner Takeya 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 approve the extension of real estate site office registration for the MWJ Corporation, located at 84-1021 Lahilahi Street, for the Hawaiian Princess time share project, subject to the City and County of Honolulu's verification of the site office's compliance with land use requirements. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Michael M. F. Liu dba Advantage Land Co.

After a review of the information submitted by the applicant, Commissioner Matsuo moved to approve the request for home occupation under a conditional license. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Claesgens, James

After a review of the information submitted by the applicant, Commissioner Nishikawa moved to deny Mr. Claesgens application for real estate salesperson as he failed to file his application within 90 days of the date of the examination. Commissioner Yanagawa seconded the motion. The motion was voted on and carried. Commissioner Takeya voted nay.

Gaudin, Catherine J. dba Catherine Aiu Realtor

After a review of the information submitted by the applicant, Commissioner Matsuo moved that item no. 3 in the conditional real estate broker's license be changed to:

"That should the City and County of Honolulu disallow home occupation for the applicant or find the applicant in violation of any of the provisions of the subject ordinance, the

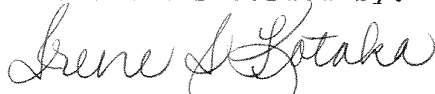
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applicant's real estate broker's license shall be placed on an inactive status until approval of a new principal place of business;". Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Next Meeting: Friday, May 26, 1989
Kuhina Nui Room
Second Floor, Kamamalu Building
1010 Richards Street
Honolulu, Hawaii

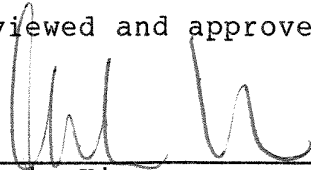
Adjournment: With no further business to discuss, Chairman Damron adjourned the meeting at 5:50 p.m.

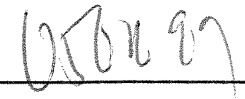
Taken and recorded by:



Irene S. Kotaka, Secretary

Reviewed and approved by:



Calvin Kimura
Executive Secretary

Date