

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

MINUTES OF MEETING

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

Date: Wednesday, November 27, 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
Stanley Kuriyama, Vice-Chair
Charles Aki, Hawaii Member
Michael Ching, Kauai Member
Alfredo Evangelista, Public Member
Alvin Imamura, Maui Member
Carol Mon Lee, Public Member (Late Arrival)
Helen Lindemann, Oahu Member

Calvin Kimura, Supervising Executive Officer
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
Camille Chun-Hoon, Condominium Specialist
Shari Wong, Deputy Attorney General
Irene Kotaka, Secretary

Kathryn Matayoshi, Director
Noe Noe Tom, Licensing Administrator
Sharon On Leng, Complaints and Enforcement Officer
Jan Yamane, Program Specialist
Haunani Alm, Special Deputy Attorney General
Rodney S. Nishida, Ayabe Chong Nishimoto Sia & Nakamura

Steve Gilbert, Hawaii Real Estate Research and Education Center
Merrily Leong, Hawaii Association of Realtors
Gary Higa
Abraham Lee
Suzanne Meek
Cheryl Fry
Albert James Del Rio

Excused: Nora Nomura, Public Member

Call to Order: The Chair called the meeting to order at 9:08 a.m., at which time quorum was established.

Chair's Report: No report was presented.

Executive Officer's Report:

Additional Distribution

3. Executive Officer's Report
 - a. 1997 Meeting Schedule
7. Chapter 91, Hawaii Revised Statutes, Adjudicatory Matters
 - b. Charles C. Underwood, aka Chuck Underwood, REC 92-92-L, Supplemental Affidavit of Lynn Minagawa; Exhibits "1" - "3"
9. Committee Reports
 - a. Laws and Rules Review Committee - Licensing Renewal - Licensees with Tax Problems under MOU
 - b. Condominium Review Committee - Senate Resolution 54, S.D. 2, Legislative Reference Bureau Recommendations

1997 Meeting Schedule

The final copy of the Real Estate Commission's 1997 Meeting schedule was distributed to the Commissioners for their information. The Commissioners were asked to notify staff if they are unable to attend the meetings.

The Executive Officer informed those present of the schedule for today's meeting. The Director's Report will be discussed at 10 a.m. Chapter 91, HRS, Adjudicatory Matters, will be discussed at 10:45 a.m. Real Estate Recovery Fund matters will be discussed at 11 a.m., to be followed by the Committee Reports.

Licensing:

Questionable Applications

Gary K. Higa

Mr. Higa was present to answer any questions the Commission may have had regarding his application for a real estate salesperson's license. Mr. Higa was asked if he would like to have his application considered in executive session. Mr. Higa accepted the offer.

Executive Session:

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Aki, it was voted on and unanimously carried to enter 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;"

Commissioner Lee arrived.

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

Licensing:

Gary K. Higa

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

Cheryl A. Fry

Ms. Fry was present to answer any questions the Commission may have had regarding her application for a real estate salesperson's license. Ms. Fry was asked if she would like to have her application considered in executive session. Ms. Fry accepted the offer.

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)(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 Imamura, it was voted on and unanimously carried to move out of executive session.

Licensing:

Cheryl A. Fry

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

Suzanne N. Meek

Ms. Meek was present to answer any questions the Commission may have had regarding her application for a real estate broker's license. Ms. Meek was asked if she would like to have her application considered in executive session. Ms. Meek accepted the offer.

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)(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 Imamura, it was voted on and unanimously carried to move out of executive session.

Licensing:

Suzanne N. Meek

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

Albert James Del Rio

Mr. Del Rio was present to answer any questions the Commission may have had regarding his application for a real estate salesperson's license. Mr. Del Rio was asked if he would like to have his application considered in executive session. Mr. Del Rio accepted the offer.

Executive Session:

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

Licensing:

Albert James Del Rio

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

Abraham Lee

Mr. Lee was present to request a reconsideration of the denial of the applications for the continuing education course certification for the courses, "Family Limited Partnerships: Limiting Liabilities, Asset Reduction and Real Estate" and "Charitable Remainder Trusts, An Alternative to 1031 Exchanges". The CE course certifications were denied during the September 25, 1996 and the October 30, 1996 meetings, respectively.

