

REAL ESTATE COMMISSION
Professional & Vocational Licensing Division
Department of Commerce & 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 17, 1993

Time: 9:00 a.m.

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

Present: Marcus Nishikawa, Chair, Oahu Member
Barbara Dew, Vice-Chair, Oahu Member
Theo Butuyan, Public Member
Jerry Hirata, Hawaii Island Member
Alvin Imamura, Maui Member
Yoshiko Kano, Kauai Member
Stanley Kuriyama, Oahu Member
Carol Mon Lee, Public Member

Calvin Kimura, Supervising Executive Secretary
Jan Yamane, Senior Real Estate Specialist
Russell Wong, Real Estate Specialist
Lee Ann Teshima, Real Estate Specialist
Diane Erickson, Deputy Attorney General
Irene Kotaka, Secretary

Shari Wong, Special Deputy Attorney General
Cynthia Yee, Hawaii Real Estate Research & Education Center
Kevin R. Carney, Applicant
Leticia G. Morales, Applicant
Dennis Niles, Esq., Attorney for Kihei Surfside Rental Association
Eileen Hanohano, Applicant
Mark D. Hogue, Applicant
Carolyn Akaka, Applicant
Emil V. Carreira, Licensee

Excused: Francine Duncan, Public Member

Call to Order: The Chair called the meeting to order at 9:15 a.m., at which time quorum was established.

Chair's Report: The Chair reported that Commissioners Dew, Hirata, Kano and himself were on call for a meeting with the Director, DCCA.

Additions to the Upon a motion by Commissioner Dew, seconded by Commissioner Lee, it was

Agenda: voted on and unanimously carried to add the following to the agenda:

9. Licensing - Questionable Applications
Linda K. Akamu
Big Five Realty and Property Management, Inc.
Condominium Fiscal Management, Inc.
Commercial Realty Corp.
Destination Maui, Inc. dba Ronald A. Kawahara Realty
Pluta & Associates, Inc. dba Maui Destination Marketing

Additional The following were distributed to the Commissioners for their consideration:

Distribution:

6. Committee Reports
 - c. Education Review Committee
9. Licensing - Questionable Applications
Kevin R. Carney
Carolyn J. Akaka dba C.J. Properties Unlimited
Kihei Surfside Rental Association

Supervising Executive The calendars for January to June 1994 were distributed to the Commissioners.

Secretary's Report: The Commissioners were asked to mark down the dates that they are not available and to return their completed calendars by the end of the year. Staff will compile the information and distribute it at the January meeting.

Adjudicatory Matters: There were no adjudicatory matters to be discussed.

Licensing: **Questionable Applications**

Mark Hogue

Mr. Hogue was present to request an equivalency for 17 months full-time Hawaii real estate experience and an equivalency to three closed sales and three closed listings.

Mr. Hogue stated that he is presently employed at Cordco Commercial Real Estate as a real estate salesperson. He did not meet all of the requirements for the real estate broker's examination. He is requesting an equivalency based on his real estate experience. He has been employed since 1981 and has been a real estate salesperson since 1982. His license was on inactive status for three years from 1988 to April 1993. He will not be able to meet the transaction requirement. He stated that he has participated in real estate transactions involving office leasing and investment acquisitions.

Mr. Hogue distributed to the Commissioners a copy of his resume, reference letters, a copy of his real estate broker's school completion certificate, experience certification statement from Schuman Commercial and Residential, Inc., and a copy of his Application for Experience Certificate.

Mr. Hogue stated that he had obtained a degree in Business Finance from the University of Colorado. He worked under Henry Alexander. He is involved in property management. He stated that he has participated in six to seven transactions since activating his license in May 1993.

Mr. Hogue was informed that the period in which his license was on inactive status will not count towards his experience certificate and that his prior experience does not fall within the period that is required to obtain a real estate broker's experience certificate.

Mr. Hogue was asked if obtaining his real estate broker's license was a personal goal or if he was thinking of forming his own company once he obtained his license. Mr. Hogue stated that it is not required that he have a real estate broker's license, but it is his personal goal to have a license.

Mr. Hogue stated that he has worked as an employee in a real estate investment company and he has worked on the sale of a condo in Honolulu. He is involved in commercial leasing and will be heavily involved in leasing. Mr. Hogue stated that he will be working towards meeting the two year experience requirement, but he will still have a hard time meeting the three closed listings requirement.

