

**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: Wednesday, November 25, 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, Chairman, Oahu Member  
Barbara Dew, Vice-Chairperson, Oahu Member  
Jerry Hirata, Hawaii Member  
Alvin Imamura, Maui Member  
Yoshiko Kano, Kauai 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  
Diane Erickson, Deputy Attorney General  
Irene Kotaka, Secretary

Shari Wong, Special Deputy Attorney General  
Rodney Nishida, Esq., Real Estate Recovery Fund Counsel  
Cynthia Yee, Hawaii Real Estate Research and Education Center  
Dennis Benson, Hawaii Association of Realtors  
Jack Corteway, Applicant

Excused: Theo Butuyan, Public Member  
Francine Duncan, Public Member

Call to Order: Chairman Nishikawa called the meeting to order at 9:06 a.m., at which time quorum was established.

Real Estate **Dennis and Jean Lyttle, et al. vs. Ellis and Ellis Associates, Inc.**

Recovery Fund

Report: The notification of settlement was published in the October 28, 1992 in the Honolulu Star Bulletin, notifying Ellis and Ellis Associates, Inc. and SJM Pacific Corporation of the Commission's intent to settle the above-referenced case.

Commissioner Lee arrived.

Mr. Nishida reported that he had contacted the plaintiffs' attorney to determine if any objections were filed against settling the above-referenced case. Mr. Park, the attorney for the plaintiffs, has not received any objections. The Real Estate Commission has not received any objections. Mr. Nishida has not received any response from the Defendants, Ellis & Ellis Associates, Inc. and SJM Pacific Corporation.

For the record, Mr. Nishida stated that no one appeared to object on behalf of SJM Pacific Corporation and Ellis & Ellis Associates, Inc.

Upon a motion by Commissioner Imamura, seconded by Commissioner Kano, it was voted on and unanimously carried to approve the settlement of the above-referenced case and to order that a payment of \$69,000 be made against Ellis & Ellis Associates, Inc. (\$39,000) and SJM Pacific Corporation (\$30,000) from the Real Estate Recovery Fund.

Adjudicatory Matters: Chairman Nishikawa called for a recess from the Commission meeting at 9:10 a.m., to discuss and deliberate on the following adjudicatory matters, pursuant to Chapter 91, Hawaii Revised Statutes:

Commissioner Kuriyama arrived.

Denise Browning, REC 91-369. Accept the Settlement Agreement Prior to Filing of Petition for Disciplinary Action and Commission's Final Order.

Following the Commission's review, deliberation, and decisions in these matters, pursuant to Chapter 91, Hawaii Revised Statutes, Chairman Nishikawa announced that the Commission was reconvening to its scheduled Commission meeting at 9:19 a.m., pursuant to Chapter 92, Hawaii Revised Statutes.

Chairman's Report: No report was presented.

Executive Secretary's Report: No report was presented.

Approval of Minutes: Upon a motion by Commissioner Kuriyama, seconded by Commissioner Imamura, it was voted on and unanimously carried to approve the minutes of the October 30, 1992 Real Estate Commission Meeting, as circulated.

Additional Distribution: The following materials were distributed to the Commissioners for their review:

3. Executive Secretary's Report
  - a. Real Estate Commission Meeting Schedule for 1993
6. Committee Reports
  - a. Education Review Committee
9. Licensing - Questionable Applications
  - William R. Taber, Jr.
  - Jack Corteway

Committee Reports:      **Education Review Committee**

Upon a motion by Commissioner Hirata, seconded by Commissioner Imamura, it was voted on and unanimously carried to approve the recommendations of the November 24, 1992 Education Review Committee Meeting, as follows:

1.      Hawaii Real Estate Research and Education Center
  - a.      Advisory Council - The Chairpersons of the House and Senate Consumer Protection Committees of the State Legislature shall be appointed and serve as Ex-Officio members of the Advisory Council. Chairperson Nishikawa requests that the Real Estate Commission Liaison and staff coordinate and administer all appointments/terms of the Advisory Council members, including notifications, etc.
  - b.      Five Year Education and Research Plan - HREREC distributed the latest draft, requests that the Commissioners and staff submit all comments within one week for preparation of the final draft distribution to the Commissioners and REC staff one week prior to the December 17, 1992 Education Review Committee Meeting.
  - c.      Evaluation System for Schools, Providers, Instructors, and CE Courses - Pilot program for December Instructor Development Workshop and will finalize thereafter to REC.
  - d.      Mandatory Continuing Education Report to the Legislature - Reminded that the draft should be distributed to the Commissioners and staff by December 5 for the December 17, 1992 Education Review Committee meeting, to provide for a timely review. All comments should be directed back to HREREC.
  - e.      Examination - ASI Laws and Rules Report, Curriculum Review, and Item Writing - Ms. Yee is completing the report to ASI.
  - f.      Neighbor Island Outreach - Maui Manual, Maui Community College - Awaiting Chairman Nishikawa's discussion with Mr. Sodetani and the Maui Community College Representative.
  - g.      Instructor's Development Workshop, December 4 & 5, 1992 - Any Commissioner interested in attending should contact Ms. Oh at HREREC.
  - h.      Continuing Education 1993-94 Core Course - Staff requested curriculum data, HREREC stated that an outline was distributed previously.
  - i.      Continuing Education 1993-94 Three Elective Courses - Staff requested curriculum data, HREREC to provide as soon as available.
  - j.      Mandatory Seller Disclosure Study - Distributed to Commissioners previously, request all comments directly to HREREC within a week for preparation for the December 9, 1992 Laws and Rules Review Committee Meeting.
2.      Continuing Education Administration, Curriculum, Courses, Providers and Instructors
  - a.      Approve the continuing education elective course "Investment Analysis and the Use of HP-12 Calculator" with the incorporation of the expert review panel suggestions.

- b. Approve Gary Yamashiro as a continuing education instructor in the course category "Finance".
3. Prelicensing Education Administration, Curriculum, Schools and Instructors  
Accept the amended salesperson's curriculum presented by HREREC with implementation to begin January 1, 1993. Staff to notify all schools and instructors and provide amendments as soon as possible.
4. Prelicensing Examination  
Exam Concerns - Shirley J. Alapa - Acknowledge receipt and staff to respond.

Upon a motion by Commissioner Hirata, seconded by Commissioner Imamura, it was voted on and unanimously carried to amend the recommendations of the November 24, 1992 Education Review Committee meeting, as follows:

Continuing Education Administration, Curriculum, Courses, Providers and Instructors

HREREC to place on their program of work the development of a workshop of at least two hours for the continuing education core course and HREREC developed elective course(s) for the 1995-96 license biennium.

**Condominium and Cooperative Review Committee**

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Lee, it was voted on and unanimously carried to approve the recommendations of the November 9, 1992 Condominium and Cooperative Review Committee as follows:

1. Hawaii Real Estate Research and Education Center Report  
Distributed Status Report and Draft of Five Year Plan
  - a. Condominium Association Budget and Reserves
    - 1) Manual - Distributed approximately 280 copies, reported that names and/or addresses of contact persons are incorrect or outdated, although could not substantiate as the 1,000 response cards were not sent out first class so it was not returned if undeliverable, **suggested that they should do another first class mailing of the response cards if they cannot distribute through CMAs, use of latest registration information, and last workshops or be faced with a great loss in mailing costs and/or cost of manual if they unilaterally mail the manuals.**
    - 2) Rulemaking - Final version in the rulemaking process, somewhere in DCCA.
    - 3) Workshops - Oahu - November 14, 1992. **Requested to HREREC** to provide status report on Oahu workshop. Big Island - 27 attendees, Maui - 47 attendees.
  - b. Hawaii Condominium Bulletin
    - 1) Summer 1992 Issue - Distributed
    - 2) Fall 1992 Issue - Suggested article on special concerns of AOAOs after disaster, AOAO/CMA/CHO registration,

CHO article. **Requested to HREREC** that this issue be distributed no later than December 31, 1992 and earlier, if possible.

