

**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, July 24, 1992

Time: 9:00 a.m.

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

Present: Marcus Nishikawa, Oahu Member, Chairman (Early Departure)  
Theo Butuyan, Public Member  
Barbara Dew, Oahu Member  
Jerry Hirata, Hawaii Island Member  
Alvin Imamura, Maui Island Member  
Stanley Kuriyama, Oahu Member (Late Arrival)  
Carol Mon Lee, Public Member (Late Arrival/Early Departure)

Calvin Kimura, Supervising Executive Secretary  
Christine Rutkowski, Executive Secretary  
Russell Wong, Real Estate Specialist  
Lynn Miller, Real Estate Specialist  
Irene Kotaka, Secretary

Shari Wong, Special Deputy Attorney General  
Rodney Maile, Senior Hearings Officer  
Susan Gochros, RICO Attorney

Frances Sueco, Petitioner  
Linda Kay Okamoto, Applicant  
Nancy White, Applicant  
Jerrold J. Markle, Applicant  
Gifford Chang, Applicant  
Sheldon Slagel, Applicant  
Russell Ching, Attorney for PVT Holdings  
Ben Yamamoto, PVT Holdings  
Albert Shigemura, PVT Holdings  
Ralph Ahles, Applicant

Excused: Yoshiko Kano, Kauai Member

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

Chairman's Report: Chairman Nishikawa thanked the Commission for his appointment as Chairman of the Real Estate Commission and stated that he hoped he could carry on in the same manner as his predecessors. He also called upon the members of the Commission and staff for their full cooperation.

Declaratory Relief: **FRANCES SUECO, PETITIONER, REC-DR-91-1**

Commissioner Lee arrived.

Mr. Maile presented the Commissioners with a brief summary of Ms. Sueco's petition for declaratory relief.

Commissioner Kuriyama arrived.

Mr. Maile stated that the Commission needs to declare whether or not the activities outlined by Ms. Sueco fall within Chapter 467, Hawaii Revised Statutes, and if so, they require a real estate license. The declaratory ruling provides an opportunity to determine how the Commission would rule if the matter proceeded to a disciplinary hearing.

Ms. Sueco has filed exceptions to the Hearings Officer's Findings of Fact, Conclusions of Law and Recommended Order. A Statement in Support of the Hearings Officer's Findings of Fact, Conclusions of Law and Recommended Order was filed by RICO Attorney, Susan Gochros.

Ms. Sueco stated that the one block from where she lives, there is a hotel that arranges, offers, and provides condo units for compensation, which stated that they do not need a license as they do not operate under Chapter 467, HRS. She also stated that on the other side of her, there is a bed and breakfast operation which claims they do not need a real estate license. On the same block as her, there are independent owners who arrange, offer, and provide single condo units for compensation. Each claim that they rent their own condo without a real estate license. Are these situations legal?

The Chairman reminded Ms. Sueco that the Commission was present to discuss her actions and whether or not it requires her to be licensed.

Ms. Sueco stated that she did at one time have a real estate license, but due to the bad experiences that she had with her principal brokers while licensed, she forfeited her license. She has been licensed as a travel agent for the last 25 years. After forfeiting her license, she concentrated on her travel agency business, working on telephone and call in orders. She was asked by her clients if she knew of condo units which they could rent while on vacation. She lived in a condominium unit and told her clients that she would check to see if there were any units available for rentals. She began to run into problems when the real estate company that she was dealing with took deposits for apartments which were not cleaned and maintained. So she decided to

form her own company to perform maintenance, housekeeping, and repairs. Her clients hired her to maintain their apartments. She stated that when asked by her clients if she could manage their properties, she informed them that she couldn't.

Ms. Sueco stated that she does not collect a commission for her referrals. The bed and breakfast businesses give her travel discounts if she refers customers to them. When questioned further, she stated that the travel agency will, for example, charge \$70 per night for the room. However, if she refers clients to them, she gets a discounted rate which results in the difference in the discount being paid to her.

Ms. Sueco also stated that a lawsuit was filed against her, but the lawsuit was later dismissed.

Ms. Gochros stated that the lawsuit that was filed in Circuit Court resulted in a stipulated judgment which required that Ms. Sueco file a petition with the Real Estate Commission. The judgment stated that should the Commission determine that Ms. Sueco needs a real estate license, she is to discontinue her operations.

Ms. Gochros stated that Ms. Sueco should be required to have a real estate license as defined in Chapter 467, HRS, because she receives compensation for her referrals and actively solicits condominium apartment owners for their apartments.

Ms. Sueco stated that the owners which she provides services for are customers of Sueco Enterprises, her maintenance and housekeeping business.

Ms. Gochros stated that Ms. Sueco's activities do fall within the definition of a real estate salesperson as defined in Chapter 467, HRS and as a result of this, she should be required to have a real estate license.