Mr. Hogue was asked if any of the transactions were processed through the real estate broker corporation. Mr. Hogue stated that they would advertise as "for sale by owner." If a broker submitted an offer, they would pay commissions to the broker. Mr. Hogue was asked if he was compensated for the transactions. Mr. Hogue stated that he was a salaried employee. The corporation owned the properties which it sold. When asked if the broker represented the owner, Mr. Hogue responded that the corporation acquired the property. There was no real estate broker involved in the transactions in Honolulu and in Hilo. The contracts were initiated by the buyer. When asked who reviewed the contracts, Mr. Hogue stated that their legal counsel, Foley Judge and Maehara reviewed the contracts. Mr. Hogue stated that he helped to facilitate the transactions but he was not involved in the review process.

Mr. Hogue stated that he has completed the continuing education courses and that he has taken courses in real estate appraisals and real estate transactions from the Small Business Management Program. He does not have a GRI designation.

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

Executive Session: Upon a motion by Commissioner Dew, seconded by Commissioner Imamura, it was voted on and unanimously carried to move 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 Lee, seconded by Commissioner Imamura, it was voted on and unanimously carried to move out of executive session.

Licensing:

Restoration of Forfeited License

Leticia Ganal Morales

Ms. Morales was present to answer any questions the Commissioners may have on her application for restoration of her forfeited real estate salesperson's license.

Ms. Morales stated that she was licensed in the early 1970s and that she moved to the mainland in 1976. She became licensed in California in 1992 and is requesting that the Commission consider the restoration of her forfeited real estate salesperson's license.

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

Questionable Applications

Kevin R. Carney

Mr. Carney was present to answer any questions on his application for a real estate broker's license and the real estate broker's experience certificate. He submitted a new application and new transactions.

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

C.J. Properties, Inc.

Carolyn Akaka and Emil Carreira were present to answer any questions that the Commission may have regarding the real estate broker corporation application of C.J. Properties, Inc.

Ms. Akaka stated that they have changed the name of the corporation to Resort Condo, Inc. and that they are awaiting receipt of the name change documents from the Business Registration Division, DCCA.

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

Carolyn J. Akaka dba C.J. Properties Unlimited

Carolyn J. Akaka was present to answer any questions that the Commissioners may have regarding her Condominium Hotel Operator registration.

Ms. Akaka stated that C.J. Properties, Inc., to be changed to Resort Condo, Inc., and Carolyn J. Akaka dba C.J. Properties Unlimited are two different entities which share the same office. Emil Carreira will be the principal broker for C.J. Properties, Inc. Ms. Akaka would be responsible for Carolyn J. Akaka dba C.J. Properties Unlimited, which will only handle the hotel operations. If her clients were interested in purchasing the units, she would refer them to C.J. Properties, Inc.

The condominium documents on file reflects that condominium hotel operator activity is allowed on the premises. Ms. Akaka stated that she does not have a real estate license. However, she does plan on getting her license.

Ms. Akaka stated that "C.J." is her initials and it stands for her.

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

The Chair was excused from the meeting. The Vice-Chair presided over the meeting.

Kihei Surfside Rental Association

Dennis Niles, Esq., was present on behalf of the Kihei Surfside Rental Association, who is applying for registration as a Condominium Hotel Operator.

Mr. Niles stated that he believes that they are entitled to register as a CHO. The registration was approved in 1991 and renewed in 1993. He believes that the Commission should grant their registration as a CHO. He stated that Section 467-30, HRS, was amended to delete other business entity from the registration statute. Prior to its deletion, the statute allowed other entities to register as CHOs. Kihei Surfside Rental Association ("KSRA") has been operating as a CHO for over ten years. Mr. Niles stated that while KSRA's application was pending, the Legislature amended the law and deleted "other business entities from the law. Mr. Niles stated that he felt that KSRA is entitled to be grandfathered in. Their registration has not changed. He is urging that the Commission approve KSRA's registration as a CHO.

Mr. Niles was asked how KSRA files their taxes or in employment situations with other government entities. Mr. Niles stated that Schedule K-1s are used to report the partnership income and the income of each member of the association is reported to the member using this form. For tax purposes, KSRA files as a partnership. As an unincorporated association, they would not have an unlimited liability for something that might occur in a particular unit.