- c. Board of Director's Manual - Curriculum to be finalized after reserves project.
  - d. "Condo Living" Newspaper Column - Pending
  - e. Condominium Seminars - Nothing to report on CAI seminar request. **Requested HREREC** to complete the guidelines on sponsoring seminars with Commissioner Kuriyama and work with local CAI officials and Condo Specialist Okumura on sponsoring the next CAI seminar. It is understood that all contractual and administrative arrangements will be handled by HREREC.
  - f. Federal Leasehold Study
2. Program of Work
- a. Rulemaking, Chapter 107 - Accept comments and recommendations received, including Richard Port's. Staff to compile all comments and recommendations by sections, subsections, and new sections, including name of contributor for distribution eight days prior to the next meeting.
  - b. Condominium Mediation Program - Maui Mediation Service contract in effect and news release to be initiated.
  - c. Condominium Reference Library - Administratively ordering reference materials.
  - d. Condominium Association Registration - Reregistration materials distributed and AOAOs have started to submit applications.
  - e. Out-of-State Condominium Projects - Condominium Specialist Shiroma is completing the contract and shall be placed in the formal approval system by November 13, 1992.
  - f. Report to and Participation in the 1993 Legislation - Suggested that the Five Year Plan be included in the report.
  - g. Interactive Participation with Organizations - Reported on Hawaii Chapter CAI meetings.
3. Project Registration, Public Reports, and Sales to Owner-Occupants
- a. Liona Kai, Alternative to Performance Bond Request, Roy Kawano **Deny request. Proposal is not a substantially equivalent instrument and developer should consider Rule 16-107-9.**
  - b. Filing of Proposed Owner-Occupant Announcement - **Defer to staff to handle.**
4. Condominium Governance and Management
- The Waikiki Royal Request for Fidelity Bond Exemption - **Approve fidelity bond exemption for AOAO-Waikiki Royal, subject to conditions:**
- **other apartment owners acknowledge and accept bond exemption and acknowledge no maintenance fees;**
  - **no maintenance fee assessments;**
  - **that exemption terminates on December 31 of the calendar registration year and is subject to re-request, along with the re-registration with compliance to the subject conditions; and**
  - **any change and/or non-compliance with the subject conditions terminates AOAO registration.**
- On re-request, staff to process approval, if conditions are met.**

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Lee, it was voted on and unanimously carried to amend the following recommendation:

Hawaii Real Estate Research and Education Center Report

Five Year Education and Research Plan - **HREREC representative was cautioned that it was requested at the October meeting to submit copies to REC office by November 2 for distribution in the Commissioner's packet and that making a distribution at the meeting does not give the Commissioners and staff the opportunity to read the materials prior to the meeting for meaningful discussion/comments/finalization and just prolongs the meeting or defers the matter to the next meeting. Directed HREREC representative to relay to Dr. Ordway distribution of reports or other substantive materials should be made through Commission office at least eight days prior to a meeting.**

**Accept the HREREC Five Year Education and Research Plan, subject to finalization and incorporating comments submitted by the Commission.**

**Laws and Rules Review Committee**

Upon a motion by Commissioner Kano, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to approve the recommendations of the November 9, 1992 Laws and Rules Review Committee Meeting, as follows:

1. Hawaii Real Estate Research and Education Center Report
  - a. Mandatory Seller Disclosure Study - Although reported at the last meeting that the draft report would be submitted at today's meeting, it will be submitted this Friday, November 13. **Copies of the report should be submitted to the Commission Office by November 17 for distribution to the Commissioners for review prior to the meeting.**
  - b. HREREC Laws and Rules Manual
2. Program of Work
  - a. Rulemaking, Chapter 99 - Specialist Miller is working on finalizing the submission by the end of the week.
  - b. Licensing Renewal and Application Processing and Forms - CHO registration applications mailed out. **Staff to examine issues relating to the restoration of forfeited licenses, how other jurisdictions handle the issue, and develop recommendations to the Commission.**
  - c. Mandatory Errors and Omissions Insurance - Awaiting Attorney General's opinion on resolution.

The Supervising Executive Secretary reported that the draft of the Mandatory Seller Disclosure study was distributed to the Commissioners. However, staff has not received copies of the report as yet. Dr. Ordway requested that comments be submitted to him within a week so that the final report could be approved at the December 9, 1992 Laws and Rules Review Committee meeting.