Mr. Lee apologized for not being able to attend the previous meetings when his applications were originally considered.

Mr. Lee stated that he had not intended to appeal the Commission's decision or to request for reconsideration of its previous decision, however, several attorneys had approached him about offering the courses. He has also received interest from some of his students to take the courses.

Mr. Lee distributed copies of an article entitled, "Non-profits attract donors with charitable trusts," which appeared in the November 25, 1996 issue of the Pacific Business News. Mr. Lee stated that Castle Medical Center alone has over 80 charitable remainder trusts (CRTs) within their organization. They hire real estate brokers to manage the real property owned by the trust. Mr. Lee stated that he feels strongly that the licensees need to know about CRTs and they need to understand the mechanism behind the CRTs.

Mr. Lee stated that over 90% of family assets in Hawaii are in family limited partnerships (FLPs).

Mr. Lee explained that the trust acquires the property, hires a trustee to oversee the property. The trustee then hires a real estate broker to manage the property in the trust. Mr. Lee stated that a CRT is tax exempt. When the asset is sold, no taxes are paid on the sale of the assets. Whereas, in 1031 exchanges, the payment of the taxes are deferred to a later date. CRTs benefit the charities, the tax payer and the owner of the property. Mr. Lee stated that licensees have to draw the line and not give advice on tax planning. He feels that if the licensee understands the basics, they will know where to draw the line.

Mr. Lee was asked if CRTs and FLPs have received approval by the IRS and if they have been tested in the courts. Mr. Lee stated that CRTs have many prototypes which the IRS has approved in setting up the trusts. FLPs have established legitimacy and court cases have been established.

Commissioner Lindemann stated that she had spoken with a tax attorney on

FLPs and he had advised her that FLPs are risky and he was unclear as to whether or not they had been approved. She asked Mr. Lee what he would be proposing to include in the course content should the courses be approved. Mr. Lee stated that the course content would be limited to the sale and it would not give tax advice. Mr. Lee also stated that court cases have been before the IRS courts and these cases have substantiated FLPs.

Mr. Lee stated that in addition to knowing the background of CRTs and FLPs need to know when to draw the line.

Mr. Lee was asked if he was a CPA. Mr. Lee stated that he had passed three out of the four exams. Since he did not have the required practical hours, he did not pursue his CPA designation. When asked, he stated that he was not an attorney.

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

Licensing and
Registration -
Ratification:

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

<u>Brokers</u>	<u>Effective Date</u>
Gilman P. Budar 1777 Ala Moana, Suite 101 Honolulu, HI 96815 Gilman P. Budar, pb	09/18/96
Edith L. Muench 55 South Judd Street, #404 Honolulu, HI 96817 Edith L. Muench, pb	10/23/96
Oceans Apart Vacations, Inc. 75-5799 Alii Drive, B-56 Kailua-Kona, HI 96740 Jay J. Spadinger, pb	09/05/96
The J. S. North Company, Inc. 1088 Bishop Street, #909 Honolulu, HI 96813 Joseph S. North, Jr., pb	10/14/96
Beatrice J. Okuda Home Managers 98-027 Kam Hwy. Aiea, HI 96701 Beatrice J. Okuda, pb	10/22/96