When asked how the accounting is handled, Mr. Niles reported that there is a separate accounting for each apartment owner. The association employs staff, incurs expenses and collects income. The owners are provided with

an accounting at the end of the year. The income is allocated based on the utilization of the rental units. Mr. Niles stated that he was not sure if the expenses were prorated or if they were handled on a shared basis. Management issues are determined by the Board of Directors and they make management-type decisions. There is an annual meeting of the rental association.

The Chair returned to the meeting and resumed presiding over the meeting.

The management of the rental association is similar to the management of the home owners association. The rental association has a president who is not compensated. The rental association employs people to clean the units, handle the reservations, and employs an accountant and legal counsel. There is some turnover in the rental pool and an accounting is completed prior to the final disbursement of the funds. Mr. Niles stated that there has been no instance of a problem arising because of a change in ownership of the unit.

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

Big Five Realty and Property Management, Inc.

Eileen Hanohano, proposed Principal Broker and President of the corporation was present to answer any questions that the Commissioners may have on the real estate corporation application of Big Five Realty and Property Management, Inc.

Ms. Hanohano stated that she was not aware of the complaints against Agnes L. Eberhart. She stated that she had received a call from someone requesting that documents be sent. She sent the documents and was then later notified that everything was okay.

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

Supervising Executive The Supervising Executive Secretary reported that Christine Rutkowski will be

Secretary's Report: returning to the Real Estate Commission staff as Executive Secretary in January and she will be assuming the handling of the Real Estate Commission meeting.

Real Estate Recovery **C and I Associates v. J. M. Ariyoshi, Inc., Civil No. 71066, First Circuit Court**

Fund Report:

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Lee, it was voted on and unanimously carried to approve and authorize the Real Estate Recovery Fund Attorney to settle with Kaneohe Equity Investment ("KEI") solely as to Sam Daily Realty, Inc., in the amount of \$12,500. The Commission reviewed Mr. Daily's objections and did not

consider it in its motion.

Committee Reports: Condominium and Cooperative Review Committee

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Lee, it was voted on and unanimously carried to accept the amended report and the recommendations of the December 1, 1993 Condominium and Cooperative Review Committee Meeting, as follows:

1. Accept the minutes of the November 5, 1993 meeting.
2. Hurricane Relief Fund - Brief report on public meetings held to solicit public input on homeowners or business insurance difficulties since Hurricane Iniki. This issue is relevant to condominiums for those persons unable to obtain fidelity bonds or common area insurance.
3. HREREC Report
 - a. Hawaii Condominium Bulletin
 - 1) The Fall '93 issue distributed.
 - 2) The proposed mailing date for the Winter '93-94 issue is January 21, 1994.
 - 3) The proposed mailing date for the Spring '94 issue is April 1, 1994.
 - b. Condominium Board of Director's Guide - The draft chapter on fiduciary duty was distributed at the meeting. Suggestions on the topic of conflict of interest are being accepted. Ms. Cynthia Yee will be soliciting additional input on the chapter dealing with proxies.
 - c. Medial Educational Articles - Center anticipates providing the committee with specifics about this project towards the end of the fiscal year.
 - d. Condominium Seminars
 - 1) The CAI Leadership Training scheduled for December 4, 1993 in Kona has been cancelled due to an insufficient number of six registrations only.
 - 2) Oahu seminar on Board Member's Fiduciary Duties is tentatively scheduled for February 26, 1994, Saturday, 9:00 a.m. to 12 Noon, EWC's Jefferson Hall. The parking situation is okay with prior experience of budget/reserves workshop. Emphasize early publicity, mailouts, multiple press releases, etc.
 - e. Condominium Survey - In the process of finalizing the surveys.
4. Condominium Governance and Management
 - a. Board of Directors - Conflict of Interest - Specialist Stone provided a report on a particular conflict of interest, a board member who also was a member of the association rental pool, and discussed the difficulty of simply declaring it a conflict. Many factors are involved which needs to be considered; it is not a normal issue.
 - b. Proposed Reserve Rules and Other Information - Specialist

Okumura provided a report on Bill Chaffee's Ledger Quarterly's article on various funding methods for reserves and on reserve funding by Robert M. Nordlund, founder of Association Reserves. The unofficial conclusion is that the proposed rules require a minimum result, rather than require a specific process/funding method. He discussed Mr. Nordlund's description of various methods for funding reserves.