Upon a motion by Commissioner Dew, seconded by Commissioner Lee, it was voted on and unanimously carried to take this matter under advisement.

Additions to the  
Agenda:

Upon a motion by Commissioner Dew, seconded by Commissioner Hirata, it was voted on and unanimously carried to add the following items to the agenda:

4. Chapter 91, Hawaii Revised Statutes, Adjudicatory Matters  
Disciplinary Cases
  - h. Wendy L. Iha, REC 91-126
  - i. Bonnie M. Monares dba Commercial Management Services of Maui and CDS of Hawaii, REC 91-294
  - j. Valley Isle Realty, Inc. and Alvin M. Imamura, REC 91-295
  - k. Loren H. Hohman, REC 91-75

8. Licensing - Restoration of Forfeited Licenses  
Under two years - brokers  
01/01/91 - Virginia K. Lum
9. Licensing - Questionable Applications  
Interstate Maui Realty, Inc.  
Orchid Isle Properties, Inc.

Additional  
Distribution:

The following materials were distributed to the Commissioners:

3. Executive Secretary's Report
  - b. Minutes of the September 26, 1991, February 28, 1992,  
May 22, 1992 Real Estate Commission Meeting
6. Committee Reports
  - a. Education Review Committee
  - b. Condominium and Cooperative Review Committee
9. Licensing - Questionable Applications  
Nancy White

Adjudicatory Matters: The Chairman called for a recess from the Commission meeting at 9:44 a.m. to discuss and deliberate on the following adjudicatory matters pursuant to Chapter 91, Hawaii Revised Statutes:

- b. Bradley Properties, Ltd. and Penelope H. Bradley, REC 91-274 - Approve the First Amended Settlement Agreement Prior to Filing of Petition for Disciplinary Action and the Commission's Final Order.
- c. William S. Concepcion, REC 91-314-L - Approve the Settlement Agreement After Filing of Petition for Disciplinary Action and Commission's Final Order as to Respondent William S. Concepcion.
- d. Dennis P. Shannon, REC 91-75 - Defer decision making on this matter.
- e. Henry D. Block and The Hawaii Land Realty Corporation, Robert J. Riley, REC 91-24L - Approve the Settlement Agreement After Filing of Petition for Disciplinary Action and the Commission's Final Order.
- f. Natalie J. Harper dba Koa Lagoon Condominium Rentals, REC 90-430 - Approve the Settlement Agreement After Filing of Petition for Disciplinary Action and the Commission's Final Order.
- g. Stuart A. Westerman, REC 90-344 - Approve the Settlement Agreement After Filing of Petition for Disciplinary Action and the Commission's Final Order. Commissioner Lee opposed the motion.
- h. Wendy L. Iha, REC 91-126 - Approve the Settlement Agreement After Filing of Petition for Disciplinary Action and Board's Final Order.

Commissioner Imamura recused himself from the meeting.

- i. Bonnie M. Monares dba Commercial Management Services of Maui and CDS of Hawaii, REC 91-294 - Approve the Settlement Agreement Prior to Filing of Petition for Disciplinary Action and Board's Final Order.
- j. Valley Isle Realty, Inc., and Alvin M. Imamura, REC 91-295 - Approve the Settlement Agreement Prior to Filing of Petition for Disciplinary Action and Board's Final Order.

Commissioner Imamura returned to the meeting.

- k. Loren H. Hohman, REC 91-75 - Defer decision making on this matter.
- a. Marilyn S. Knutson dba Knutson & Associates, REC 91-2 - Approve the Hearings Officer's Findings of Fact, Conclusions of Law and Recommended Order. Commissioner Imamura abstained from voting.

Following the Commission's review, deliberation and decision in these matters, pursuant to Chapter 91, Hawaii Revised Statutes, Chairman Nishikawa announced that the Commission was reconvening to its scheduled-Commission meeting at 10:36 a.m., pursuant to Chapter 92, Hawaii Revised Statutes.

Recess: Chairman Nishikawa recessed the meeting at 10:36 a.m.

Reconvene: Chairman Nishikawa reconvened the meeting at 10:50 a.m., at which time he appointed Commissioner Dew as Chairman Pro Tem.

Chairman Nishikawa was excused from the meeting.

Executive Session: Upon a motion by Commissioner Kuriyama, seconded by Commissioner Lee, it was voted on and unanimously carried to enter into executive session, pursuant to Section 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;"

Upon a motion by Commissioner Hirata, seconded by Commissioner Butuyan, it was voted on and unanimously carried to move out of executive session at 11:20 am.

