

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, February 28, 1996

Time: 9:00 a.m.

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

Present: Barbara Dew, Chair, Oahu Member
Stanley Kuriyama, Vice-Chair, Oahu Member
Charles Aki, Hawaii Member
Michael Ching, Kauai Member
Alvin Imamura, Maui Member
Carol Mon Lee, Public Member
Helen Lindemann, Oahu Member
Nora Nomura, Public Member

Calvin Kimura, Supervising Executive Officer
Christine Rutkowski, Executive Officer
Russell Wong, Real Estate Specialist
Lee Ann Teshima, Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
Benedyne Stone, Condominium Specialist
Stephen Okumura, Condominium Specialist
Shari Wong, Deputy Attorney General
Irene Kotaka, Secretary

Camille Chun-Hoon, Special Deputy Attorney General
Jan Yamane, Program Specialist
Rodney S. Nishida, Ayabe Chong Nishimoto Sia & Nakamura
Steve Gilbert, Hawaii Real Estate Research and Education Center
Nicki Thompson, Hawaii Association of Realtors
Norman Noguchi, Hawaii Association of Realtors
Terry Opperman, Attorney for Marcelo M. Lopez, Jr.
Marcelo M. Lopez, Jr.
Christopher C. Harder
M. Libbie Kamisugi
Rodney Chai, Century 21 Realty Specialists Corp.
Jeffrey R. Holberg
Alyssa Moreau

Excused: Theo Butuyan, 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: **Announcements, Introductions, Correspondence**

Cynthia Yee, the new Senior Condominium Specialist, was introduced to the Commissioners. Ms. Yee joined the REB staff on February 16, 1996.

Tammy Norton, REB Secretary, gave birth to a girl on February 24, 1996.

Additions to the Agenda

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

9. Licensing - Questionable Applications
Derek K. Wood
Carolyn Kanemoto Laughlin dba Real Estate Professionals
Ginoza Realty Inc.

Additional Distributions

The following materials were distributed prior to the meeting:

3. Executive Officer's Report
 - b. Minutes of Previous Meeting
5. Recovery Fund Report
 - b. Cecil A. Walker, et al. v. Ariki Associates, Inc., et al., Third Circuit Court, Civil No. 94-254
6. Committee Reports
 - a. Condominium Review Committee
 - b. Laws and Rules Review Committee
9. Licensing - Questionable Applications
Oishi's Property Management Corporation

Adjudicatory Matters: The Chair called for a recess from the meeting at 9:06 a.m., to discuss and deliberate on the following adjudicatory matters, pursuant to Chapter 91, Hawaii Revised Statutes:

Vivian C. Whitney, REC 94-26-L

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

Respondent Whitney is to enroll and complete the real estate salesperson's prelicensing course in satisfaction of paragraph 12 of the Settlement Agreement.

REB staff shall invite the Supervising Attorney of RICO to the Commission meeting to discuss concerns raised by Commissioners and REB staff.

Henry James Correa, Jr., REC 93-152-L

Upon a motion by Commissioner Ching, seconded by Commissioner Imamura, it was voted on and unanimously carried to approve the Settlement Agreement with Henry James Correa, Jr. After Filing of Petition for Disciplinary Action and Commission's Final Order.

Brian W. Krueger, REC 93-280-L

The Chair declared a conflict and was excused from the meeting. Vice Chair Kuriyama presided over the meeting.

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

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

Robert L. P. Tong, Finance Realty, Ltd. fka Finance Realty Co., Ltd., Paul H. Maeda, Stanley T. Ajimura, Francis Y. Wong and Helen Mae Ryley, Heidi A. Victor and Tayler L. McCormick, REC 93-263-L, et al.

Upon a motion by Commissioner Ching, seconded by Commissioner Nomura, it was voted on and unanimously carried to approve the Settlement Agreement After Filing of Petition for Disciplinary Action and Commission's Final Order. Respondent Tong is to enroll and complete the real estate broker's prelicensing course in satisfaction of paragraph 4 of the Settlement Agreement.

James Stanley Kraft, REC 92-233-L, et al.

Upon a motion by Commissioner Imamura, seconded by Commissioner Nomura, it was voted on and unanimously carried to deny James Stanley Kraft's request for a review of the motion for reconsideration despite untimely filing.

Following the Commission's review, deliberations and decision in these matters, pursuant to Chapter 91, HRS, the Chair announced that the Commission was reconvening its scheduled meeting at 10:05 a.m., pursuant to Chapter 92, HRS.

Executive Session:

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Imamura, it was voted on and unanimously carried to enter into executive session, pursuant to Section 92-5(a)(4), HRS, "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 Imamura, seconded by Commissioner Lindemann, it was voted on and unanimously carried to move out of executive session.

Real Estate Recovery
Fund Report:

Norfolk Development Corp., et al. v. Atsuko Totsuka, et al., First Circuit Court, Civil No. 92-2168-08

Upon a motion by Commissioner Aki, seconded by Commissioner Nomura, it was voted on and unanimously carried that no payment be made out of the Real Estate Recovery Fund on the grounds that the plaintiff's attorney is not requesting payment because the plaintiff will not assign the judgment to the Real Estate Commission.