- c. IRS - Tax Status of AOA's - Specialist Okumura reported on meeting with the Hawaii Council of Association of Apartment Owners and Grant Kawamoto, District Technical Coordinator, IRS, on the topic of reserves and its taxation implications, differences with filing of 1120 and 1120-H IRS tax forms, that painting is not a reserve item, seeking guidance from the national IRS office, etc. In addition, an introduction into Michael H. Shikuma, Esq., report on "Income Taxation of Homeowners Association Reserves." Specialist Okumura to continue to monitor and secure any additional information in this matter.**
 - d. Ledger Quarterly - Confusing Tax Law Leads to IRS Audit of Association Reserves - Specialist Okumura reported on the article, describing how the IRS approaches, for tax purposes, association reserves. The article was spurred by the IRS's audit of six San Diego community associations in the past several months.**
 - e. South Maui Condominium Council Report - Specialist Okumura gave a brief rundown on the activities of this very active group; they've held a legal seminar (57 persons attended), provided a newsletter for their members and communicate regularly with their membership.**
- 5. Program of Work**
- a. Rulemaking, Chapter 107 - Specialist Okumura reported that the Governor's memo has been prepared requesting to go to public hearing with the rules. SES Kimura added that right now, this will be Specialist Okumura's highest work priority.**
 - b. Condominium Reference Library - Specialist Okumura reported that the reference books are available in the public libraries.**
 - c. Condominium Association Registration - Specialist Stone reported the registration to be moving along with no apparent problems. About five associations are registered at this time.**
 - d. Condominium Specialist Office for the Day - Specialists Okumura and Shiroma will be on Maui, on Friday, January 14, 1994, from 7:45 a.m. to 4:30 p.m., Maui RICO Office - 1063 Lower Main Street, Suite C-216, Wailuku, Maui.**
 - e. Interactive Participation with Organizations - Specialist Okumura reported on the seminar attended on October 30. It was sponsored by CAI and featured several speakers on the topic of upcoming crises for community associations. Approximately 140 persons attended this all day seminar.**

December 14, 1993 CAI - Hawaii Chapter Meeting will be attended by Commissioner Lee and Specialist Okumura.

- 6. Budget and Finance Report - Recommend acceptance of CMEF Financial Statements, 1st Quarter FY1994. Commissioner Kuriyama requests that more footnotes be incorporated into the report to explain large variances, such as the revenue (actual vs. budget) - where the bulk of revenues are collected in the third quarter while the budget amount is distributed equally among the four quarters; HREREC expenditure (actual vs. budget) - where the contract calls for prepayment of half of the contracted amount at the beginning of the first quarter and third quarter, while the budgeted amount is distributed equally among the four quarters, etc.**
- 7. Barbara Byrd-Lawler, Executive Vice-President, Community Associations Institute (CAI), Alexandria, Virginia, provided a presentation on CAI, its programs, its 20th anniversary, 13,000 institutional members with over 34,000 individuals, exchanging with Japan and Australia, etc.**
- 8. Next Meeting: Wednesday, January 12, 1994
9:00 a.m.
Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii**

Laws and Rules Review Committee

Upon a motion by Commissioner Imamura, seconded by Commissioner Butuyan, it was voted on and unanimously carried to accept the report of the December 1, 1993 Laws and Rules Review Committee Meeting, as follows:

- 1. Recommend approval of Commissioner Alvin Imamura as Vice-Chair of the Laws and Rules Review Committee.**
- 2. Commissioners to fill in non-available dates for January to June 1994, on the distributed Commissioners Master Calendar, and return by December 17, 1993 meeting. To include weekends and holidays, due to seminars, meetings and social functions.**
- 3. HREREC Report**
 - a. Professional Responsibility Course - Working with RICO and recommendations.**
 - b. Five Year Education and Research Plan - Real Estate. Continue at December 16, 1993 ERC Meeting.**
- 4. Program of Work and Budget FY94**
 - a. NARELLO National Disciplinary Action Data Bank. Specialist Teshima reported that the first phase of disciplinary cases will be mailed next week. The second phase of the disciplinary cases will follow and she is currently working on procedures to initiate REC application review with the Data Bank.**
 - b. Condominium Hotel Operator Registration. Specialist Stone reported that some applications are in and at the January**