Recovery Fund: Kazuko Yoshida vs. Ronald Jay Nicholson, R. J. Nicholson Realty, Pamela June Lowman, James Spalding, Real Hawaii Realty, Inc., Richard Kirk Davis, Shirley Ann Davis, Frederick Lewis Parr, and Donald G. Gravely, Civil no. 90-00422 ACK, U.S. District Court for the District of Hawaii

Upon a motion by Commissioner Imamura, seconded by Commissioner Lee, it was voted on and unanimously carried to defer decision making, subject to attorney providing further information.

Dennis Lyttle, et al., vs. Ellis & Ellis Associates, Inc., Dean S. Ellis, Janice M. Ellis, Atlantic City Real Estate I, Inc., SJM Pacific Corporation, Sergio J. Misztal, Keno Petroleum, Inc., Moon River, Inc., Edward T. Woodger, Civil No. 86-3023, Circuit Court of the First Circuit

Upon a motion by Commissioner Lee, seconded by Commissioner Butuyan, it was voted on and unanimously carried to accept counsel's recommendation to settle, pursue possible publication

and default judgment to the extent possible.

Licensing:        **Ratification**

Upon a motion by Commissioner Butuyan, seconded by Commissioner Lee, it was voted on and unanimously carried to ratify the following applications:

Brokers

Sandra R. Gillis dba Gillis Realty  
Halona Kai Properties, Inc.  
Casablanca Properties, Inc.  
Anthony J. Behm  
Case Properties, Inc.  
Ana Realty  
Dorothy C. Pang  
Karen Y. Matsumura  
CSD Realty, Inc.  
Eileen D. Hines, Realtor  
Mark D. Barry dba Darby Properties  
L.M.K., Inc.  
Thomas George Delmore dba Delmore Realty

Branch Office

Chaney, Brooks Realty, Inc. (Kailua-Kona, Hawaii)  
Chaney, Brooks Realty, Inc. (Kihei, Hawaii)  
Chaney, Brooks Realty, Inc. (Lihue, Hawaii)  
CROM/MAX Corporation (Kailua-Kona, Hawaii)

Site Office

Chaney, Brooks Realty, Inc. (Malanai - Village III of Kapolei)  
Shell Development Corporation - Kona (The Kona Coast Resort at Keauhou Gardens)  
Haseko Realty, Inc. dba Real Estate Showcase Hawaii (Wiliwili Vista)  
Hannon Realty, Ltd. (Kuhio Banyan Club)  
Chaney, Brooks Realty, Inc. (Piilani Village)  
Finance Realty Co., Ltd. (Makakilo Ridge)

Condominium Managing Agents

Centurion Realty & Management Corp.  
Iris Riber Realty  
IND-COMM Management, Inc.  
A-A Management Corp.

Condominium Hotel Operator

Gordon Scott Realty, Inc.  
Owner's Management Corporation

Trade Names

Shirley A. Chandler dba Maui Commercial  
Sanford K. Okura dba Sanford K. Okura Realty  
John H. Hilliard, Jr. Rainbow Maui Realty

Donna J. Edwards dba Donna J. Edwards Realty  
Diane Leimi Yanagisako Fujikami dba Diane Fujikami & Associates  
Cynthia Supnet dba Hawaiian Star Real Estate  
Lynn Tilton dba Lynn Tilton Realty  
Randy D. Ragon dba Time Share Resales Hawaii  
Patricia Moore dba D P Moore Real Estate & Development  
Russell K. S. Lui dba GRECS  
Michiko Mason dba Mason Realty  
Laubscher Realty, Inc. (fka Bertha Laubscher Realty Inc.)

Condominium Project Registration Public Reports - June 1992

Kumeluwai Court - Phase I, Honolulu (Supplementary)  
The Arbors, Increment H, Honolulu (Final)  
Kaloko Estates, Hawaii (Preliminary)  
The Kohala Twins, Hawaii (Final)  
Moloaa Bay View, Kauai (Final)  
Parker Plaza, Maui (Final)  
Southpointe at Waiakoa, Phase II, Maui (Final)  
Southpointe at Waiakoa, Phase III, Maui (Preliminary)  
Phase 2B, Keauhou Gardens, Hawaii (Supplementary)  
Hale Akua Estates, Honolulu (Final)  
Dynasty Court, Kauai (Final)  
Kai Ikena Elua, Honolulu (Final)  
Lyman Gardens, Hawaii (Preliminary)  
1617 Miller Street, Honolulu (Final)  
Old Mill Camp, Kauai (Final)  
Waipake Heights, Kauai (Final)  
Haleiwa Hale II, Honolulu (Final)  
Mauka Ridge Agricultural Condominium, Kauai (Final)  
2056 Puu Place, Honolulu (Final)  
Maui Gardens, Maui (Supplementary)  
Puako Retreat, Hawaii (Final)  
Puako View, Hawaii (Final)  
Kumeluwai Court-Phase II, Honolulu (Supplementary)  
Parkview at Waikele, Honolulu (Final)  
Lawai Mountain View, Kauai (Final)  
1831 Pe'e Road, Kauai (Final)

**Questionable Applications**

Linda Kay Okamoto

Ms. Okamoto was present to request that the Commission grant her an equivalency to two listing contracts which have closed escrow and one sales contract that has closed escrow requirement. Ms. Okamoto stated that Lanai is 98% singly owned and that salesperson-assisted contracts average one every two months. In the past year, only six sales have occurred on the island of Lanai. She stated that she felt that it was unfair to require salespersons licensed on Lanai to submit to the broker's experience requirement as the number of transactions occurring on the island are very limited. Ms. Okamoto stated that she has been having difficulty in obtaining an



experience statement from her previous broker.