Cecil A. Walker, et al. v. Ariki Associates, Inc., et al., Third Circuit Court, Civil No. 94-254

Upon a motion by Commissioner Aki, seconded by Commissioner Nomura, it was voted on and unanimously carried to approve payment out of the Real Estate Recovery Fund against Owen H. Ariki, in the amount of \$18,713.

Committee Reports:

CONDOMINIUM REVIEW COMMITTEE

Upon a motion by Commissioner Lee, seconded by Commissioner Ching, it was voted on and unanimously carried to approve the amended report of the February 14, 1996 Condominium Review Committee as follows:

1. Condominium Specialist's Report
Accept minutes of the January 10, 1996 Condominium Review Committee meeting.
2. HREREC Report
 - a. Chair Barbara Dew's letter (January 26, 1996) to Dean David Bess on the Commission's Budget crisis on CMEF and REEF.
 - b. Hawaii Condominium Bulletin - Third week of March distribution.
 - c. Condominium Board of Directors Guide - Insurance and Fidelity Bond - **Accept** final draft subject to comments to be submitted by February 20, 1996 and subject to CRC Chair to finalize with SEO and staff before sending to printer.
 - d. HREREC Interaction Program - CAI Law Seminar - Cynthia Yee is attending and will provide comprehensive report
3. Condominium Governance and Management - Chair Lee is arranging meeting with Clifford J. Treece and Vivian G. Walker on March 1, 1996 with SEO, Condominium Specialists, and any other Commissioner at REB office.
4. Condominium Project Registration, Public Reports, and Sales to Owner-Occupant Announcements
 - a. **Recommend approval** to ratify issuance of effective dates during January 1996.
 - b. CPR Registrations and Public Reports That Appear to Violate Any DCCA Laws -
 - 1) **Approve** the January 24, 1996 memorandum, "CPR Registrations and Public Reports That Appear to Violate Any Department of Commerce and Consumer Affairs Laws.

- 2) **Recommend approval** of developer's request for issuance of effective date for supplementary public report excluding the unit which was built pursuant to the owner-builder exemption under Chapter 444, HRS. Developer will include disclosure language in the supplementary public report currently pending before the Real Estate Commission stating that the owner-builder structure is not for sale. Further, upon expiration of the one year limit on sale or lease or offers of sale or lease as imposed by section 444-2(7), HRS, the developer is required to provide an updated supplementary public report, issued through the Real Estate Commission, to all prospective purchasers.

REC to adopt a policy that no effective dates for reports be issued for reports subject to the one-year owner-builder exemption and that a supplementary report be required for the units designated owner-builder.

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Lindemann, it was voted on and unanimously carried to deny Hiroshi Sakai's request for the issuance of an effective date prior to submitting acceptable disclosure language.

5. Program of Work
- a. Registrations - Condominium Associations: 1,186 applications received, 278 approved, 909 applications pending.
 - b. Registrations - Condominium Managing Agents: 56 approved, 25 applications pending.
 - c. David Ferguson's Concerns on Registrations and Fidelity Bonds - **Recommend** staff to respond by indicating willingness to review any specific suggestions to simplify the registration process.
 - d. New Technology Program - **Recommend approval** to publish REC condominium information on the Internet through Hawaii FYI.
6. CMEF Budget and Finance Report - **Accept** December 1995 CMEF financial statements.
7. Next meeting: Wednesday, March 13, 1996
10:30 a.m.
Kapuaiwa Room
1010 Richards Street Second Floor
Honolulu, HI 96813

LAWS AND RULES REVIEW COMMITTEE

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Nomura, it was voted on and unanimously carried to approve the amended report of the February 14, 1996 Laws and Rules Review Committee as follows:

1. Hawaii Real Estate Research & Education Center Report
 - a. PB and BIC Brochure - Final revisions made and printing has been ordered at cost of \$1.08 per copy based on quality standards of the quarterly real estate bulletin. HREREC was requested to provide cost accounting of all programs broken down by staff time and product cost.
 - b. Advertising Brochure - "Hawaii Guide to Real Estate Advertising" 1,000 copies have been printed at \$1.17 per copy based on quality standards of real estate quarterly bulletin and delivered to REB.
 - c. Real Estate Seminars - Proposed seminar schedule and outline distributed with seminars to be held during April, May and June, 1996. **Defer** discussion to Education Review Committee meeting for Dr. Ordway, as Commissioners have concerns about the curriculum of the seminar not focusing on consumer protection.
2. Program of Work
 - a. Rule Making, Chapter 99 - Definition of "financial integrity", in addition to other issues, to include compliance with tax laws.
 - b. CHO Registration - as of February 7, 1996 51 applications were approved; 21 are deficient.
3. Special Issues
 - a. Terry M. Toguchi - **Recommend acceptance** letter of concerns and staff's response.
 - b. Department of Taxation, Memorandum of Understanding - Members expressed concerns on implementation and administration of the MOU. Members to review MOU and contact staff with concerns to assist in smooth implementation.
4. Budget and Finance Report
Recommend Approval of the Real Estate Recovery Fund Report for the 6 months ended December 31, 1995.
5. Next Meeting: Wednesday, March 13, 1996
 9:00 a.m.
 Kapuaiwa 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 Lindemann, it was voted on and unanimously carried to approve the report of the February 14, 1996 Education Review Committee as follows:

1. **Accepted** minutes of January 10, 1995 meeting.
2. Hawaii Real Estate Research and Education Center Report
 - a. Liaison's Report - Chair Dew's January 26, 1996 letter to Dean David Bess has informed the College of Business Administration of the Commission's budget crisis for the two trust funds - REEF and CMEF.

- b. Continuing Education Elective Courses:
- 1) Disclosure Course - Dr. Nicholas Ordway reported that on Monday, he received new bills regarding seller disclosure which, if passed at the 1996 Legislative Session, would greatly impact the Disclosure course. Dr. Ordway also reported that he must meet with staff to discuss §467 and the meaning of "acceptance of agency." Executive Officer Christine Rutkowski related that staff would get back to Dr. Ordway to set up the meeting. Dr. Ordway was questioned on the availability of the current draft of the course materials and instructor notes; however, he related that he did not want to submit a draft to the committee because it would then become public record and he did not want it to go on record.
 - 2) Broker Management Course - Steve Gilbert reported that he is currently incorporating staff's last revisions into the course materials and instructor notes and it should be ready for staff review at the beginning of next week. Mr. Gilbert also reported that due to staff's concern that the course was "entry level", he is creating three (3) supplemental units for the course. Mr. Gilbert was questioned regarding the title of the course and he reported that he was unaware of any such change.

(Mr. Gilbert reported at the Laws and Rules Review Committee that the PB/BIC brochure is to be printed using the same paper as the REC Bulletin at a cost of \$1.08 per brochure.)

- 3) Real Estate Seminars - Commissioner Nomura had concerns with the HREREC 1996 Spring Seminar Series which was discussed at the Laws and Rules Review Committee, however, Dr. Ordway was not available at the LRRC meeting to comment. Commissioner Nomura's concerns are that the seminar flyer indicates that the subject matter appears to benefit the real estate licensee more than the consumer and that the flyer indicates that the seminar is being funded by REEF and CMEF. Dr. Ordway reported that the flyer is worded in such a way as to promote the seminar and that the content of the seminar would contain information regarding the State's economy with significant interest to everyone, including conflict resolution due to the rise in litigation, properly supervising independent contractors and how to deal with appropriate technology. Dr. Ordway reported that changes could be made to the flyer as it has not been finalized.
3. Continuing Education Administration, Curriculum, Courses, Providers, and Instructors:
- a. Continuing Education Statistics - as of January 19, 1996 only 9 brokers and 11 salespersons have completed all three CE courses while another 190 brokers and 301 salespersons have

- taken at least one CE course. **Recommend** that staff to consider including applauding the 20 licensees in the next bulletin.
- b. Certification of Continuing Education Instructor - **Recommend approval** for Frederick J. Luning to teach the course category: Finance.
 - c. Recertification of Continuing Education Instructors - **Recommend approval** of the attached list of instructors.
 - d. One-time Offering for Continuing Education Provider/Instructors/Course - **Recommend approval** for Law Seminars International for one-time offering of "Advanced Conference on Commercial Real Estate Leases" for February 29 - March 1, 1996, including three instructors: Mark A. Hazlett, John F. Lezak and Gary L. Wixom, subject to the following conditions: 1) That no continuing education credit be given for "home study" participants, 2) That only 3 1/3 hours of credit be give for two-day seminar, 3) That participants attending seminar for real estate continuing education credit must take and pass exam to receive continuing education certificate, and 4) That approval is subject to receipt of compliance with bond requirement pursuant to §16-99-53, Hawaii Administrative Rules.
4. Prelicensing Education Administration, Curriculum, Schools, and Instructors - Applications - Certification for Prelicense Instructor - **Recommend approval** for Tracey S. Wiltgen to teach real estate salesperson curriculum.
 5. Program of Work and Budget, FY96 - Information Distribution System - **Recommend approval** of request for Approval to Publish Information on the Internet Through Hawaii FYI.
 6. Budget and Finance Report - Real Estate Education Fund Report, December 1995 - **Recommend acceptance.**
 7. Next Meeting: **Wednesday, March 13, 1996, 1:30 p.m.**
Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
250 South King Street, Second Floor
Honolulu, Hawaii

Broker Management Course - Staff received and reviewed the broker management course. Real Estate Specialist Teshima reported that staff received the final draft on February 22, 1996, which included the course, overhead instructor notes and two-thirds of the supplemental units.

It was reported that Dr. Ordway was teaching a class and was unable to be present at today's meeting. Mr. Gilbert stated that Dr. Ordway would still like to include information on material facts and agency disclosure. He has some legal concerns on when agency begins.

