

REAL ESTATE COMMISSION
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii

MINUTES OF MEETING

The agenda for this meeting was filed with the Office of the Lieutenant Governor, as required by Section 92-7(b), Hawaii Revised Statutes.

Date: Friday, May 24, 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
Carol Mon Lee, Public Member
Helen Lindemann, Oahu Member
Nora Nomura, Public Member

Christine Rutkowski, Executive Officer
Aileen Chikasuye, Senior Real Estate Specialist
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
Cynthia Nakamura, Regulated Industries Complaints Office
Steven Gilbert, Hawaii Real Estate Research and Education Center
Nicki Thompson, Hawaii Association of Realtors

Excused: Theo Butuyan, Public Member
Alvin Imamura, Maui Member

Call to Order: The Chair called the meeting to order at 9:04 a.m., at which time quorum was established.

Chair's Report: The Supervising Executive Officer is attending the ARELLO Board of Directors Meeting. Real Estate Specialist Teshima will be attending the REEA Annual Meeting later this month. The Chair and Commissioner Lindemann attended the National Association of Realtors Conference. She reports that there is still a considerable amount of interest in the agency disclosure issue. There was also discussion on the use of personal assistants and whether or not they should or should not be licensed. Many states have already come up with guidelines on the use of personal assistants.

Announcements, Introductions, Correspondence and Additional Distributions

The following materials were distributed to the Commissioners prior to the start of the meeting:

3. Executive Officer's Report
 - a. Minutes of Previous Meeting
9. Licensing - Questionable Applications
 - a. B. W. T., Inc.

Upon a motion by Commissioner Lee, seconded by Commissioner Aki, it was voted on and unanimously carried to add the following item to the agenda:

9. Licensing - Questionable Applications
 - h. Karl F. Lingenfelder

Chapter 91, HRS,
Adjudicatory
Matters:

Virginia A. Epley-Sprinkle and Century 21 Kahala Hale, Inc. and Cynn So Young Namikawa, REC 95-140-L

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

Century 21 Homefinders of Hawaii, Inc., dba Century 21 Homefinders, Ronald D. Turner, Randolph G. Carey, Raphael B. Taparra, Jr. and Alexis L. Donaldson, REC 94-240-L, -209-L, and -210-L

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Nomura, it was voted on and unanimously carried to accept the Settlement Agreement After Filing of Petition for Disciplinary Action and Commission's Final Order as to Century 21 Homefinders of Hawaii, Inc., dba Century 21 Homefinders, Raphael B. Taparra, Jr. and Alexis L. Donaldson.

Pro Serve Realty Corporation, Theodore T. Miyamoto, Mia Kim and Paul Y. M. Kang and Carole D. Gaddis aka Carole Love, REC 94-062, 94-103, 94-163, 94-170, and 94-289

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Lee, it was voted on and unanimously carried to accept the Settlement Agreement as to Pro Serve Realty Corporation, Theodore T. Miyamoto and Mia Kim After Filing of Petition for Disciplinary Action and Commission's Final Order.

Cynthia Nakamura, Supervising Attorney of the Regulated Industries Complaints Office was present to provide an informational briefing on RICO and how it prepares and handles settlement agreements and the disciplinary process.

The Vice Chair requested that Chapter 91, HRS, Adjudicatory Matters be moved to later in the meeting, at 10:45 a.m., beginning with the June 28, 1996 meeting. The Chair recessed the meeting at 10:20 a.m.

Recess:

Reconvene: The Chair reconvened the meeting at 10:30 a.m.

Licensing -
Questionable
Applications:

Geraldine deBeer dba deBeer Realty

Ms. deBeer was asked if she would like this matter considered in executive session. She declined the offer.

Ms. deBeer stated that she was present to answer any questions the Commission may have regarding her Condominium Hotel Operator registration.

The Executive Officer informed the Commission that Ms. deBeer had expressed the concerns over the application process. Ms. deBeer was informed that the information which was requested was necessary in order for the Commission to make its decision on the condominium hotel operator registration. Ms. de Beer stated that her concerns were alleviated.

B.W.T., Inc.

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

Randall Sakumoto, attorney for B.W.T., Inc. was present on behalf of B.W.T., Inc.'s application for registration as a Condominium Hotel Operator.