Ms. Okamoto was informed that she should file a complaint with RICO and that she should also contact Commission staff to see what steps could be taken in order for her to obtain the certification from her previous principal broker.

Ms. Okamoto was asked if she has taken any educational courses or if she holds any special professional designations. She replied that she does not hold a GRI designation or any other professional designation.

Upon a motion by Commissioner Hirata, seconded by Commissioner Lee, it was voted on and unanimously carried to take this matter under advisement.

Nancy White

Ms. White was present to request an equivalency to three transactions which have closed escrow.

Ms. White stated that she has submitted six transactions. She has represented the seller as a listing agent and has assisted buyers in presenting the offer to the seller and has monitored the transactions since the buyers were not represented by a broker. She acted on behalf of the seller, providing information to the buyer. She has been licensed in Hawaii for 20 years and has never had any complaints filed against her.

Ms. White was asked if she had taken any real estate courses or if she holds any professional designations. Ms. White replied that she has only completed the continuing education courses and has completed the broker's prelicensing course.

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Hirata, it was voted on and unanimously carried to take this matter under advisement.

Jerrold J. Markle

Mr. Markle was present to answer any questions the Commission may have had regarding his application for a real estate salesperson's license.

Mr. Markle was asked to explain the circumstances leading to the offense that he committed. Mr. Markle stated that in 1975-76, a trial was held in Miami. The Judge had decided that Mr. Markle would be placed on a pre-trial supervision on the island of Maui for two years and if there was no further convictions, Mr. Markle's criminal record would be erased.

Upon a motion by Commissioner Lee, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to take this matter under advisement.

Gifford Chang

Mr. Chang was present to request that the Commission reconsider its previous decision denying Mr. Chang's application for a real estate broker's license.

Mr. Chang stated that he was under the doctor's care during the period that he was to have applied for his real estate broker's license. Mr. Chang stated that he is employed by Palace

Realty, Inc. and that when he receives his broker's license, he will be acting as a temporary principal broker when the principal broker is on vacation.

Commissioner Lee was excused from the meeting.

Mr. Chang stated that he had submitted letter from his physician. Mr. Chang stated that he had sustained the injury in 1987, but was unable to undergo therapy until now because he was attending school. In late 1991, a decision was made to undergo surgery as therapy was not effective. Mr. Chang stated that he was injured in his right arm. He completed the broker's prelicensing course in September/October 1991 and passed the November 23, 1991 real estate broker's licensing examination. Mr. Chang worked right up until the night prior to the operation. Mr. Chang stated that he failed to submit his application within 90 days after the examination date. Mr. Chang requested that the Commission accept his mistake. He is working towards his CCIM designation and expects to be awarded the designation in November 1992.

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Hirata, it was voted on and unanimously carried to take this matter under advisement.

Sheldon D. Slagel

Mr. Slagel was present to request that the Commission approve his application for a real estate salesperson's license. Mr. Slagel stated that he has outstanding judgements against him for failure to pay for child support and an outstanding tax lien. He stated that the judgement was a result of the dissolution of his marriage. He has plans to remove the debt. He stated that he will be having the payments garnished from his pay check, he has made payments to the IRS and that IRS appropriates his tax refund. Mr. Slagel stated that he would like to be licensed so that he may assist his wife in her real estate company.

Mr. Slagel was asked if he would be able to provide evidence of his payments against the outstanding judgment. Mr. Slagel stated that he would be able to provide the information, if requested.

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Butuyan, it was voted on and unanimously carried to take this matter under advisement.

PVT Realty, Inc.

Russell Ching, Attorney for PVT Holdings, Ben Yamamoto and Alfred Shigemura of PVT Holdings was present to provide testimony on behalf of PVT Realty, Inc.

Mr. Ching stated that PVT Holdings is active on Oahu and they contribute to the community and through church activities. In Japan, "PV" stands for "Planting Village". The founder, Mr. Uemura, is associated with the Japan parent company and is a non-resident alien. Mr. Uemura spends two weeks out of the year in Hawaii and is not involved in the real estate company. He is active in the Japanese parent company. Mr. Yamamoto is the proposed principal broker of PVT Realty, Inc.

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Imamura, it was voted on and unanimously carried to take this matter under advisement.