Chu Lan Shubert Chu Lan Properties 918-H Smith Street, Ground Floor Honolulu, HI 96817 Chu Lan Shubert, pb	09/18/96
Lance M. Kakuno L.M.K. & Associates 1314 South King Street, Suite 954 Honolulu, HI 96814 Lance M. Kakuno, pb	10/23/96
Robert Takeo Hirayasu, Jr. 6650 Hawaii Kai Drive, #230 Honolulu, HI 96825 Robert T. Hirayasu, pb	10/29/96
Doris A. Armbruster 28-1688 Government Road Honolulu, HI 96728 Doris A. Armbruster, pb	10/28/96
Carolyn D. Lewis Carolyn Lewis Real Estate 272 Kuukama Street Kailua, HI 96734 Carolyn D. Lewis, pb	11/13/96
Bob German Inc. Aloha Island Properties 4473 Pahee Street, Suite N Lihue, HI 96766 Robert John German, pb	10/23/96
Clearly Maui, Inc. 1325 S. Kihei Road, #110 Kihei, HI 96753 Daniel T. Sayles, pb	09/11/96
Cordero Corp. Pacific Century Realty 2119 N. King Street, #307 Honolulu, HI 96819 David A. Cordero, pb	11/08/96
Kona Coast Realty Corporation 75-240 Nani Kailua Drive, #8 Kailua-Kona, HI 96740 Ronald M. Aronson, pb	11/08/96

<u>Tradename</u> Frederick O. Harris, Harris Realty Management (fka Frederick O. Harris, Fred O. Harris Realty & Management)	<u>Effective Date</u> 10/11/96
Janice H. Brown, Jan & Associates (fka Janice H. Brown, Janice Brown Realty)	10/24/96
<u>Corporation Name</u> Hawaii Commercial Inc. (fka Hawaii Commercial Real Estate Services Inc.)	<u>Effective Date</u> 10/18/96
Property Marketing of Hawaii Inc. (fka David Schlegel, Inc.)	11/12/96
<u>Site Office</u> Trinet Inc. Hawaiian Princess 84-1021 Lahilahi, #111 Makaha, HI 96792	<u>Expiration Date</u> 04/12/97
Schuler Realty/Oahu, Inc. Ma'ili Kai 87-847 Kulakoa Street Waianae, HI 96792	05/24/97
The Prudential Locations, Inc. Piilani Village 817 Mahealani Place Kihei, HI 96753	05/07/97
The Prudential Locations, Inc. Kua'aina Ridge 15 N. Hiena Place Makawao, HI 96768	06/27/97
Realty Executives Hawaii Alii Lani Phase 1A and 1B 75-6081 Alii Drive Kailua-Kona, HI 96740	03/04/97
<u>Branch Office</u> Koll Asia Pacific-Hawaii, Inc. 1325 South Kihei Road #230 Kihei, HI 96753 Linda A. Gee, pb Numia B. Blackwell, bic	<u>Effective Date</u> 10/18/96

Beatrice Junko Okuda Home Managers 101 Kaahumanu Avenue, Suite JJ Kahului, HI 96732 Beatrice J. Okuda, pb Marian Kunihisa, bic	10/22/96
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<u>Education Waiver Certificate</u>	<u>Expiration Date</u>
Leslie Rumiko Lewis	10/23/97
Richard Ledon Foster	10/23/97
Yehudah Oren Younessian	11/01/97

<u>Real Estate Broker Experience Certificate</u>	<u>Expiration Date</u>
Judith F. K. Jackola	10/31/97
Robert H. Fulford	11/07/97
William Lum	11/13/97

<u>Real Estate Broker (upgrade)</u>	<u>Effective Date</u>
William A. Elliott	09/11/96
John S. Rabi	10/21/96
Newton A. Lieurance	10/22/96

<u>Continuing Education Waiver</u>	<u>Effective Date</u>
Daniel Charles Coyle, Jr.	10/22/96
Stephen T.L. Hurwitz	10/23/96
John H. Page Papazian	10/23/96
Michael J. Watt	10/23/96
Melvin B. Hewett	10/23/96
William G. Stone	10/21/96
Mary Haruko Rogde	10/17/96
Helen M. MacArthur	10/24/96
Yu Neu Bench	10/24/96
Charles Manual Bench	10/24/96
Janet T. Higa	10/24/96
Milton Hagiwara	10/24/96
Harriet K. Mizuguchi	10/24/96
Peter M. Bareng	10/24/96
Peter Stewart Smith	10/28/96
Hing Y. Tom	10/28/96
Douglas S. Hasegawa	10/28/96
Simon Bebb	10/28/96
James K. Takauye	10/28/96
Emi Takauye	10/28/96
Robert Nakamatsu	10/29/96
James George Lee	10/29/96
Michelle H. Tucker	10/29/96
Randy Y. F. Hew	10/29/96
Akie K. Ogasawara	10/29/96
David Basque	10/29/96
Grace M. West	10/29/96
Raymond E. Hoe	10/29/96
John H. Phelps	10/29/96
Alvin Theodore Amaral	10/29/96
Roy M. Kodani	10/29/96

