

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, December 21, 1994

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
Charles Aki, Hawaii Member
Theo Butuyan, Public Member
Michael Ching, Kauai Member
Alvin Imamura, Maui Member
Stanley Kuriyama, Oahu Member

Calvin Kimura, Supervising Executive Officer
Christine Rutkowski, Executive Officer
Jan Yamane, Real Estate Specialist
Russell Wong, Real Estate Specialist
Lee Ann Teshima, Real Estate Specialist
Benedyne Stone, Condominium Specialist
Stephen Okumura, Condominium Specialist
R. Victoria Shiroma, Condominium Specialist
Shari Wong, Deputy Attorney General
Marlene Young, Special Deputy Attorney General
Irene Kotaka, Secretary

Christine O'Brien, Hawaii Association of Realtors
Nicki Ann Thompson, Hawaii Association of Realtors
Darwin Sen, Applicant
Merle Yim Sen, Licensee
Barry Fong, McCormack Real Estate, Inc. dba Coldwell Banker McCormack
Real Estate

Excused: Carol Mon Lee, Public Member
Nora Nomura, Public Member

Call to Order: The Chair called the meeting to order at 9:02 a.m., at which time quorum was established.

Chair's Report: No report was presented.

Executive Officer's

Report: Commissioners Lee and Nomura were excused from the meeting.

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

6. Committee Reports
 - c. Education Review Committee
ASI
8. Licensing - Restoration of Forfeited Licenses
Under Two Years - Brokers (01/01/93)
Emily F. F. Ko
Under Two Years - Salesperson (01/01/93)
Bonnie Watson
9. Licensing - Questionable Applications
Karen T. Kimura

Additional Distribution:

The following items were distributed to the Commissioners:

3. Executive Officer's Report
 - a. Announcements, Introductions, Correspondence and Additional Distributions
 - b. Minutes of Previous Meetings - October 28 and November 30, 1994
6. Committee Reports
 - a. Condominium and Cooperative Review Committee
 - b. Laws and Rules Review Committee
 - c. Education Review Committee
9. Licensing - Questionable Applications
Darwin Sen

Executive Officer's Report: The Supervising Executive Officer discussed the Budget Execution Policies and Instructions memo, dated December 16, 1994, which was distributed to the Commissioners for their information. The exact impact on the Commission is uncertain. However, the policy may affect the Commission's contract with the Hawaii Real Estate Research and Education Center, travel, and the reorganization of the Real Estate Branch, among others.

Adjudicatory
Matters:

The Chair called for a recess from the meeting at 9:11 a.m., to discuss and deliberate on the following adjudicatory matters, pursuant to Chapter 91, Hawaii Revised Statutes:

Leonora P. Maskell, PB, Schuler Realty/Maui, Inc., Lisa Michiko Fong, and Daniel J. Reardon, REC 93-240-L

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

Upon a motion by Commissioner Ching, seconded by Commissioner Aki, it was voted on and carried to accept the Settlement Agreement Prior to Filing of Petition for Disciplinary Action and Commission's Final Order.

Commissioner Imamura returned to the meeting.

Malia Limited and Mary Jane Stoner, REC 93-37-L

Upon a motion by Commissioner Dew, seconded by Commissioner Butuyan, it was voted on and unanimously carried to accept the Settlement Agreement After Filing of Petition for Disciplinary Action and Commission's Final Order.

The Krieg Condominium, REC-DR-93-1

This matter was deferred to a later date.

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

Recovery Fund

Report: No report was presented.