Ralph Ahles

Mr. Ahles was present to request an equivalency to the ten transaction requirement. Mr. Ahles stated that he is the general manager of the Discovery Bay Association of Apartment Owners. He would like to remain in property management. He stated that Discovery Bay is the single largest condominium association in the State which is self-managed. He stated that the owners are concerned with the fact that they are self-managed and are being managed under a management which is not licensed.

Mr. Ahles stated that he is two weeks away from receiving his candidacy for his CPM designation. He has to complete a one year candidacy period and to develop his plan for his CPM designation. He is associated with Metropolitan Management. He is an employee of Discovery Bay and has no intention of setting up his own brokerage company. He intends to keep managing Discovery Bay and to continue working with Metropolitan Management on a managerial level. He reviews escrow closings and reviews the necessary documents to be provided to the escrow companies on a daily basis. He supervises 33 employees that work on-site for Discovery Bay. He is directly responsible to the nine members on the Board of Directors and attends the board and association meetings. He has attended meetings sponsored by the Community Associations Institute, Hawaii Chapter.

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Hirata, it was voted on and unanimously carried to take this matter under advisement.

Committee  
Reports:

**Education Review Committee**

Upon a motion by Commissioner Hirata, seconded by Commissioner Butuyan, it was voted on and unanimously carried to approve the recommendations of the July 23, 1992 Education Review Committee Meeting, as follows:

1. Request for Extension of Time for Audit - Ikeda and Wong, CPA, Inc. Approve extension request, and, if necessary, proceeding with amendments or new contract to effectuate extension, to complete audits of FY90 and FY91 on the Real Estate Education Fund, Condominium Management Education Fund, and Real Estate Recovery Fund.
2. Budget and Finance Committee Financial Statements. Accept the financial reports of the Real Estate Education Fund, the Condominium Management Education Fund, and the Real Estate Recovery Fund, for the periods ending April 30, 1992 and May 31, 1992.
3. Hawaii Real Estate Research and Education Center
  - a. Five Year Education and Research Plan - Present at August 27, 1992 Education Review Committee Meeting
  - b. Evaluation System for Schools, Instructors, Providers, and CE Courses - Ms. Yee is collecting data.
  - c. Real Estate Summit I - nothing
  - d. Startup Kit for New Licensees - working on
  - e. Broker Curriculum and Resources - after salesperson
  - f. Salesperson Curriculum and Resources - Present at August 27, 1992 Education

Review Committee Meeting

- g. Continuing Education 1993/94 Core Course - Present at October 1992 Meeting
  - h. Continuing Education 1993/94 Elective Courses - working on with commercial property management as one course
  - i. Continuing Education 1991/92 Core Course - nothing
  - j. On Real Estate Weekly Newspaper Column - Continuous
  - k. Professional Responsibility Course - Working on
  - l. Real Estate Hotline - Working on
  - m. PB and BIC Brochure - After professional responsibility course
  - n. Four Brochures - working on
  - o. Advertising Brochure - REB to pass on packet
  - p. Instructor's Development Workshop - December 4 and 5, one day prelicensing instructors and the next day continuing education instructors and core course introduction. Committee expressed concerns that program of work specs call for generic workshop with a special supplement for CE core and/or elective courses, plus that REC IDW workshop standard is two days. Supervising Executive Secretary to talk with Hawaii Real Estate Research and Education Center.
  - q. Information Distribution System - recognize Texas A & M system
  - r. Mandatory Continuing Education Report - Present at November 1992 meeting
  - s. HUD Study - New amendments proposed that have to examine
4. Request of Home Study Continuing Education Courses - John E. Kelley. Approve taking and completing continuing education courses at temporary home, subject to being delivered live by a Hawaii certified continuing education instructor or by means of interactive television or by other means of interactive communication as proposed.
5. CE Instructors. Approve Malvin Russell Goode, Jr., for the course category of Finance. Grant final approval of Richard J. Rosenthal for the course categories of Real Estate Consulting and Investment Brokerage.
6. Rule 16-99-58(g) Clarification. It is understood that the subject rule applies three years from the effective date of the rule which will be November 3, 1993. In addition, staff to study and draft rule amendment for clarification.
7. Request for Home Study Salesperson Course - Larry Knight. Approve request for a waiver to take the salesperson's prelicense course by way of home study, due to the unavailability of such course for the past one year on the subject island.
8. Request for Extension of Expiration Date of School Certificate of Completion - Wallethe Nagaishi. Defer until sufficient information is secured and if it is a matter that staff cannot resolve.
9. Interactive Participation with Organizations. Supervising Executive Secretary, Calvin Kimura, to attend and participate at the Hawaii Association of Realtors Annual Meeting in Maui, on September 16 to 18, 1992.