Licensing:

**Ratification**

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

Brokers

Alyce C. Phillips dba Alyce Paradise Realty  
Terry N. Brooks  
Kai'lani Properties, Inc.  
Mid Continental Corporation dba Mid Continental Realty & Property Management  
Helen C. Kau  
Realty 2000, Inc.  
Elizabeth C. F. Palmer  
Anthony L. Pace  
James J. Oshiro  
Maita Kindig  
Robert B. Schieve  
Rhonda J. West  
Lady Luck, Inc. dba Lokahi Investment Network Realty  
James Metcalf dba Naaleho Realty  
Wade H. McVay, Jr.  
Frederick V. Burgart dba Frederick V. Burgart, Realtor

Partnership

BNB Partnership dba Resort Rentals & Sales

Site Offices

LFC Real Estate Marketing Services, Inc. - Fairway Terrace  
Castle & Cooke Residential, Inc. - Hampton Court  
Castle & Cooke Residential, Inc. - Mililani Town Subdivision  
Kapalua Realty Co., Inc. - Plantation Estates  
Pacific Homes - Moanalua Village  
Kohala Joint Venture dba Kohala Ranch Realty - Kohala Ranch  
Princeville Realty Corp. - Queen Emma's Bluff  
Maryl Development, Inc. - 'Iolani Subdivision Project  
ERA Charlee & Associates - The Pointe at Poipu

Trade Names

Sigrid C. Tokuda dba Iolani Realty  
Frank L. Spillman dba Frank L. Spillman Realtor  
Boslijka S. Wiel dba Bosa Wiel Realty

Condominium Managing Agents

Robert B. Sullivan  
Lani Properties Corporation

Condominium Hotel Operator

Waikiki Beach Condo Specialist, Inc.  
Pluta and Associates, Inc.  
Sue Young dba Sue Young, Realtor

Condominium Project Registration - Public Reports Issued for October 1992

Aina O Tomi Tomi, Hawaii - Final  
Hale Kahana, Kauai - Final  
3350 Keanu, Honolulu - Final  
Hampton Court - Phase I, Honolulu - Preliminary

1846/1850 Liliha, Honolulu - Final  
447 Manono, Honolulu - Final  
Anahola Lots, Kauai - Final  
Holiday Terrace, Honolulu - Supplementary  
2729 Nakookoo Street, Honolulu - Final  
Hale O Ke Kai, Hawaii - Final  
Hale Malana, Kauai - Final  
37 Puako Beach Drive, Hawaii - Final  
Pulamaia (fka Beyond the Reef), Kauai - Supplementary  
Kipapa Terrace Agricultural Condominium, Kauai - Final

Recess: Chairman Nishikawa recessed the meeting at 9:45 a.m.

Reconvene: Chairman Nishikawa reconvened the meeting at 10:05 a.m.

Licensing: **Questionable Applications**

Mr. Jack Corteway was present to request an equivalency to 12 months experience and 10 transactions, of which three are listings which have closed escrow and three are sales which have closed escrow.

Mr. Corteway stated that he is the President and Chief Executive Officer of the Royal Aloha Time Share Vacation Club. The Club had filed bankruptcy and Mr. Corteway was hired to help the Club make a profit. He was able to raise ten million dollars from the members of the Club so that now the Club has a positive cash flow. The Club owns real estate in other states and countries. He anticipates undertaking a variety of programs which will require a brokers license. He has been managing the affairs of the Club and was involved in negotiating the purchase of six apartments in Lake Tahoe. He was the Director and Senior Credit Officer at Bank of Honolulu. Mr. Corteway believes that his banking and time share experience in buying and selling real estate, bankruptcy and foreclosure is comparable to the requirements for the real estate broker's license. He is unable to meet the ten transaction requirement because of his position. He would like to know if there are other things that he could undertake in order to obtain his broker's license.

The Executive Secretary questioned Mr. Corteway on the experience certification that he had submitted with his application. His principal broker stated that he was unable to certify how many hours Mr. Corteway devoted to real estate. Mr. Corteway stated that he has been fully involved in the Club. He does not have any experience in transactions as of today, other than the affairs he handled through the Bank of Honolulu.

Commissioner Lee asked Mr. Corteway if he had completed DROA forms. Mr. Corteway stated that he had completed DROA forms when he bought and sold property for the Club and on his own behalf.