Committee
Reports:

Condominium and Cooperative Review Committee

Upon a motion by Commissioner Ching, seconded by Commissioner Imamura, it was voted on and unanimously carried to accept the report of the December 20, 1994 Condominium and Cooperative Review Committee meeting, as follows:

1. Accept minutes of November 16, 1994 meeting.
2. HREREC Report (distributed written report)
 - a. Condominium Bulletin - Fall/Winter 1994 issue - Distributed with unofficial reprints of Chapter 514A and Proxy Chapter.
 - b. Condominium Board of Directors Guide
 - (1) Proxy Chapter - Distributed Fall/Winter 1994

- Condominium Bulletin.
- (2) Community Chapter - Distributed first working draft to Chair and REB staff.
 - (3) Insurance Chapter - Recommend approval that next chapter's topic to be about insurance.
 - (4) Future Chapters - Requested that topic priority survey forms be returned to HREREC by January 6, 1995.
3. Condominium Governance and Management
 - a. Condominium Association and Fidelity Bond Exemption - Recommend approval that those condominium associations of twenty or fewer apartments unable to obtain a fidelity bond may be granted a bond exemption by the REC upon their submitting evidence from three insurance carriers of their inability to obtain fidelity bond coverage for their association and subject to previously approved conditions, see attached, which is incorporated into this recommendation.
Recommend that consideration of the sole-owner condominium project bond exemption be deferred to the January CCRC meeting.
 - b. Condominium Managing Agent and Condominium Hotel Operator Bond Exemption - Recommend that consideration of the bond exemptions be deferred to the January CCRC meeting.
 4. Project Registration, Public Reports, and Sales to Owner-Occupants
 - a. Effect of an Owner-Building Building Permit on the Issuance of an Effective Date for a Public Report - Recommend approval that for owner-builder permitted, as defined in Chapter 444, HRS, constructed condominium project in which a public report will be effective during the period one year after completion of the subject owner-building condominium structure shall:
 - a) include in the public report disclosure of the appropriate provisions of Chapter 444, HRS, and disclosure of the potential violation; and
 - b) Developer's certification that such structure or buildings constructed pursuant to an owner-builder permit is for that owner-builder's "personal use and not for use or occupancy by the general public" pursuant to Chapter 444, HRS.
Lastly, that the public report not be viewed as an offer for sale merely as a result of registration, unless specifically used for such purpose by the developer or developer's agent.
 5. Program of Work
 - a. Rulemaking, Chapter 107 - Recommend that the development and governance rules be approved.
 - b. Condominium Specialists Office for the Day - will be conducted

on January 13, 1995 on Maui.

6. Next Meeting: Wednesday, January 11, 1995
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 Kuriyama, seconded by Commissioner Aki, it was voted on and unanimously carried to accept the report of the December 20, 1994 Laws and Rules Review Committee meeting, as follows:

1. HREREC Report (distributed report)
 - a. Broker Experience Certification - Concerns raised by staff that the report does not address how the review process is handled administratively by Pennsylvania and how much staff time is involved in reviewing the applications. Staff also requested to see the actual forms and materials used. This matter was deferred to the January 11, 1995 meeting for further discussion.
 - b. Advertising Brochure - REB staff to review Guide further.
 - c. PB and BIC Brochure - 3rd draft to incorporate Commission comments with completion for February/March 1995.
 - d. Fair Housing Brochure - The brochure master will be given to the Commission in January 1995.
 - e. Professional Responsibility Course - 2nd working draft submitted previously. Project is currently on hold.
 - f. Real Estate Seminars - 1994/95 program of seminars on each island will be tied most likely to the completion of the broker curriculum and the three PB/BIC course materials. Scheduled for the Spring of 1995.
 - g. HREREC Laws & Rules Manual and Reference Manual - Updates completed, in the process of being published and will be distributed in January 1995.
2. License Renewal
 - a. Licensing Branch reports 7,800 successful license renewals as of 12/17/94.
 - b. Recommend approval that Question No. 2 on the real estate license renewal application, "Are there any disciplinary actions pending against you?", be interpreted to mean whether RICO has filed a petition to discipline the license.
Recommend approval to delegate to staff to approve renewal applications with "yes" answers to Question No. 2, provided the applicants provide the information as per the instructions. Should