Approve four participants, combination of Commissioners and staff, as determined by the Chairman, to attend the NARELLO Annual Meeting, on September 26 to October 1,

1992, in Florida.

10. EXPRO Concerns by Prelicensing Schools and Instructors. Accept concerns for further study.
11. ASI Contract. Staff to write a letter expressing concerns regarding the proposed contract provisions as discussed.

Upon a motion by Commissioner Hirata, seconded by Commissioner Lee, it was voted on and unanimously carried to amend the following recommendation of the July 23, 1992 Education Review Committee Meeting, as follows:

Request to Complete Instructor Workshop Through Real Estate Commission-Approved Audio Video Tape - Gordon Stellway. Staff to inform Mr. Stellway that he investigate other means of completing the requirement, including HREREC's IDW on December 4 and 5, or other workshops presented in Hawaii or on the mainland, which shall be approved by the Hawaii Real Estate Commission.

Upon a motion by Commissioner Hirata, seconded by Commissioner Butuyan, it was voted on and unanimously carried to add the following recommendation:

12. Neighbor Island Committee Meetings. The September 1992 Committee meetings shall be held on the island of Maui on September 15 and 16, 1992. The Education Review Committee meeting will be held at 9 a.m. on September 15, 1992, with the Laws and Rules Review Committee meeting to follow. The Condominium and Cooperative Review Committee Meeting will be held on September 16, 1992, at 9 a.m., at a site to be determined. Staff to meet with Maui RICO on September 15, 1992 in the afternoon.

#### **Condominium and Cooperative Review Committee**

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Imamura, it was voted on and unanimously carried to approve the recommendations of the July 8, 1992 Condominium and Cooperative Review Committee Meeting, as follows:

1. Hawaii Real Estate Research and Education Center
  - a. Program of Work and Budget, FY 1993 - REC presented copies to HREREC.
  - b. Condominium Association Budget and Reserves - (1) Manual - presented a report on June 15, 1992 task force meeting and summation on opinions and suggestions. In addition, a draft sample portion for review and comments. (2) Rule Making - some comments and recommendations from task force meeting are substantive, require review and comments from Committee for next draft. (3) Workshops - Fall.
  - c. Five Year Education and Research Plan - Presented format of plan for review and comments.
  - d. Hawaii Condominium Bulletin - (1) Spring 1992 issue distributed. (2) Planning schedule developed.
  - e. Board of Directors Manual - No report.
  - f. Condominium Seminars - No report.
  - g. Federal Leasehold Study - No report.

- h. HAR Convention Booth - Report to be given at Education Review Committee Meeting.
2. CCRC Program of Work and Budget for Fiscal Year 1992-93. Acknowledge receipt of final approved copy.
3. Out of State Condominium Projects. Chairman and staff to work with consultant, Mitchell Imanaka, on specs, contractual arrangements, and limit initial phase to \$10,000 ceiling.
4. Neighbor Island Outreach. Hold the September meeting on the County of Maui on September 16, 1992, at 9:00 a.m., at a public facility in Wailuku, Kahului, Kihei, or Wailea and secure a private facility, if not available or appropriate.
5. Condominium Specialists Office for the Day. Approve Condominium Specialists Okumura and Stone for July 30, 1992, in Kailua-Kona and Condominium Specialists Okumura and Shiroma for July 31, 1992, in Hilo, Hawaii.
6. Condominium Speaker Program. Acknowledge participation by Condominium Specialist Okumura and Stone at the Condo Expo '92.
7. Project Registration, Public Reports, and Sales to Owner-Occupants - Kanaloa Condominium Project. Supplementary public report is not required under the facts presented, in that:
  - condominium project was completed in 1982 in two phases, with 166 total units
  - AOA in operation since 1980
  - 66 units plus a few more were sold to individuals up through 1980
  - several bulk sales, currently a limited partnership owns 93 units
  - limited partnership to transfer up to 30 units to the limited partners individually, limited partnership to retain up to 20 units
  - up to 60 units to be acquired by a bank or a separate entity of the shareholders of the bank
  - these units acquired by the bank or separate entity to be offered for sale to individuals and bulk purchasers
  - therefore, the bank or separate entity will not be considered a developer
  - this informal opinion/decision under Chapter 201, Administrative Practice and Procedure, is for informational and explanatory purposes only, it is not an official opinion or decision, that it therefore is not to be viewed as binding on the Commission. That, should a formal opinion/decision be desired, it is recommended to file for declaratory relief under subchapter 3.
8. Condominium Governance and Management - Condominium Association Registration - Diamond Head Beach Hotel. Approve exemption to association fidelity bond requirement under the facts presented and subject to conditions, as follows:
  - that the three individual apartment owners and any new or successor apartment owners provide notarized statements confirming non-payment of maintenance fees and that they accept the exemption to association fidelity bond requirement and recognize no fidelity bond coverage,
  - that the exemption is granted only for the registration period and shall be

- recomplied with at the annual registration,
- that the exemption is terminated upon maintenance fee payments or any special assessment by any of the individual apartment owners, and
- this is an informal opinion/decision under Chapter 201, Administrative Practice and Procedure, is for informational and explanatory purposes only, is not an official opinion or decision, that it therefore is not to be viewed as binding on the Commission. That should a formal opinion/decision be desired, it is recommended to file for declaratory relief under subchapter 3.