None of the course material has been submitted to REB staff for review.

Upon a motion by Commissioner Imamura, seconded by Commissioner Lindemann, it was voted on and unanimously carried to approve the Broker Management Course.

Neighbor Island Outreach - The next neighbor island outreach will be held on May 10, 1996, at the State Building, in Wailuku, Maui. The Committee meetings will be held as follows:

9:00 a.m.	Laws and Rules Review Committee
10:30 a.m.	Condominium Review Committee
1:30 p.m.	Education Review Committee

Disclosure Course - Commissioner Ching stated that the course has had enough delays and that the Commission needs a firm deadline for completion of the course as the licensees need that course to be available to them.

Upon a motion by Commissioner Ching, seconded by Commissioner Aki, it was voted on and unanimously carried that the Disclosure Course be completed by the end of the fiscal year, that it be available for teaching by July 1, 1996, and that if the deadline cannot be met, the moneys allotted for the course is to be returned to the Commission so that it may seek other avenues to ensure completion and availability of the course.

Laws and Rules Review Committee

Department of Taxation, Memorandum of Understanding (MOU) - Commissioner Kuriyama stated that the MOU was the best compromise which was available.

Commissioner Kuriyama moved to ratify the MOU. Commissioner Kuriyama withdrew the motion.

Licensing:

Questionable Applications

Christopher C. Harder

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

Mr. Harder stated that he was licensed as a real estate broker in the State of Colorado from 1972 to 1989. He also stated that his income averaged \$75,000 when he practiced real estate full time. He has had no complaints and no problems with his license. He had bad investments in 1989 and he is involved in the bankruptcy process. He stated that none of his financial difficulties have any bearing on his reputation of honesty or financial integrity. He stated that he had bought a condo 14 years ago. He has not heard anything. In a move, some of his papers were misplaced. He stated that he was involved in a real estate investment which went bad in Arizona, Nevada and Hawaii. Ninety percent of his income has been in sales. He would like to get back into sales. He applied for an inactive license to save himself from embarrassment from a potential real

estate broker.

Commissioner Nomura moved to take this matter under advisement. Commissioner Lindemann seconded the motion.

Mr. Harder stated that information on his child support payments were confidential. Mr. Harder stated that he pays over \$400/month to child support. In his discussions with REB staff, he felt that staff wanted documents of the entire process. Mr. Harder stated that \$400/month is deducted from his salary and it will continue to be deducted. Mr. Harder stated that he did not feel that he should be asked to provide all of the documents from 1981 when the child support was first awarded. He stated that the documents were too voluminous.

Mr. Harder was told that he has asked for information regarding his child support payments and not for all of the court documents.

Mr. Harder was asked if Chris's Adventures was his business. He stated that he is the "Chris" of Chris's Adventures. He is the president of the company and is employed by the company as a manager. He is in charge of overseeing the bookkeeping. Mr. Harder stated that he is in the process of filing personal bankruptcy.

The motion to take this matter under advisement was voted on and unanimously carried.

Bello Realty, Inc.

Ms. Pamela M. Bello was present to answer any questions the Commission may have regarding the 1996 Annual Re-registration of Bello Realty, Inc.'s Condominium Hotel Operator and Condominium Managing Agent applications.

Ms. Bello stated that she would have answered "Yes" on the application form if she understood that a complaint was filed against her. At the time that she filled out the application, she did not know that there was an official complaint. She was advised by REB staff that she should check with RICO prior to filling in any future applications to determine if there are any complaints filed.

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

Century 21 Realty Specialists Corporation, Management Specialists Co.

Mr. Rodney Chai, principal broker of Century 21 Realty Specialists Corporation was present to answer any questions the Commission may have regarding the 1996 Annual Condominium Managing Agent Re-registration application.

Commissioner Ching was excused from the meeting.

Mr. Chai reported that the complaint was closed.

Commissioner Ching returned to the meeting.

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

M. Libbie Kamisugi and Libbie & Company, Inc.

Ms. M. Libbie Kamisugi was present to answer any questions the Commissioners may have had regarding her application for reinstatement of her real estate broker's license and the reinstatement of the real estate corporation license of Libbie & Company, Inc.

Ms. Kamisugi stated that she wanted to submit for consideration the affidavit of Paul Lynch, the attorney who was representing her and an order from the Judge. She stated that one of the documents was a court order for the Real Estate Commission. She stated that all parties agreed that the settlement agreement could be presented to the Real Estate Commission. Judge Chang made a court order for the Commission a few days ago. The Commission can review the settlement agreement and it can remain sealed. Or the Commission can make it a public record and consider it in any decisions that they make regarding the real estate license.

Ms. Kamisugi was asked if she wished to discuss this matter in executive session. She declined the offer.

Ms. Kamisugi mentioned that the affidavit stated that the suspension was based on the opportunity to litigate the case. There was overwhelming evidence that this was not the case. Paul Lynch, her attorney, was not prepared for the trial.