- there be a pending disciplinary action, the REC will review the matter after a hearing or submission of a settlement agreement during a Chapter 91 meeting.
3. Rule Making, Chapter 53, Fees - Recommend to propose amendments to Chapter 53, HAR, so that a single, one-time fee be charged for each Change form submitted which contains any and all changes proposed to a real estate licensee's record, subject to further discussion between REB and the Licensing Branch Supervisor.
 4. Program of Work
 - a. Mandatory Continuing Education Legislation - Coalition
Recommend approval that the draft response to Hawaii Association of Realtors be finalized.
 - b. Neighbor Island Outreach - Defer discussion on this matter to the Education Review Committee.
 5. Next Meeting: Wednesday, January 11, 1995
10:30 a.m., Kapuawai Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii

Education Review Committee

Upon a motion by Commissioner Imamura, seconded by Commissioner Aki, it was voted on and unanimously carried to accept the report of the December 20, 1994 Education Review Committee meeting, with the addition of item 7 a., as follows:

1. Real Estate Specialist's Report - Minutes of Previous Meetings - Meeting of November 17, 1994 - Recommend approval of minutes.
2. HREREC Report - Advisory Council - Recommend that advisory council members Kenneth Kubiak, Alton Kuioka, Bernice Lu and David Pietsch, Jr. be asked to serve an additional term (January 1995 - December 1997). Issue letters of appointment to the House Consumer Protection and Commerce Committee Chair, Rep. Ron Menor, and the Senate Consumer Protection Committee Chair, Sen. Milton Holt, as ex-officio members of the Advisory Council.
3. Continuing Education Administration, Curriculum, Courses, Providers and Instructors - Application and Certification - Provider - Abe Lee - Recommend approval of Abe Lee, effective January 1, 1995, subject to receipt of the tradename registration of "Abe Lee".
4. Prelicensing Education Administration, Curriculum, Schools and Instructors
 - a. Administrative Issues - Recommend approval of Hawaii Institute of Real Estate (Stapleton) to hold joint broker/salesperson classes on the islands of Oahu, Kauai and Maui, effective upon approval

of the prelicense school renewal application and prelicense instructor renewal application through December 31, 1995.

- b. Recommend approval of the following list of renewal applications for prelicense schools and instructors, effective subject to all deficiencies being cured:

<u>Prelicense Schools</u>	<u>S/B</u>	<u>Effective Date</u>
Vitousek Real Estate School	S/B	01/01/95
REEF, Inc. dba Hawaii Institute of Real Estate	S/B	01/01/95
Hawaiian School of Real Estate	S	01/01/95
University of Hawaii - Manoa/Small Business Management Program	S	01/01/95
<u>Prelicense Instructors</u>	<u>S/B</u>	<u>Effective Date</u>
John Reilly (Vitousek Real Estate School)	S/B	01/01/95
John F. Stapleton (REEF, Inc. dba Hawaii Institute of Real Estate)	S/B	01/01/95
Paige B. Vitousek (Vitousek Real Estate School)	S/B	01/01/95
Brian R. Thomas (To be decided)	S/B	01/01/95

5. Program of Work and Budget, FY95 - Neighbor Island Outreach - Kauai - Commissioner Ching to work with Executive Officer Rutkowski to finalize dates for committee meetings on Kauai, Spring 1995. Defer decision of whether to have one or two days of committee meetings until the January 26, 1995 Education Review Committee meeting.
6. ARELLO and REEA Report - Research and Education Fund Report - November 1, 1994 - Recommend acceptance of the November 1, 1994 Report.
7. Next Meeting: Thursday, January 26, 1995, 9:00 a.m.
 Kapuaiwa Room
 HRH Princess Victoria Kamamalu Building
 1010 Richards Street, Second Floor
 Honolulu, HI 96813

- a. ASI Request for Relocation of Honolulu Test Site - Recommend approval of ASI's request to relocate their Honolulu testing site due to expected construction, which will occur in the immediate vicinity; that the test days will be reduced to four (4) (Wednesday - Saturday); that the number of available test spaces will be reduced to twenty (20) per day; subject to there being no interruption of services and that this is subject to commitment from ASI that should the need arise, ASI will be open to discussion as to increasing the number of days and available spaces.