### **Laws and Rules Review Committee**

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Imamura, it was voted on and unanimously carried to approve the recommendations of the July 8, 1992 Laws and Rules Review Committee Meeting, as follows:

1. Hawaii Real Estate Research and Education Center
  - a. Program of Work and Budget, FY 1993 - REC presented copies to HREREC.
  - b. Directors and Chairholders Association Annual Conference, August 19 - 21, 1992, Kauai. Approve Commissioners Nishikawa, Kano, Dew, and the Supervising Executive Secretary's attendance and participation at the Directors and Chairholders Association Annual Conference.
2. LRRC Program of Work and Budget, FY 1992-93. Acknowledge receipt of final approved copy.
3. Neighbor Island Outreach. Hold the September meeting on the County of Maui, on September 15, 1992, at 11:30 a.m., at a public facility in Wailuku, Kahului, Kihei, or Wailea, and if not available or appropriate, secure a private facility.
4. Rule Making, Chapter 53. Approve proposed amendments to Chapter 53, based on the Education Review Committee's recommendations and housekeeping issues.
5. Special Issues
  - a. License Name Issue. Approve, based on an informal interpretation, that real estate licensees who are individuals only:
    - shall be approved only in the legal name of the licensee or applicant and that initial or initials are allowed for all names except surname, and if possible, retain full first name, which is represented by the initial for file purposes only.
    - should a licensee or applicant desire to eliminate a middle name(s) or middle initial(s), it will be acceptable if the full first name is utilized, along with the surname.
    - should a licensee or applicant desire to initial a first name, it will be acceptable if the full middle name(s) is utilized, along with the surname, and if possible, retain full first name which is represented by the initial for file purposes only.
    - should the licensee or applicant desire to initial a first name and initial a middle name(s), it will be acceptable, provided the initials are utilized along with the surname, and if possible, retain full first name

- which is represented by the initial for file purposes only.
  - a licensee or applicant cannot eliminate a first name or first name initial.
  - a licensee or applicant cannot utilize any part of or shorten a first name or middle name(s), other than initializing such names.
  - should a licensee desire to change how the license has been issued, they would have to submit a change form, with change name of individual, request that a duplicate wall license be issued (pocket card would be provided without additional cost), submit appropriate fees, and if the existing record does not reflect the name and/or initial that is being amended, submit the appropriate documents to verify. Example: the licensee is trying to initial first name and go with initialed middle name, but the licensing records reflect no middle name or initial.
  - that this informal interpretation does not amend any advertising law or rules, and is meant to apply to the actual real estate license.
- b. Real Estate Broker with Travel Agency License. Staff to respond, no exemptions.
- c. Amway Realty Network, Inc. Staff to respond under Deputy Attorney General's advisement.

Approval of Minutes: Upon a motion by Commissioner Kuriyama, seconded by Commissioner Butuyan, it was voted on and unanimously carried to approve the minutes of the September 26, 1991, February 28, 1992, and the May 22, 1992 Real Estate Commission meetings, as circulated.

Executive Session: Upon a motion by Commissioner Kuriyama, seconded by Commissioner Hirata, it was voted on and unanimously carried to move into executive session at 12:30 p.m., pursuant 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;"

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Imamura, it was voted on and unanimously carried to move out of executive session at 1:16 p.m.

Licensing: **Restoration of Forfeited Licenses**

Timothy M. Bauerschmidt	Salesperson
Brigido D. Drapoza	Salesperson
Virginia K. Lum	Broker

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

**Questionable Applications**



PVT Realty, Inc.

After a review of the information presented by the applicants, Commissioner Hirata moved to approve the real estate corporation application of PVT Realty, Inc. Commissioner Butuyan seconded the motion. The motion was voted on and unanimously carried.

Gifford Koon Fo Chang

After a review of the information presented by the applicant, Commissioner Kuriyama moved to deny Mr. Chang's application for a real estate broker's license as he failed to submit his application within 90 days of the examination date. Commissioner Hirata seconded the motion. The motion was voted on and unanimously carried.

Vincent J. Greco, Sr.

After a review of the information submitted by the applicant, Commissioner Butuyan moved to approve Mr. Greco's request for reconsideration and to approve his application for a real estate salesperson's license. Commissioner Hirata seconded the motion. The motion was voted on and unanimously carried.

I H Properties, Inc.