Commissioner Kuriyama asked Ms. Kamisugi if she was still represented by McCorriston Miho and Miller. She answered in the negative.

Commissioner Ching stated that he did not feel that the settlement agreement was relevant in deciding on the reinstatement of the suspended licenses.

Ms. Kamisugi stated that she felt it was important because it went to the heart of the matter. The case was based on a flawed record, trial, verdict, and judgment that was the result of legal malpractice. She stated that every legal expert that was consulted stated that the outcome would have been different if she had legal representation.

The Deputy Attorney General stated that the Commission will not accept the documents under seal. She stated that if the Commission accepts the documents, it will become a part of the record and will be subject to Section 92F, HRS.

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Lee, it was voted on and unanimously carried to have staff hold on to the sealed documents, the Commission shall decide during executive session whether or not to review the documents submitted and to take this matter under advisement.

Marcelo M. Lopez, Jr.

Mr. Marcelo M. Lopez, Jr. and his attorney, Terry G. Opperman were present to request reconsideration of the Commission's previous decision, dated January 26, 1996, and to answer any questions the Commissioners may have regarding Mr. Lopez's application

for a real estate salesperson's license.

The Chair asked Mr. Lopez if he had entered into a payment plan with the IRS. Mr. Opperman stated that they mailed a letter of representation to the IRS in California. Mr. Opperman has agreed to represent Mr. Lopez. Mr. Opperman stated that they expect to enter into a payment plan based on Mr. Lopez's ability to pay.

Mr. Opperman distributed copies of his request for reconsideration, dated February 27, 1996 and Exhibit "G" to the Commissioners for their consideration.

Real Estate Specialist Teshima stated that based on Mr. Lopez's representations, it was her understanding that the tax liens were in an uncollectible status. Mr. Opperman stated that he was told that it was uncollectible in 1993. He stated that he thought that the reason why it was in uncollectible status was because Mr. Sterry had done his job. There were serious questions as to whether or not Mr. Sterry had done anything. A copy of the transmittal from Gregory T. Grab, Esq., marked Exhibit "G" was submitted to the Commissioners for their consideration. Mr. Grab transmitted money to Mr. Sterry for the proceeds due to B & L Hawaii, Inc. Mr. Lopez called Mr. Sterry in 1991. Mr. Sterry told him that he didn't like his tone and that he was not going to represent him. Mr. Opperman stated that his client's situation would have been much different had he acted in 1991 to deal with the tax liens. There are questions as to whether or not Mr. Sterry ever did anything. It is a corporate debt, rather than a personal tax liability. Prior to this situation, Mr. Lopez was paying his taxes on a regular basis. The ground lease rent went up 100%. The terms of the lease provided that any increases in ground lease rent would get passed on to the tenants.

Commissioner Lee moved to take this matter under advisement. Commissioner Imamura seconded the motion.

Commissioner Kuriyama asked Mr. Opperman if he was confident of his client's ability to secure a payment plan. Mr. Opperman stated that he is confident that if they do not reach an agreement with the first proposal, they will reach an agreement later. He stated that he is also confident of his client's willingness to pay off his debt. He has not had any creditors claiming that they are owed money. There has been no complaints of past due rents. He is first and foremost a family man.

Mr. Lopez is currently unemployed. His wife works, but she does not owe any portion of the tax debt. His plan was to obtain his real estate license and to be employed full-time with a real estate broker. Mr. Lopez stated that he has some income from his wife's business. He owes \$1,300 in State taxes for a family business. He stated that the disputes have been resolved and he has removed himself from the business and the other family members have agreed to be responsible for the tax liabilities. The federal taxes have been consolidated and this includes Mr. Lopez and B & L Hawaii, Inc. They have agreed to work out a payment plan with both the State and the Federal governments. Mr. Opperman stated that they have not submitted a payment plan to the State yet. Staff informed the parties that they have not received information or documentation on the State of Hawaii taxes owed. Mr. Opperman reported that they had just received the bill from the State of Hawaii. Mr. Lopez stated that he is willing to provide a copy of the bill for the State of Hawaii taxes owed.

The motion to take this matter under advisement was voted on and unanimously carried.

Recess: The Chair recessed the meeting at 11:25 a.m.

Reconvene: The Chair reconvened the meeting at 11:37 a.m.

Licensing: **Questionable Application**

Pahio Management, Inc.

Alyssa Moreau of Insurance Agents Group Inc. was present to answer any questions the Commission may have regarding the fidelity bond coverage for Pahio Management, Inc.

Ms. Moreau stated that the specific associations managed by the CHO and CMA are listed as loss payees on the fidelity bond. If there are any losses caused from an employee of the CMA/CHO, the associations would be paid by the insurance agency. It is similar to an additional insured. According to the rules, the bonds cannot list additional insureds. A loss payee could be construed as a limitation on the bond. The policy does not cover anything other than the loss to loss payees. The fidelity bond coverage is only for that association.