Mr. Sakumoto stated that he is with the law firm which represents B.W.T., Inc. His partner is the attorney representing B.W.T., Inc., however he is out of town and is unable to attend the meeting. Mr. Sakumoto requested that the Commission take this item off of the agenda or that it delay decision making on this matter. He stated that he personally did not have sufficient background on the facts and the law to discuss this issue with the Commission today. However, if the Commission decides to consider the application today, he will do his best.

Upon a motion by Commissioner Ching, seconded by Commissioner Lee, it was voted on and unanimously carried to defer decision making on the CHO registration of B.W.T., Inc. until the June 28, 1996 Real Estate Commission meeting.

The declaration needs to be amended to allow the condominium hotel operation in the condominium. Mr. Sakumoto stated that he will look at the matter and will provide a meaningful response. He stated that his client owns only 42 of the 385 units in the Royal Kuhio. He stated that if they are legally required to cause an amendment to be filed, they will do their best to cause that to happen.

Vice Chair Kuriyama returned to the meeting.

Starts International Hawaii, Inc.

Mr. Koji Takahashi, principal broker of Starts International Hawaii, Inc., was present to answer any questions the Commission may have regarding the CHO registration application of Starts International Hawaii, Inc.

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

Licensing -
Restoration of

Lawrence Letoto

Forfeited Licenses: Lawrence Letoto was present to answer any questions the Commissioners may have regarding his application for restoration of his forfeited real estate salesperson's license.

Mr. Letoto stated that he was working as a personal representative to settle the estate of his mother's parents. Mr. Letoto stated that he was surprised at the length of the restoration process.

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

Committee Reports:

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 Laws and Rules Review Committee report of the May 10, 1996 meeting, as follows:

1. **Accept** minutes of March 13 and April 10 meetings.
2. HREREC Report
 - a. PB and BIC Brochure - completed, master used in elective CE course.
 - b. Professional Responsibility Course - next draft to be submitted REB staff for review during May 1996.
3. Program of Work and Budget, FY97 - first draft to be presented at next meeting for subsequent approval at end of June.
4. Commission appointments:
Alfredo G. Evangelista - new Commissioner, term to expire June 30, 1998.
Alvin M. Imamura and Nora A. Nomura, terms to expire June 30, 2000.
5. Neighbor Island Outreach - Kauai is next county during fall.
6. Meredith Corporation, Proposed Affinity Marketing Program - Staff to respond.
7. Next meeting: Wednesday, June 12, 1996
9:00 a.m.
Kuhina Nui Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii

Condominium Review Committee

Upon a motion by Commissioner Ching, seconded by Commissioner Nomura, it was voted on and unanimously carried to approve the Condominium Review Committee Report of the May 10, 1996 meeting, as follows:

1. Condominium Specialist's Report
Accept minutes of the April 10, 1996 meeting.
2. HREREC Report
 - a. Hawaii Condominium Bulletin - The Spring bulletin has been printed. The last bulletin for this fiscal year is the summer issue, presently projected for a June publication. Deadlines for June 7 mailout have been distributed to REC condominium staff.
 - b. Board of Director's Guide - Condominium Insurance and Fidelity Bonds. Guide has been published. Each seminar participant will