- 12, 1994 LRRC Meeting will provide a preliminary report on the numbers and problems.
- c. Rule Making, Chapter 53, Fees. SES Kimura reported that public hearings are still pending by PVL.
 5. Budget and Finance Report - Recommend acceptance of the Real Estate Recovery Fund Financial Reports, First Quarter, FY1994.
 6. Next Meeting: Wednesday, January 12, 1994
10:30 a.m.
Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii

Education Review Committee

Upon a motion by Commissioner Hirata, seconded by Commissioner Imamura, it was voted on and unanimously carried to approve the report of the December 16, 1993 Education Review Committee, as follows:

1. Accept the minutes of the November 23, 1993 Meeting.
2. HREREC Report
 - a. Advisory Council - Recommend reappointment of Aaron Chaney, Donald Clegg, John Reilly, Oswald Stender and Elizabeth Benton to serve on the Advisory Council. Although Ms. Benton has served on the Council for more than two terms, the policy restricting the number of terms to two was not implemented until February 22, 1991 and it is interpreted to be prospective application. Recommend acceptance of Ms. Karen Nakamura's reappointment decline. Recommend appointment of Ms. Jane Tatibouet to the Advisory Council. Commissioner Dew is still conferring with Ms. Linda Coble and someone from the contracting industry.
 - b. Program of Work and Budget, FY94
 - 1) Five Year Education and Research Plan - Recommend acceptance in principle of the HREREC five year plan draft entitled, "Five-Year Real Estate Education Plan FY1992 Through 1997, Real Estate Commission, State of Hawaii" submitted at the November 23, 1993 ERC Meeting. Cynthia Yee, HREREC, to implement the "Proposed Strategy for Fine Tuning of the 1992 - 1997 Education Plan" and submit a draft of the five year plan one week prior to the January 27, 1994 ERC meeting. Recommend that Commissioner Dew co-chair a sub-committee to formulate an education mission statement to be incorporated in the five year plan. Commissioner Dew recommends that everyone review the proposed mission statement and be prepared to discuss/finalize at the December 17, 1993 REC meeting.

- 2) **Evaluation System for Schools, Providers, Instructors and CE Courses - Commission staff to implement.**
- 3) **Real Estate Summit I - SES Kimura reported that Commissioner Nishikawa met with DCCA Director, Clifford Higa, and Licensing Administrator, Noe Noe Tom, and has been given preliminary approval to move forward with planning. This program is already budgeted and has a target completion date of June, 1994. RES Teshima will be assigned to assist Commissioner Nishikawa with planning and coordination.**
- 4) **Broker Curriculum and Resources - Recommend acceptance of "Broker's Curriculum Survey for the Island of Oahu," dated November 10, 1993, and "Broker's Curriculum Survey for Kauai, Maui, Molokai, Hilo and Kona," dated December 15, 1993. HREREC anticipates completion of the broker curriculum by the end of FY 1993-94. ERC Chair Hirata clarified and HREREC confirmed that the broker curriculum would remain 46 hours and not be expanded out to 90 hours with broker specialization.**
- 5) **Continuing Education 93-94 Core Course - HREREC will incorporate the recent U.S. Supreme Court's Forklift case into the next core course update.**
- 6) **Continuing Education 1993-94 Three Elective Courses - HREREC will soon provide updated tax materials for "Basic Real Estate Investment Analysis." "Residential Property Management: Laws and Rules" has been distributed to providers. The new fair housing course is almost complete. HREREC will provide Commission staff with a draft of the course in early January, 1994, to allow for review and comment prior to the January 27, 1994 ERC Meeting.**
- 7) **Examination - ASI Laws and Rules Report, Curriculum Review, and Item Writing - HREREC will have updates ready for distribution to ASI by January, 1994.**
- 8) **Publication Articles and Newspaper Column - Current column in the Honolulu Advertiser, Sunday Edition, is on the front page and provides for better exposure for the Commission.**
- 9) **Real Estate Hotline - HREREC anticipates greater usage with current newspaper exposure.**
- 10) **Broker Experience Certification - On-going.**
- 11) **Member Information Exchange (MIE) - On-going**
- 12) **Alternative Delivery of Real Estate Education - On-going**
- 13) **Legislative Assistance Program - HREREC participating in Business Leasehold Task Force.**