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Ching, it was voted on and unanimously carried to delegate this matter to staff and if not limited, approve loss payments or if payments would be made to the companies irregardless of the loss payees.

executive Session: Upon a motion by Commissioner Nomura, seconded by Commissioner Lee, it was voted on and unanimously carried to move into executive session pursuant to Section 92-5(), HRS, "To consider and evaluate personal information relating to individuals applying for professional or vocational licenses cited in section 26-9 or both;"

Upon a motion by Commissioner Nomura, seconded by Commissioner Lee, it was voted on and unanimously carried to move out of executive session.

The Deputy Attorney General was excused from the meeting.

Committee Reports: **Condominium Review Committee and Laws and Rules Review Committee**

The Supervising Executive Officer discussed the 1996 Legislative Report #2 and highlighted the legislation affecting the Commission.

Minutes of Previous Meetings: Upon a motion by Commissioner Lee, seconded by Commissioner Aki, it was voted on and unanimously carried to approve the minutes of the July 28, 1995, October 26, 1995 and the January 26, 1996 Real Estate Commission meetings as circulated.

Committee Meetings: **Laws and Rules Review Committee**

Department of Taxation, Memorandum of Understanding - Upon a motion by

Commissioner Kuriyama, seconded by Commissioner Nomura, it was voted on and unanimously carried to accept the Memorandum of Understanding.

Licensing and
Registration:

Ratification

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

Brokers

Glenn Shigeo Nakamura
Martha Lee Ruggles
B. T. Okazaki, Inc. dba Okazaki Realty Company
Coast & Country Properties, Incorporated
W. Lee Matteson dba Mountain View Realty
The Gresham Company, Inc.
Carol Tsai dba Carol Tsai Realty
Sand Sea, Inc.
Ruth L. Chang
Ralph F. Harris
Tropics Realty U.S.A., Inc.
All World, Inc. dba Aldridge Associates - Realtors
Malama Management Incorporated
Marion G. Fox dba Mimi Fox Real Estate
Linda T. Loo dba Linda T. Loo, Realtor
Trinity Pacific Realty, Inc. dba Tri-Pac Realty
Mio Realty, Inc.
Rodrigo A. Ulep
Florence T. Matsuura dba Flo Matsuura, Realtor
Keolani, Inc. dba Keolani Management

Branch Office

Fourmax, Inc. dba RE/MAX Brokers, 66-1230 Mamalahoa Highway, Kamuela,
HI 96743
Woodstock Properties, Inc., 4881 A Kapaka Road, Princeville, HI 96722
Mauna Lani Realty, Inc., 68-1400 Mauna Lani Drive, Kamuela, HI 96743

Trade Name

Glenn Shigeo Nakamura dba Regency Consulting
Outrigger Hotels Hawaii dba Outrigger Hotels & Resorts
Raymond R. Sherwood dba CCIS Brokerage

Site Office

Marcus & Associates, Inc., Lapa'olu
Century 21 Kahala Hale, Inc., Na Pali Haweo
Towne Realty Brokerage Services, Inc., Gardens at Launani Valley, Phases I, II
and III; Terraces at Launani Valley; and Streamside at Launani Valley, Phase 1
Herbert K. Horita Realty, Inc., Royal Kunia Phase 1, Site 12
Wailea Realty Corporation, Wailea Pualani Estates
Schuler Realty/Oahu, Inc., Country Club Village at Salt Lake
Schuler Realty/Maui, Inc., Iao Parkside
TNR Development Corporation dba Island Pacific Homes, Kekuilani Villas, Village
IV at Kapolei; Kekuilani Village IV at Kapolei
Toyama Realty, Ltd., Waikoloa Village
MK Realty, Inc. dba Re-Max Kai Realty, Meadowlands
Realty Executives Hawaii, Alii Lani Phase A

Condominium Managing Agent

Locations Property Management, Inc.

1996 Reregistration

Asset Property Management Inc.
Iwado Realty, Inc.
Marc Hotel & Resorts, Inc.
Marcus & Associates, Inc.
Meridian Properties, Inc.
National Mortgage & Finance Co., Ltd.
Outrigger Hotels Hawaii
C & C Realty, Inc.
Inoue*Hawaii Realty Corporation
Skybird Properties, Inc.
Day-Lum, Inc.
Village Realty Services, Inc.
Triad Management, Inc.
Hawaiiiana Management Company, Ltd.
ILC International Inc.
Management, Inc.
Monroe & Friedlander Management, Inc.
Touchstone Properties, Ltd.
Oihana Property Management & Sales, Inc.
Life Care Services Corporation of Hawaii, Inc.
Patdi, Inc.
Gary S. Furuta
Hawaii Asset Management and Inc. Corp.
Operating & Managing Services, Inc.
K. David Josephson dba Maui Property Management
Marriott Hotel Services, Inc.

Paradise Management Corp.
Bob Tanaka, Inc.
Investment Properties Corp.
Allen Yap, Incorporated dba Allen Yap & Associates
A'ala Realty & Management, Inc.
Destination Resorts Hawaii Inc.
Metropolitan Management
Bill Ramsey Inc.
W. E. Denison Corporation
Dynamic Property Management, Inc.
PWI Real Estate, Inc.
Classic Resorts, Ltd.
Sullivan Properties, Inc.
Hawaii Equities, Inc.
Lowell D. Funk, Inc.