Liliane S. Tsuha	10/31/96
Robert Helstowski	10/30/96
Andrew J. Gerakas	10/30/96
Henry William Medford	10/30/96
Margaret Sellers Priest	10/31/96
Vicente Blas	10/31/96
Paul Rod Johnstone	10/31/96
Michael J. Lum	11/01/96
Helen D. Dietz	11/01/96
Richard M. C. Lum	11/01/96
Muneo Sameshima	11/01/96
Dayton Francis Caple	11/01/96
Renee L. Kam	11/01/96
Terri W. Chun	11/01/96
Maura C. Tacderan	11/01/96
Clyde T. Abe	11/01/96
H. Brian Moore	11/01/96
James S. Kawaoka	11/07/96
Margaret H. Locey	11/07/96
Joseph James Ornellas	11/06/96
Fred C. Blanco	11/06/96
Peter Z. Dyck	11/06/96
Samuel Umi Apo	11/06/96
Allen I. Marutani	11/06/96
Christine N. Onishi	11/06/96
Eugene W. I. Lau	11/06/96
Cedric Choi	11/06/96
Theodore Bruce Hannon	11/06/96
Marvin Allan Fong	11/06/96
Reynold I. Chang	11/06/96
Wadsworth Y. H. Yee	11/06/96
William Lloyd Campbell	11/06/96
Charles P. McClelland	11/06/96
Albert Bernard Bays	11/06/96
Charles L. Lizama, Jr.	11/06/96
Hugh Young Starr	11/06/96
Albert David Kauwe	11/06/96
Edward C. Hustace	11/06/96
William Robert Bagg	11/06/96
James L. K. Dahlberg	11/06/96
Marian Mirikitani	11/08/96
Sandra M. Thompson	11/08/96
Gretchen A. Marshall	11/08/96
Thomas Hiroshi Shiroma	11/08/96
Alan J. Fentriss	11/08/96
Lawrence Tadao Fukumoto	11/08/96
Theodore Tadaki Miyamoto	11/08/96
Bruce Oliver Cook	11/08/96
Aileen S. Kitaoka-Yee	11/08/96
Eulalio Wallingsford Alpuerto	11/08/96
Delores W. Sandvold	11/08/96
Carol M. Egan	11/12/96
Tadao Kurosu	11/13/96
Jacque A. Dalaunay	11/13/96

Alan A. Cabasug	11/13/96
Richard C. Langley	11/14/96
Gary Shizuo Kaneko	11/14/96
Arlene K. Ellis	11/14/96
Molleen M. Kealoha	11/14/96
Ernest D. Kealoha	11/14/96
Charlotte Graham	11/15/96
Emilia N. Centeio	11/15/96
Lennart H. I. Husen	11/15/96
Dorothy K. Higa	11/15/96
Patricia W. Buckman	11/15/96
David C. Y. Law	11/15/96
Ludwig Kuglmeier	11/15/96
Janice K. Ah Sing	11/15/96
Maria Yuen-Hung Law	11/15/96
Sandra W. McCloskey	11/15/96
Myron O. Kirkeby	11/15/96

<u>Condominium Hotel Operator</u>	<u>Effective Date</u>
Kauai Vacation Rentals & Real Estate, Inc. 3-3311 Kuhio Highway Lihue, HI 96766	10/30/96

Hanalei Aloha Rental Mgmt., Inc. P.O. Box 1109 Hanalei, HI 96714	10/30/96
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Garden Island Management & Realty, Inc. 3366 Wa'apa Road, Suite 115 Lihue, HI 96766	10/31/96
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RCI Management, Inc. 4-1250 Kuhio Hwy. Kapaa, HI 96746	11/14/96
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<u>Condominium Managing Agent</u>	<u>Effective Date</u>
Garden Island Management & Realty, Inc. 3366 Wa'apa Road, Suite 115 Lihue, HI 96766	10/31/96

RCI Management, Inc. 4-1250 Kuhio Hwy. Kapaa, HI 96746	11/14/96
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Valerie Jean Ventura dba Properties in Paradise 2270 Oluolu Road Koloa, HI 96756	11/15/96
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Recess: The Chair recessed the meeting at 9:53 a.m.