- 14) Neighbor Island Outreach - Maui Manual almost complete. Low priority.
 - 15) Four Brochures - Complete.
 - 16) Start-Up Kit for New Licensees - Changed to Real Estate Licensee's Guide. 80% complete.
 - 17) Director/Chair Public, Legislative and U.H. Participation/Committees - HREREC reported on involvement in various committees and seminars and presented a calendar of commitment dates.
3. Continuing Education Administration, Curriculum, Courses, Providers and Instructors
 - a. Application and Certification
 - 1) Instructor - Gino L. Gabrio - Recommend approval of Mr. Gabrio to teach the course category, "Real Estate Law", conditional upon his attendance of the next available REC-sponsored or approved Instructor's Development Workshop.
 - 2) Instructor - John M. Rolls, Jr. - Recommend approval of Mr. Rolls to teach the course category, "Real Estate Law," conditional upon his attendance of the next available REC-sponsored or approved Instructors Development Workshop.
 - 3) Course - "1994 Advanced Conference on Real Estate Purchase and Sales" (CLE International) - Recommend approval, subject to test revisions to incorporate expert review panel suggestions.
 4. Prelicensing Education Administration, Curriculum, Schools and Instructors
 - a. Application and Certification - Instructor - Eileen W. Luko - Recommend deferral to January 27, 1994 ERC Meeting, pending receipt of further documentation.
 5. Prelicensing Examination
 - a. Administration
 - 1) ASI responded to real estate school's request for additional testing session, stating that they will accommodate for a fee. School refused. Commission staff to continue monitoring dialogue between ASI and real estate school.
 - 2) Commission staff has received positive comments regarding the December 10, 1993 on-site visit to ASI Oahu Testing Facility for Prelicense Schools/Instructors/ Administrators and the ASI - EXPro System. SES Kimura pointed out that the most common complaint received pertains to the parking situation at the Oahu facility.
 6. Educator's Forum
 - a. Hawaii Association of REALTORS - Judy Gorman, HAR, announced HAR's upcoming Education Committee meeting and Education Forum on January 10, 1994. The forum will consist of workshops and roundtable discussions on varied topics, including electronic delivery of real estate education

- and a showcase of HREREC's 93-94 elective courses.
7. **Program of Work and Budget, FY94**
 - a. **Instructor's Development Workshop - Next REC/HAR co-sponsored IDW planned for Spring, 1994. SES Kimura recommends that the Committee consider for FY95 program of work at least one IDW and, if possible, two before the end of calendar year 1994.**
 - b. **Annual Report and Quarterly Bulletin - Bulletin has been mailed out. RES Wong is drafting the Annual Report.**
 - c. **Education Waiver Administration - RES Teshima is revising forms and will submit drafts at the January 27, 1994 ERC Meeting.**
 - d. **Real Estate Speaker Program - SES Kimura delivered a lecture on December 7, 1993 in Professor Cynthia Alm's Real Estate 310 class. Lecture topics included the Real Estate Commission and Chapter 514A, HRS, the Condominium Property Regime.**
 - e. **Computerization Program - SES Kimura hopes to budget in the next program of work and budget enough funds to replace outdated hardware for compatibility with other hardware.**
 - f. **School Files - Next edition targeted for January, 1994.**
 8. **ARELLO and REEA Report**
 - a. **ARELLO Education and Research Fund Report - Recommend acceptance of the accounting update of contributions from ASI to NARELLO's education fund, dated November 29, 1993.**
 9. **Next Meeting: Thursday, January 27, 1994, 9 a.m.
Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii 96813**

Upon a motion by Commissioner Hirata, seconded by Commissioner Imamura, it was voted on and unanimously carried to accept Commissioner Dew's proposed Education Committee Mission Statement, as follows:

"Our mission is to use education to protect the general public in its real estate transactions by continuing to implement and update an education plan which addresses the needs of licensees, real estate schools and consumers."