Licensing:

Ratification

Upon a motion by Commissioner Dew, seconded by Commissioner Aki, it was voted on and unanimously carried to approve the ratification of the following licensing applications and registrations:

Brokers

First Realty, Inc.
Pro Investment Realty, Inc.
Robert J. Teitelbaum dba Shalom Realty
Leburta Chock dba Leburta Chock, Realtor

Branch Office

Clark Realty Corporation (Kailua-Kona, Hawaii)

Site Office

The Masters at Kaanapali Hillside, Phases B, C, D, and E - Tom Soeten Realty
Villas at Koele, Phase I - Lanai Company, Inc.
Plantation Estates - Kapalua Realty Co., Ltd.
Ma'ili Kai - Schuler Realty/Oahu, Inc.
Summerhill - Gentry Realty, Ltd., a Hawaii corporation
The Courtyards at Punahou - Haseko Realty, Inc.
The Masters at Kaanapali Hillside - Iwado Realty, Inc.
Villages of Kapolei, Villages II and III - Watt Hawaii, Inc.

Trade Name

Napua E. Lucas dba Lucas Group (fka Napua E. Lucas-Slagel
dba Lucas Slagel Real Estate & Investment)

Corporation Name

Colony Hotels and Resorts Company fka Colony Acquisition Corporation

Condominium Managing Agents

SHC-Properties, Inc.
Klahani Resorts Corporation
Equity Properties, Inc.
Destination Maui, Inc. dba Ronald A. Kawahara Realty
Nai-a Properties, Inc.
Meridian Properties, Inc.
Lowell D. Funk, Inc.

Condominium Hotel Operators

Klahani Resorts Corporation
Oceanview Management Corporation dba Mana Kai Maui Hotel Association
U.S. Pacific, Inc.
Nai'a Properties, Inc.
Sue Young dba Sue Young, Realtor
Destination Maui, Inc.
Marilyn S. Knutson
David E. Steele dba Harbor Shores Apartments, Inc.

Condominium Project Registration - Public Reports Issued (November 1994)

Harbor Court, Honolulu (3rd Supplementary)
Kahili Makai Acres, Kauai (Final)
Lawai Mauka, Kauai (Final)
Vautour McMillan, Hawaii (Final)
1410 & 1410-A Manua Street, Honolulu (Final)
2324 Star Road, Honolulu (Final)
Takushi Condominium, Hawaii (Final)
3322 Martha, Honolulu (Final)
Pueo Condominium, Hawaii (Final)
Lika Lani, Kauai (Supplementary)
The Makikian, Honolulu (Final)
59-329B & 59-329C Ke Nui Road, Honolulu (Final)
2961 Kalawao Place, Honolulu (Final)
The Crowne at Wailuna, Phase III, Honolulu (Final)
Hale Poki Condominium, Kauai (Final)
845/847 Oneawa Street, Honolulu (Final)
Hale Makalei, Honolulu (Final)
Coronado, Phase D, Honolulu (Final)
Coronado, Phase B, Honolulu (Preliminary)

Christine O'Brien expressed her appreciation, on behalf of the Hawaii Association of Realtors and herself, for the job that the Commission and its staff has done. She also stated that she hoped that this relationship would develop into a long and fruitful partnership.

The Chair congratulated Ms. O'Brien on her leadership during the past year.

Licensing:

Questionable Applications

Darwin Y. K. Sen

Mr. Sen was asked if he wished to discuss his application during executive session. Mr. Sen answered in the affirmative.

Upon a motion by Commissioner Imamura, seconded by Commissioner Butuyan, it was 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 Imamura, seconded by Commissioner Dew, it was voted on and unanimously carried to move out of executive session and to take this matter under advisement.

Executive Session:

Upon a motion by Commissioner Imamura, seconded by Commissioner Aki, it was 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 Butuyan, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to move out of executive session.