Reconvene: The Chair reconvened the meeting at 10:08 a.m.

Director's Report: Kathryn Matayoshi, Director of the Department of Commerce and Consumer Affairs, was present to discuss the Administration's proposed legislation. Ms. Matayoshi stated that the Governor's emphasis is on economic development. The Governor would like to improve Hawaii's business climate. DCCA needs to keep the Governor's goal in mind while balancing its mission, which is to protect the public. The Director explained how the proposed legislation will impact the Commission. The proposed legislation includes the following:

1. Fees collected from real estate licensees will be deposited into the PVL Special fund or the appropriate trust fund. The purpose is to insure that the fees collected benefit the regulatory programs that govern it.
2. Elimination of notarized document requirement. Although the notarization requirement will be eliminated, applicants/licensees will be required to sign a certification statement attesting to the truthfulness, accuracy and completeness of the application.
3. Provide the Commission with the power to consider licensure by endorsement. The individual boards and commissions must determine if the other States have equivalent or superior standards to Hawaii. The board or commission will have the discretion to grant equivalencies.
4. Elimination of wall certificates. Once the initial license period is over, the wall certificate does not provide any indication that the licensee holds a current license. The pocket card will be the indicia of licensure.
5. Eliminate the Commission's requirement to review tradenames or franchise names which have already been approved by the Business Registration Division. The bill also allows the real estate broker's name to be used in the event of death or incapacitating disability and also for alternative proof on the Condominium Hotel Operator bond requirement.

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

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

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Lee, it was voted on and unanimously carried to accept the report of the November 13, 1996 Laws and Rules Review Committee Meeting, as follows:

1. **Accept** minutes of the September 11, 1996 and the October 25, 1996 meetings.
2. Program of Work
Licensing Renewal - Licensees with Tax Problems under MOU -
Recommend the following, with further discussion at the November 27,

1996 Real Estate Commission meeting:

- a. Staff work with the Chair of the Laws and Rules Committee in drafting a letter to the licensees with tax problems notifying them that the Commission has been informed that they are not in compliance with the State tax laws and that they should contact the Department of Taxation to clear up any discrepancies;
 - b. Staff to investigate administrative implementation of sending out the letter to the licensees involved;
 - c. Staff to discuss with RICO the possible disciplinary actions which could arise out of a licensee's non-compliance;
 - d. Invite the Complaints Enforcement Officer to the November 27, 1996 Real Estate Commission meeting, in conjunction with Director's presence at the meeting.
3. Budget and Finance Report
Recommend approval of the Real Estate Recovery Fund Report for the year ended June 30, 1996.
4. Next Meeting: Wednesday, December 11, 1996
9:00 a.m.
Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii

License Renewals - The Executive Officer reported that as of November 25, 1996, 4,922 renewal applications have been received; 1,867 licensees have been successfully renewed; 701 are awaiting the renewal of the real estate broker licensees; and approximately 1,000 are deficient on their own. Pocket cards are being run twice a week.

ARELLO Special Mid-Winter Committee Meetings - Upon a motion by Commissioner Aki, seconded by Commissioner Imamura, it was voted on and unanimously carried to approve the SEO's participation and attendance at the ARELLO Special Mid-Winter Committee Meetings, to be held in January 1997.