Licensing:

Ratification

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

Real Estate Brokers

**Hawaii Island Locations, Inc.
David Alan Regier dba Kilohana Properties**

**Sylvia E. Foster dba Foster Realty
TNT Realty, Inc. dba Coldwell Banker Aloha Properties
Barrie W. Parker
Action Realty Corporation**

Real Estate Branch Office

**Shell Realty Hawaii, Inc., Kihei, Hawaii
Island World Realty Corp., Honolulu, Hawaii**

Site Office

**Kapalua Realty, Co., Ltd., Plantation Estates
Gold Coast Realty, Inc., The Bay Club at Waikoloa Beach Resort
Kumai Realty, Inc., Olaloa Projects I, II, and III
Watt Hawaii Realty, Malanai & Malanai Iki, Village of Kapolei, Village
III**

Trade Name

**Monarch Land and Livestock Company, Inc. dba Bill Christie
Melemanu Rentals and Sales, Inc. dba Aloha Commercial Services**

**Condominium Project Registration Public Reports Issued for November
1993**

**Makena Surf (Building A), Maui - 4th Supplementary
Ka'aina pono, Hawaii - Final
Lokelani Lot 15-A Condominium Project, Hawaii - Final
5780 Hauiki Road, Kauai - Final
Maier III Condominium, Hawaii - Final
Kapiha Hale, Honolulu - Final
The Bay Club at Waikoloa Beach Resort, Hawaii - 3rd Supplementary
The Shearwater, Kauai - Final
Kalele Kai, Honolulu - Supplementary
Aliomanu Estates X Condominium, Kauai - Final
Uluniu Urban, Honolulu - Final
Kinohou Estates, Lot 18, Hawaii - Final
Emmalani Court - Phase 2, Kauai - Preliminary
Tropikeaze Gardens Condominium, Kauai - Final
40 and 44 Kaapuni, Honolulu - Final
The Miya, Honolulu - Final
Kuaehu Point Estates Condominium, Kauai - Final
627 and 631 Husten Street, Honolulu - Final
Waialua Homes, Honolulu - Final
Iao Parkside Phase I, Maui - Final
Westview at Makakilo Heights, Honolulu - Final
Malanai Iki, Honolulu - Final
Waialele 'Ikena, Kauai - Final
Estates at Haiku, Honolulu - Final
Kamakani II Condominium Project, Hawaii - Final**

**Kaauhuhu Homesteads, Lot 9, Hawaii - Final
Coastview Vistas, Hawaii - Final**

Executive

Upon a motion by Commissioner Kano, seconded by Commissioner Lee, it was

Session:

voted on and unanimously carried to enter into executive session, 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 Kano, seconded by Commissioner Lee, it was voted on and unanimously carried to move out of executive session.

Licensing:

Restoration of Forfeited License

Leticia Ganal Morales

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

Vivian Sellers

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

Questionable Applications

Mark D. Hogue

After a review of the information presented by the applicant, Commissioner Hirata moved to deny Mr. Hogue's request for an equivalency to seventeen months full-time Hawaii real estate experience and an equivalency to three closed sales and three closed listings. Commissioner Kuriyama seconded the motion. The motion was voted on and unanimously carried.

Kevin R. Carney

After a review of the information presented by the applicant, Commissioner Kuriyama moved to approve Mr. Carney's request for an equivalency to three closed sales and three closed listings and to approve Mr. Carney's broker experience certificate, effective November 9, 1993. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Jack W. Fairchild

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

Walden A. S. Arizumi

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

Jack R. Naiditch

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

Allan B. Kroll

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

Lorna Silkwood Realty, Inc. dba Century 21 Silkwood Properties

After a review of the information submitted by the applicant, Commissioner Lee moved to approve the real estate broker corporation application of Lorna Silkwood Realty, Inc. dba Century 21 Silkwood Properties. Commissioner Kuriyama seconded the motion. The motion was voted on and carried. Commissioner Imamura abstained from voting.

C. J. Properties, Inc.

After a review of the information presented by the applicant, Commissioner Hirata moved to approve the real estate broker corporation application, subject to receipt of BREGS document on corporate name change from C. J. Properties, Inc. to Resort Condo, Inc. and staff review. Commissioner Dew seconded the motion. The motion was voted on and unanimously carried.