Licensing:

Restoration of Forfeited Licenses

Alvan C. Wheeler	Salesperson
Emily F. F. Ko	Broker
Bonnie Watson	Salesperson

After a review of the information submitted by the applicant, Commissioner Dew moved that restoration be approved upon submitting evidence of successful completion of the respective preclicensing course. Commissioner Aki seconded the motion. The motion was voted on and unanimously carried.

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

unanimously carried.

Questionable Applications

Darwin Y. K. Sen

After a review of the information presented by the applicant, Commissioner Dew moved to approve Darwin Y. K. Sen's application for a real estate salesperson's license. Commissioner Butuyan seconded the motion. The motion was voted on and unanimously carried.

Manalo Holdings, Ltd.

After a review of the information submitted by the applicant, Commissioner Aki moved to approve the real estate corporation application of Manalo Holdings, Ltd. Commissioner Kuriyama seconded the motion. The motion was voted on and unanimously carried.

MP Financial Group, Ltd., Meridian Pacific

After a review of the information submitted by the applicant, Commissioner Kuriyama moved to approve the real estate corporation application of MP Financial Group, Ltd., Meridian Pacific. Commissioner Dew seconded the motion. The motion was voted on and unanimously carried.

Meridian Realty, Inc.

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

Helen M. Ryley dba Makakilo Realty

After a review of the information submitted by the applicant, Commissioner Dew moved to approve the real estate sole proprietor application and conditional home business occupation address of Helen M. Ryley dba Makakilo Realty. Commissioner Aki seconded the motion. The motion was voted on and unanimously carried.

Aloha Resorts International, Inc.

After a review of the information submitted by the applicant, Commissioner Dew moved to approve the condominium hotel operator registration of Aloha Resorts International, Inc. Commissioner Aki seconded the motion. The motion was voted on and unanimously carried.

Makai Management, Ltd.

After a review of the information submitted by the applicant, Commissioner Kuriyama moved to approve the condominium managing agent registration of Makai Management, Ltd. Commissioner Imamura seconded the motion. The motion was voted on and unanimously carried.

Harry G. Bradbury

After a review of the information submitted by the applicant, Commissioner Kuriyama moved to deny Harry G. Bradbury's request for an equivalency to ten written transactions, three of which are listings closed escrow and three are sales closed escrow (three sales closed escrow). Commissioner Ching seconded the motion. The motion was voted on and unanimously carried.

Keiko O. Yamamoto

After a review of the information submitted by the applicant, Commissioner Aki moved to approve Keiko O. Yamamoto's request for an equivalency to ten written transactions, three of which are listings closed escrow and three are sales closed escrow (one sale closed escrow). Commissioner Dew seconded the motion. The motion was voted on and unanimously carried.

David Link

After a review of the information submitted by the applicant, Commissioner Dew moved to approve David Link's release from Old Hawaii Realty and the sign on date effective the date the documents were received by REC and upon the advice of the Deputy Attorney General, deny the request to backdate the records. Commissioner Butuyan seconded the motion. The motion was voted on and unanimously carried.

The Commission also delegated to staff that for all current pending change forms and those received in the future which request backdating of license records be processed with release and sign-in dates effective the date documents were received by the Commission. Further that no back-dating of release and sign-on date be permitted.

Karen Kimura

After a review of the information submitted by the applicant, Commissioner Aki moved to approve Karen Kimura's application for a real estate sole proprietorship and the conditional home business occupation address. Commissioner Imamura seconded the motion. The motion was voted on and unanimously carried.

Acceptance of
Minutes:

Upon a motion by Commissioner Imamura, seconded by Commissioner Aki, it was voted on and unanimously carried to accept the minutes of the October 28, 1994 and November 30, 1994 Real Estate Commission meeting.

Next Meeting:

Friday, January 27, 1995
9:00 a.m.
Kuhina Nui Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street
Honolulu, Hawaii

Adjournment:

With no further business to discuss, the Chair adjourned the meeting at 10:25 a.m.

Respectfully submitted by:

Christine Rutkowski, Executive Officer

Date