Condominium Hotel Operator

Haleakala Shores Resort
Nancy H. Grantham dba Grantham Resorts
All World, Inc. dba Aldridge Associates - Realtors

1996 Reregistration

Blue Water Development Inc.
Mary M. R. Love dba MJ Properties
Marc Hotels & Resorts, Inc. dba Marc Resorts Hawaii
Outrigger Hotels Hawaii
Prosser Realty, Inc.
C & C Realty, Inc. dba Turtle Bay Condos
Triad Management, Inc.
Patricia A. Lowe
Pacific Paradise Properties Corp.
Oihana Property Management & Sales Inc.
Maui Kai Rental Program
MKS Executive Partners dba Executive Centre Hotel
Shoreline Properties Corp.
Marilyn S. Knutson dba Knutson & Associates
Sue Young dba Sue Young Realtor
Jack H. Nowell dba Ridge Realty/Rentals
Esahc, Inc. dba Chase 'N Rainbows Real Estate
Johnita Nowell dba J. Nowell Realty
Paradise Management Corp.
Marriott Hotel Services, Inc.
Kim A. Courtright dba Keauhou Property Management Co.
K. David Josephson dba Maui Property Mgmt & Sales
Rory K. Keith dba American Pacific Properties
Asset Property Management, Inc.
W. E. Denison Corporation
Maui Condominium and Home Realty, Inc.
C. J. Kimberly
Villiers Real Estate, Inc.

Classic Resorts Limited
Sherbourne Maui, Inc. dba Condominium Rentals Hawaii
Sullivan Properties, Inc.
Hometrend, Ltd.
Oceanview Management Corporation dba Mana Kai Maui Hotel Association
HCR Associates

Licensing:

Restoration of Forfeited License

Eufrosino M. Domingo

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

Questionable Applications

Tonya R. Griffin

After a review of the information submitted by the applicant, Commissioner Nomura moved to deny Tonya R. Griffin's application for a real estate salesperson's license as the education waiver that was issued was void, pursuant to Sections 16-99-17 and 16-99-19, Hawaii Administrative Rules. Commissioner Lindemann seconded the motion. The motion was voted on and unanimously carried.

Robert D. Ackerly

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

Myung K. Zandee van Rilland

After a review of the information submitted by the applicant, Commissioner Ching moved to approve Myung K. Zandee van Rilland's application for a real estate salesperson's license. Commissioner Aki seconded the motion. The motion was voted on and unanimously carried.

Christopher C. Harder

After a review of the information presented by the applicant, Commissioner Nomura moved to defer decision making on Christopher C. Harder's application for a real estate salesperson's license pending receipt of further documentation. Commissioner Aki seconded the motion. The motion was voted on and unanimously carried.

Carolyn Kanemoto Laughlin

After a review of the information submitted by the applicant, Commissioner Nomura moved to approve Carolyn Kanemoto Laughlin's application for a real estate broker's license. Commissioner Ching seconded the motion. The motion was voted on and unanimously carried.

Dana M. Peiterson

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

Harold R. Jones

After a review of the information submitted by the applicant, Commissioner Lee moved to approve the sole proprietorship application of Harold R. Jones. Commissioner Imamura seconded the motion. The motion was voted on and unanimously carried.

Victor M. Hemmy, Jr., Hemmy & Associates

After a review of the information submitted by the applicant, Commissioner Ching moved to approve the sole proprietorship application of Victor M. Hemmy, Jr. dba Hemmy & Associates. Commissioner Lindemann seconded the motion. The motion was voted on and unanimously carried.

CBIP, Inc., Coldwell Banker Island Properties

The Chair was excused from the meeting due to a conflict of interest. Vice Chair Kuriyama presided over the meeting.

After a review of the information submitted by the applicant, Commissioner Imamura moved to approve the real estate corporation application of CBIP, Inc. dba Coldwell Banker Island Properties. Commissioner Lee seconded the motion. The motion was voted on and unanimously carried.

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

Marc Weinberg

Commissioner Lindemann was excused due to a conflict of interest.

After a review of the information submitted by the applicant, Commissioner Nomura moved to deny Marc Weinberg's application for a real estate broker's experience certificate based on §16-99-38(a)(2)(A), HAR. The Commission did not recognize the transactions that were submitted. Commissioner Ching seconded the motion. The motion was voted on and unanimously carried.

Commissioner Lindemann returned to the meeting.

Susan S. Ichimasa

After a review of the information submitted by the applicant, Commissioner Kuriyama moved to approve Susan S. Ichimasa's application for a real estate broker's license. Commissioner Ching seconded the motion. The motion was voted on and unanimously carried.

Bello Realty, Inc.