Carolyn J. Akaka dba C. J. Properties Unlimited

After a review of the information presented by the applicant, Commissioner Hirata moved to approve the condominium hotel operator registration of Carolyn J. Akaka dba C. J. Properties Unlimited. Commissioner Lee seconded the motion. The motion was voted on and unanimously carried.

Meridian Properties, Inc.

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

After a review of the information submitted by the applicant, Commissioner Lee moved to approve the condominium managing agent registration of Meridian Properties, Inc. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Commissioner Dew returned to the meeting.

South Kohala Management Corp.

After a review of the information submitted by the applicant, Commissioner Butuyan moved to approve the condominium managing agent registration and the condominium hotel operator registration of South Kohala Management Corp. Commissioner Hirata seconded the motion. The motion was voted on and unanimously carried.

JLB, Inc. dba Maui Diversified Real Estate

After a review of the information submitted by the applicant, Commissioner Dew moved to approve the condominium managing agent registration and condominium hotel operator registration of JLB, Inc. dba Maui Diversified Real Estate. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Kihei Surfside Rental Association

After a review of the information presented by the applicant, Commissioner Dew moved to deny the condominium hotel operator registration of the Kihei Surfside Rental Association, based on the following: 1) §467-30(b), Hawaii Revised Statutes; 2) §16-99-147(b), Hawaii Administrative Rules; 3) Legislative intent, House Journal - Conference Committee Reports and Senate Journal - Conference Committee Reports, No. 11 on H.B. 826; and 4) Appears that previous registrations were issued in error. Commissioner Lee seconded the motion. The motion was voted on and unanimously carried.

Marilyn S. Knutson dba Knutson & Associates

After a review of the information submitted by the applicant, Commissioner Imamura moved to approve the condominium hotel operator registration of Marilyn S. Knutson dba Knutson & Associates. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Linda K. Akamu

After a review of the information submitted by the applicant, Commissioner Kano moved to approve the real estate sole proprietor application of Linda K. Akamu. Commissioner Imamura seconded the motion. The motion was

voted on and unanimously carried.

Big Five Realty and Property Management

After a review of the information presented by the applicant, Commissioner Butuyan moved to approve the real estate corporation application of Big Five Realty and Property Management. Commissioner Dew seconded the motion. The motion was voted on and unanimously carried.

Condominium Fiscal Management, Inc.

After a review of the information submitted by the applicant, Commissioner Lee moved to approve the condominium managing agent re-registration of Condominium Fiscal Management, Inc. Commissioner Hirata seconded the motion. The motion was voted on and unanimously carried.

Commercial Realty Corp.

After a review of the information submitted by the applicant, Commissioner Imamura moved to approve the condominium managing agent re-registration of Commercial Realty Corp., subject to receipt of the bond. The effective date of the re-registration shall be the date that the bond is received. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Destination Maui, Inc. dba Ronald A. Kawahara Realty

After a review of the information submitted by the applicant, Commissioner Kano moved to approve the condominium managing agent re-registration of Destination Maui, Inc. dba Ronald A. Kawahara Realty. Commissioner Kuriyama seconded the motion. The motion was voted on and unanimously carried.

Pluta & Associates, Inc. dba Maui Destination Marketing

After a review of the information submitted by the applicant, Commissioner Kuriyama moved to approve the condominium hotel operator re-registration of Pluta & Associates, Inc. dba Maui Destination Marketing. Commissioner Butuyan 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 adopt the following:

Delegation:

Commission approved policy and delegation that REB staff will review and decide on all re-registration applications or renewal applications in which the only issue concerns a "yes" response to a question in which the response/record is identical to a previous response/record that the Commission has previously reviewed in a prior approved application, except where the applicant has answered the question incorrectly and/or the RICO check reveals a new complaint.

Example: In the 1993 CHO registration application, the applicant answered "yes" to complaint question and disclosed a 1992 complaint, again in the 1994 CHO re-registration application, the applicant answered "yes" to complaint question and disclosed the 1992 complaint with no new complaints confirmed with RICO check. Therefore, if the "yes" response is the only issue, REB staff to review and decide on application.

Next Meeting:

**Friday, January 28, 1994
9:00 a.m.
Kuhina Nui Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii**

Adjournment: **With no further business to discuss, the Chair adjourned the meeting at 11:20 a.m.**

Reviewed and approved by:

Calvin Kimura
Supervising Executive Secretary

Date