- receive a copy. Distribution will be with the last Hawaii Condominium Bulletin. Guides are being stored at the printers until the mailout.
- c. Condominium Spring Seminars - Eight attended Kauai's Condominium Insurance and Fidelity Bond seminar. Seven attended Maui seminar. Eighteen signed up for Kona seminar. Direct mail of fliers were sent to Big Island zip codes to contact person on 4/30/96.
 - d. Interactive Program--HREREC has been offered a complimentary booth at the July 21, 22, 1996 Condo Expo. It has been invited to present a one half to one hour and half mini-seminar at the Condo Expo. HREREC is requesting whether the Real Estate Commission would like to present a session at the Expo on "Building a Sense of Community."
 - e. Publication Subscription System - Thirty-four subscribers participating in the system.
3. Condominium Governance and Management
- a. Petition for Declaratory Relief; Petitioner AOA O Kukui Plaza - Recommend **Deferring** disposition of the petition to the next CRC meeting (June).
 - b. Hawaiian Trust Company Ltd's request for reprinting --
 - 1) Recommend **Approving** the following reprinting policy for condominium education materials:
Approve future request to reproduce materials for which the Hawaii Real Estate Commission holds the copyright, provided that the copies are not intended for resale, the material is reproduced in its entirety, that no additional comment/interpretation/opinion is added to the publication, that caveats about the time sensitive and currentness of the materials are included, and that any further reproduction of the printed materials require the prior approval of the Real Estate Commission.
 - 2) Recommend **Approving** the request for reprinting the entire "Condominium Board Members Powers and Duties (1991), selected excerpts (see attachment 1) and the "Questions and Answers About Condominium Budgets and Reserves" (1995) in entirety subject to the above **Recommended** reprinting policy for condominium education material.
4. Condominium Project Registration, Public Reports, and Sales to Owner-Occupant Announcements
- a. **Public Reports - Recommend approval** to ratify issuance of effective dates for public reports for the month of April 1996.
 - b. **Public Reports Quarterly Action Report - Recommend changing** reporting category from "Number Deficient" to "Number of Incomplete Requests" for clarification purposes.
5. Condominium Program of Work, Interactive Participation -- Recommend **REC's Non Participation** in the 1996 Condo Expo due to the large investment of staff time and the resulting minimal benefits to condominium owners, board members, condominium managing agents and the general public.
6. Next meeting: Wednesday June 12, 1996
10:30 a.m.

Kuhina Nui Room
1010 Richard Street, Second Floor
Honolulu, Hawaii.

Vice Chair Kuriyama clarified that item 3.b.1) also means that nothing is to be physically inserted into the publication. If the reproducer wishes to add their comments to the reprint, they must do so by attaching a cover sheet or a letter to the publication.

Education Review Committee

Upon a motion by Commissioner Aki, seconded by Commissioner Nomura, it was voted on and unanimously carried to approve the Education Review Committee Report for the May 10, 1996 meeting as follows:

1. Real Estate Specialist's Report
Accepted minutes of the April 10, 1996 meeting.
2. Hawaii Real Estate Research and Education Center Report
Continuing Education Elective Course on Seller Disclosure--Steve Gilbert reported that Dr. Ordway has completed work on 3 of the 6 sections set out in the course outline and would submit the entire course for approval at the June ERC meeting. The Committee expressed concerns about the course being available to licensees by July 1, 1996, and whether there would be sufficient time for the Commission to review the course materials. The Committee, therefore, **requested** that the course materials be submitted for review as soon as possible, possibly for the May 24, 1996 REC meeting and/or consider presenting the completed sections.
3. Continuing Education Administration, Curriculum, Courses, Providers, and Instructors
Recommend approval of the instructor certification application of Brian R. Thomas for the course categories of contracts, dispute resolution, risk management, and general brokerage.
4. Next Meeting: Wednesday, June 12, 1996
1:30 p.m.
Kuhina Nui Room
HRH Princess Victoria Kamamalu Building
250 South King Street, Second Floor
Honolulu, Hawaii

Continuing Education Elective Course on Seller Disclosure - The course was received and it was requested that the course be reviewed and comments be forwarded to REB staff by June 3, 1996.

Licensing and Registration - Ratification:

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

Real Estate Brokers

Dean W. Limric dba Dean Realty
Donald E. Swanson dba South Maui Oceanfront Properties
Cherlyn Jean Kong
KI Realty Corporation
John Richard Dodds

Augustine Realty
Jessie Alex Marcos. Gabbuat dba Fil-Am Real Estate
JoAnn B. Jordan
Sita Marie Greeson dba Sita Lee Realty
Glenn T. Honda
Rod Kawamoto Realty, Inc. dba RK Realty, Inc.
Maria L. Conway

Branch Office

The Prudential Locations, Inc., 320 Ward Avenue, Suite 201, Honolulu, HI 96814
The Prudential Locations, Inc., 98-199 Kamehameha Highway, H-9, Aiea, HI 96701