After a review of the information presented by the applicant, Commissioner Aki moved to approve the 1996 Annual Re-registration of Bello Realty, Inc.'s Condominium Managing Agent and Condominium Hotel Operator registrations. Commissioner Lee 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 Kuriyama moved to approve the 1996 Annual Re-registration of Certified Management, Inc.'s Condominium Managing Agent registration. Commissioner Ching seconded the motion. The motion was voted on and unanimously carried.

Chaney, Brooks & Company

After a review of the information submitted by the applicant, Commissioner Ching moved to approve the 1996 Annual Re-registration of Chaney, Brooks & Company's Condominium Managing Agent registration, subject to receipt of acceptable fidelity bond documents. Commissioner Kuriyama seconded the motion. The motion was voted on and unanimously carried.

Century 21 Realty Specialists Corporation, Management Specialist Co.

After a review of the information presented by the applicant, Commissioner Imamura moved to approve the 1996 Annual Re-registration of Century 21 Realty Specialists Corporation dba Management Specialists Co.'s Condominium Managing Agent registration. Commissioner Aki seconded the motion. The motion was voted on and unanimously carried.

Hotel Corporation of the Pacific, Inc.

After a review of the information submitted by the applicant, Commissioner Aki moved to approve the 1996 Annual Re-registration of the Hotel Corporation of the Pacific, Inc.'s Condominium Managing Agent and Condominium Hotel Operator registrations. Commissioner Lee seconded the motion. The motion was voted on and unanimously carried.

Oishi's Property Management Corporation

After a review of the information submitted by the applicant, Commissioner Nomura moved to approve the 1996 Annual Re-registration of Oishi's Property Management Corporation's Condominium Managing Agent registration. Commissioner Lindemann seconded the motion. The motion was voted on and unanimously carried.

Pahio Management Inc.

After a review of the information submitted by the applicant, Commissioner Aki moved to defer decision making on the 1996 Annual Re-registration of Pahio Management Inc.'s Condominium Hotel Operator and Condominium Managing Agent registrations for further clarification of the fidelity bond endorsements required. Commissioner Lee seconded the motion. The motion was voted on and unanimously carried.

Shell Development Corp.

After a review of the information submitted by the applicant, Commissioner Nomura moved to approve the 1996 Annual Re-registration of Shell Development Corp.'s Condominium Managing Agent registration. Commissioner Ching seconded the motion. The motion was voted on and unanimously carried.

Team Real Estate, Inc.

After a review of the information submitted by the applicant, Commissioner Aki moved to approve the 1996 Annual Re-registration of Team Real Estate, Inc.'s Condominium Managing Agent registration. Commissioner Ching seconded the motion. The motion was voted on and unanimously carried.

Ocean Express Hawaii, Inc.

After a review of the information submitted by the applicant, Commissioner Lindemann moved to approve the 1996 Annual Re-registration of Ocean Express Hawaii, Inc.'s Condominium Hotel Operator registration. Commissioner Kuriyama seconded the motion. The motion was voted on and unanimously carried.

Management Consultants of Hawaii, Inc.

After a review of the information submitted by the applicant, Commissioner Aki moved to approve the 1996 Annual Re-registration of Management Consultants of Hawaii, Inc.'s Condominium Managing Agent registration. Commissioner Imamura seconded the motion. The motion was voted on and unanimously carried.

M. Libbie Kamisugi

After a review of the information presented by the applicant, Commissioner Ching moved to approve the reinstatement of M. Libbie Kamisugi's real estate broker's

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

Derek K. Wood

After a review of the information submitted by the applicant, Commissioner Lee moved to approve Derek K. Wood's real estate broker's license. Commissioner Aki seconded the motion. The motion was voted on and unanimously carried.

Carolyn Kanemoto Laughlin dba Real Estate Professionals

After a review of the information submitted by the applicant, Commissioner Nomura moved to approve the real estate sole proprietor application of Carolyn Kanemoto Laughlin dba Real Estate Professionals. Commissioner Ching seconded the motion. The motion was voted on and unanimously carried.

Ginoza Realty, Inc.

After a review of the information submitted by the applicant, Commissioner Lee moved to approve the 1996 Annual Re-registration of Ginoza Realty, Inc.'s Condominium Managing Agent registration. Commissioner Lindemann seconded the motion. The motion was voted on and unanimously carried.

Libbie & Company

After a review of the information presented by the applicant, Commissioner Ching moved to approve the reinstatement of Libbie & Company's real estate broker's license. Commissioner Imamura seconded the motion. The motion was voted on and unanimously carried.

Marcelo M. Lopez, Jr.

After a review of the information presented by the applicant, Commissioner Ching moved to deny Marcelo M. Lopez, Jr.'s request for reconsideration and to reaffirm the Commission's previous decision of January 26, 1996. Commissioner Lee seconded the motion. The motion was voted on and unanimously carried.

Next Meeting:

Friday, March 29, 1996
9:00 a.m.
Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, HI

Adjournment: With no further business to discuss, the Chair adjourned the meeting at 12:55 p.m.

Reviewed and approved by:

Christine Rutkowski, Executive Officer

Date