After a review of the information submitted by the applicant, Commissioner Hirata moved to approve the real estate corporation application of I H Properties, Inc. Commissioner Imamura seconded the motion. The motion was voted on and unanimously carried.

Watt Hawaii, Inc.

After a review of the information submitted by the applicant, Commissioner Hirata moved to approve the real estate corporation application of Watt Hawaii, Inc. Commissioner Imamura seconded the motion. The motion was voted on and unanimously carried.

Teresita C. Garcia, Inc.

After a review of the information submitted by the applicant, Commissioner Butuyan moved to approve the real estate corporation application of Teresita C. Garcia, Inc. Commissioner Imamura seconded the motion. The motion was voted on and unanimously carried.

Environs Pacific, Inc.

After a review of the information submitted by the applicant, Commissioner Imamura moved to approve the branch office application of Environs Pacific, Inc. Commissioner Butuyan seconded the motion. The motion was voted on and unanimously carried.

Certified Management, Inc.

After a review of the information submitted by the applicant, Commissioner Hirata moved to approve the real estate corporation application and condominium managing agent registration of Certified Management, Inc. Commissioner Kuriyama seconded the motion. The motion was voted on and unanimously carried.

Shell Development Corporation - Kona

After a review of the information submitted by the applicant, Commissioner Kuriyama moved to approve the condominium managing agent registration of Shell Development Corporation - Kona. Commissioner Butuyan seconded the motion. The motion was voted on and unanimously carried.

Melecio Zamora Santos

After a review of the information submitted by the applicant, Commissioner Imamura moved to deny the request to add the trade name of "Melmar & Associates." Commissioner Butuyan seconded the motion. The motion was voted on and unanimously carried.

Carol Comeau

After a review of the information submitted by the applicant, Commissioner Butuyan moved to defer this matter for further information. Commissioner Kuriyama seconded the motion. The motion was voted on and unanimously carried.

MARDI KERSTING ASSOCIATES, INC.

After a review of the information submitted by the applicant, Commissioner Hirata moved to approve the request to add the trade name, "International Realty Services & Consultants". Commissioner Kuriyama seconded the motion. The motion was voted on and unanimously carried.

David Liu

After a review of the information submitted by the applicant, Commissioner Hirata moved to deny Mr. Liu's request for an educational waiver. Commissioner Butuyan seconded the motion. The motion was voted on and unanimously carried.

Vincent Thinh Nguyen

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

Sheldon D. Slagel

After a review of the information presented by the applicant, Commissioner Kuriyama moved to defer this matter for further information. Commissioner Hirata seconded the motion. The motion was voted on and unanimously carried.

Troy M. Lynch

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

Jerrold J. Markle

After a review of the information presented by the applicant, Commissioner Kuriyama moved to defer this matter for further information. Commissioner Butuyan seconded the motion. The motion was voted on and unanimously carried.

Ralph N. Ahles

After a review of the information presented by the applicant, Commissioner Imamura moved to deny Mr. Ahles's request to the ten transaction requirement for the broker's experience certificate. Commissioner Butuyan seconded the motion. The motion was voted on and unanimously carried.

Nancy White

After a review of the information presented by the applicant, Commissioner Hirata moved to deny Ms. White's request for an equivalency to the three sales transactions that have closed escrow requirement. Commissioner Imamura seconded the motion. The motion was voted on and unanimously carried.

Linda Kay Okamoto

After a review of the information presented by the applicant, Commissioner Kuriyama moved to deny Ms. Okamoto's request for an equivalency to the two listings contracts which have closed escrow and one sales contract which has closed escrow requirement. Commissioner Hirata

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

Carolyn H. Conrad

After a review of the information submitted by the applicant, Commissioner Kuriyama moved to approve Ms. Conrad's request to one listing contract which has closed escrow. Commissioner Butuyan seconded the motion. The motion was voted on and unanimously carried.

Interstate Maui Realty, Inc.

After a review of the information submitted by the applicant, Commissioner Butuyan moved to approve the real estate corporation application of Interstate Maui Realty, Inc. Commissioner Imamura seconded the motion. The motion was voted on and unanimously carried.

Orchid Isle Properties, Inc.

After a review of the information submitted by the applicant, Commissioner Butuyan moved to approve the real estate corporation application of Orchid Isle Properties, Inc. Commissioner Hirata seconded the motion. The motion was voted on and unanimously carried.

Next Meeting: Friday, August 28, 1992  
9:00 a.m.  
Kapuaiwa Room (fka Exam/Conference Room)  
HRH Princess Victoria Kamamalu Building  
1010 Richards Street, Second Floor  
Honolulu, Hawaii

Adjournment: With no further business to discuss, Commissioner Dew, Chairman Pro Tem, adjourned the meeting at 1:26 p.m.

Reviewed and approved

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Christine Rutkowski  
Executive Secretary

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Date