Site Office

Trinet, Inc. - Hawaiian Princess
Kohala Bay Properties, Ltd. - Vista Waikoloa
Schuler Realty/Oahu, Inc. - Ma'ili Kai
Schuler Realty/Oahu, Inc. - Pualani by the Sea
Schuler Realty/Oahu, Inc. - Village on the Green, Phases 1A and 1B
Herbert K. Horita Realty, Inc. - Ko Olina Fairways
Herbert K. Horita Realty, Inc. - Royal Kunia - Kulana Knolls
Herbert K. Horita Realty, Inc. - Royal Kunia Phase I, Sites 6 and 7
Consolidated Resorts, Inc. - The Gardens at West Maui
ERA Maui Real Estate, Inc. - Kua'u Bayview at Pa'ia
Aloha Resorts International, Inc. - Kahana Falls
The Prudential Locations - Hale Makalei
Schuler Realty/Maui, Inc. - Southpointe at Waiakoa, Phases II and III
Kapalua Realty Co., Ltd. - Plantation Estates
Gerald P. Hoakana dba Aikane Properties - The Cliffs at Kahakuloa
Haseko Realty, Inc. - The Courtyards at Punahou

Corporation Name

Centurion Realty Corp. fka Centurion Realty & Management Corporation

Condominium Managing Agent

Nai'a Properties, Inc.
Mid-Pacific Property Management, Ltd.
Maika'i & Associates, Inc.
IPM, Inc.

1996 Reregistration

Hawaii Affordable Properties, Inc.
FPP, Ltd.
AA Management Corporation
Jim C. Turner dba Jim's Investment Management
Fidelity Management, Inc.

Condominium Hotel Operator

Waikoloa Realty, Inc.
Nai'a Properties, Inc.
Hanorai, Inc.
Kathleen E. Oshiro dba Big Island Management Services
IPM, Inc.

1996 Reregistration

Kihei Maui Vacations, Inc. dba Quality Real Estate
Chandler Realty, Inc. dba Maui Condominium Specialists

Executive Officer's Report:

Minutes of Previous Meetings

Upon a motion by Commissioner Ching, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to defer approval of the minutes of the April 26, 1996 Real Estate Commission meeting to the June 28, 1996 Real Estate Commission meeting.

Executive Session:

Upon a motion by Commissioner Lee, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to move into executive session, pursuant to Section 92-5(a)(1), 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 Lee, seconded by Commissioner Aki, it was voted on and unanimously carried to move out of executive session.

Licensing - Restoration of Forfeited Licenses:

Gail Ann Aila
Gregg A. Detwiler
Byron Y. Saigusa
William H. Seavey

Salesperson
Salesperson
Salesperson
Salesperson

After a review of the information submitted by the applicant, Commissioner Aki moved that restoration be approved upon submitting evidence of successfully completing the real estate salesperson's prelicensing course. Commissioner Lindemann seconded the motion. The motion was voted on and unanimously carried.

Jo Aoki
Bert Jun Shimabuku

Salesperson
Salesperson

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

Lawrence Letoto

Salesperson

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

Licensing - Questionable Applications:

Michael A. Dizon

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

Candace W. Lee

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

Marshall D. Rosier

After a review of the information submitted by the applicant, Commissioner Aki moved to approve the real estate sole proprietor and home occupation application of Marshall D. Rosier. Commissioner Lee seconded the motion. The motion was voted on and unanimously carried.

Starts International Hawaii, Inc.

After a review of the information presented by the applicant, Commissioner Aki moved to approve the condominium hotel operator registration application of Starts International Hawaii, Inc. Commissioner Lee seconded the motion. The motion was voted on and unanimously carried.

Big Island Hawaii Realty, Inc. dba Century 21 Big Island

After a review of the information submitted by the applicant, Commissioner Aki moved to approve the condominium hotel operator registration application of Big Island Hawaii Realty, Inc. dba Century 21 Big Island. Commissioner Lee seconded the motion. The motion was voted on and unanimously carried.

Geraldine de Beer dba de Beer Realty

After a review of the information presented by the applicant, Commissioner Lee moved to approve the condominium hotel operator registration application of Geraldine de Beer dba de Beer Realty. Commissioner Lindemann seconded the motion. The motion was voted on and unanimously carried.

Karl F. Lingenfelder

After a review of the information submitted by the applicant, Commissioner Aki moved to approve the real estate broker application of Karl F. Lingenfelder. Commissioner Lee seconded the motion. The motion was voted on and unanimously carried.

Next Meeting:

Friday, June 28, 1996
9:00 a.m.
Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street
Honolulu, Hawaii

Adjournment:

With no further business, the Chair adjourned the meeting at 11:07 a.m.

Reviewed and approved by:

Christine Rutkowski
Executive Officer

Date