Commissioner Kuriyama asked Mr. Corteway how many transactions he had been involved in. Mr. Corteway stated that he had been involved in one transaction--the purchase of the six apartments in Lake Tahoe.

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

Executive Session: Upon a motion by Commissioner Dew, seconded by Commissioner Lee, it was voted on and unanimously carried to move into executive session at 10:11 a.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;" to consider the applications before the Commission.

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

Commissioner Lee was excused from the meeting.

Licensing:                    **Restoration of Forfeited License**

Michael A. Burnham	Salesperson
Noreen K. Goh	Salesperson
Sheryl H. Wong	Salesperson
Carolyn H. Krusheinisky	Salesperson
Joy L. H. Wong	Salesperson
Dickie H. Goh	Broker
Michael Ross	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 course. Commissioner Hirata seconded the motion. The motion was voted on and unanimously carried.

Gregg S. Gines	Salesperson
Tri C. Nguyen	Salesperson

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

**Questionable Applications**

William R. Taber, Jr.

After a review of the information submitted by the applicant, Commissioner Imamura moved to deny Mr. Taber's request for an equivalency to two years full-time Hawaii real estate salesperson experience and to deny an equivalency to the ten transaction requirement, of which three are listing contracts that have closed escrow and three are sales contracts which have closed escrow; and to approve an equivalency to one year full-time Hawaii real estate salesperson's experience, and to approve an equivalency to the ten transaction requirement of which three are listing contracts which have closed escrow. The equivalency approvals expires on November 23, 1993. Commissioner Hirata seconded the motion. The motion was voted on and unanimously carried.

AVA International, Inc.

After a review of the information submitted by the applicant, Commissioner Kano moved to approve the corporation application of AVA International, Inc. Commissioner Kuriyama seconded the motion. The motion was voted on and unanimously carried.

Supnet Corporation

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

Pro Serve Realty Corporation

After a review of the information submitted by the applicant, Commissioner Dew moved to approve the corporation application of Pro Serve Realty Corporation. Commissioner Kuriyama seconded the motion. The motion was voted on and unanimously carried.

Schuler Realty/Oahu, Inc.

After a review of the information submitted by the applicant, Commissioner Kuriyama moved to approve the corporation application of Schuler Realty/Oahu, Inc. Commissioner Dew seconded the motion. The motion was voted on and unanimously carried.

SK Resorts Corp.

After a review of the information submitted by the applicant, Commissioner Kuriyama moved to approve the corporation application of SK Resorts Corp. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Imamura, it was voted on and unanimously carried to delegate to staff the authority to approve a corporation application if the name of the corporation does not contain the complete initials of an unlicensed individual.

Bob Cook Realtors, Inc.

After a review of the information submitted by the applicant, Commissioner Hirata moved to approve the corporation application of Bob Cook Realtors, Inc. Commissioner Dew seconded the motion. The motion was voted on and unanimously carried.

Marilynn Jean Wenig

After a review of the information submitted by the applicant, Commissioner Kuriyama moved to approve the trade name of Holly Realty. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Shell Realty Maui, Inc.

After a review of the information submitted by the applicant, Commissioner Kano moved to approve the Condominium Managing Agent registration of Shell Realty Maui,

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

Shigeo Minamoto

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

Joyce E. Bergemann

After a review of the information submitted by the applicant, Commissioner Imamura moved to approve Ms. Bergemann's request for an equivalency to one listing contract which has closed escrow. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Jack Corteway

After a review of the information presented by the applicant, Commissioner Kano moved to deny Mr. Corteway's request for an equivalency to two years full-time Hawaii real estate salesperson experience and to deny his request for an equivalency to the ten real estate transaction requirement. However, the Commission will approve an equivalency to one year full-time Hawaii real estate salesperson's experience. Commissioner Hirata seconded the motion. The motion was voted on and unanimously carried.

Next Meeting:

Friday, December 18, 1992  
Kuhina Nui Room  
HRH Princess Victoria Kamamalu Building  
1010 Richards Street, Second Floor  
Honolulu, Hawaii

Adjournment:

With no further business to discuss, Chairman Nishikawa adjourned the meeting at 11:26 a.m.

Reviewed and approved by:

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Christine Rutkowski  
Executive Secretary

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Date