Licensing Renewal - Licensees with Tax Problems Under the MOU - Upon a motion by Commissioner Kuriyama, seconded by Commissioner Ching, it was voted on and unanimously carried to approve the following:

1. Based upon the inability to hold due process hearings for all renewal applicants with Tax problems, renewals will be processed to completion provided the applicant satisfies all real estate renewal requirements;
2. Based upon the Director of DCCA's intention to meet with the Director of Taxation, no action will be made to refer the licensees to RICO for disciplinary action; and
3. Send a letter to the licensees who received notice from TAX, with the final form to be approved by DCCA, the Chair, the Vice Chair, Commissioner Ching and the Deputy Attorney General.

The EO reported that the anticipated costs of the mail out will be approximately \$1,100.

Condominium Review Committee

Upon a motion by Commissioner Lee, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to accept the report of the November 13, 1996 Condominium Review Committee meeting, as follows:

1. Minutes of Previous Meetings
Accept committee minutes of September 11, 1996 and October 25, 1996.
2. 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 October 1996.
3. Program of Work
 - a. Rulemaking, Chapter 107--Recommend approval to review and consider where appropriate the comments submitted by Jonathan R. Carr, Jeffrey S. Grad, John Morris, Ruth Okada, Steven W. Gilbert, and Richard Ekimoto in the next draft of the proposed rules. Further recommend approval that committee member, Alfredo Evangelista and REB staff do the review and recommend to the committee the next draft of the proposed rules.
 - b. Registrations - AOA's and Condominium Managing Agents, Ratification Report
 - 1) AOA Registration Report dated 10/30/96 - Recommend approval to ratify issuance of effective registration dates for Associations of Apartment Owners for the months of August, September, and October 1996.
4. CMEF Budget and Finance Report
Recommend approval to accept the Condominium Management Education Fund Report for the Year ended June 30, 1996.
5. Next meeting: Wednesday, December 11, 1996
10:30 a.m.
Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii

Senate Resolution 54, S.D.2, Legislative Reference Bureau Recommendations - The SEO requested that the Commissioners review the proposed legislation and provide comments to the Senior Condominium Specialist by December 2, 1996.

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 November 13, 1996 Education Review Committee meeting, as follows:

1. Accept minutes of the meeting of October 25, 1996.
2. Hawaii Real Estate Research and Education Center Report
 - a. Seller Disclosure Law elective course - Dr. Nicholas Ordway submitted an outline for the course entitled "Working With Hawaii's Seller Disclosure Course" that described the course's

- basic structure and objectives. He reported that he expected to finish the course within two to three days, after which the course would be formatted by HREREC staff.
- b. Broker's Curriculum and Resources - Dr. Ordway reported that he will complete his fifty State analysis of the broker preclicensing curriculum by the end of this month. He will submit a written report to the Committee for consideration at its January meeting.
3. Continuing Education Administration, Curriculum, Courses, Providers, and Instructors

Commissioner Evangelista was excused due to a conflict of interest.

Eddie Flores Real Estate Continuing Education - Recommend approval for registration as a continuing education provider.

Commissioner Evangelista returned to the meeting.

4. Next Meeting: Wednesday, December 11, 1996
1:30 p.m.
Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii

Chapter 91, HRS,
Adjudicatory Matters:

The Chair called for a recess from the meeting at 10:56 a.m. to discuss and deliberate on the following adjudicatory matters, pursuant to Chapter 91, HRS:

Beatrice Bowman fka Beatrice B. Haigh and fka L. Haigh, REC 95-176-L

Commissioner Kuriyama was excused from the meeting.

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

Commissioner Kuriyama returned to the meeting.

Charles C. Underwood aka Chuck Underwood, REC 92-92-L

Upon a motion by Commissioner Imamura, seconded by Commissioner Ching, it was voted on and unanimously carried to accept the Affidavit and Supplemental Affidavit of Lynn Minagawa and ordered the revocation of Charles C. Underwood's real estate salesperson's license. The Commission further orders that as a condition of obtaining a new real estate salesperson's license, Respondent will be required to satisfy the terms of the Commission's Final Orders, dated September 30, 1994 and September 22, 1995 and any other terms or conditions imposed by the Commission.

Following the Commission's review, deliberation and decision in this matter, pursuant to Chapter 91, HRS, the Chair announced that the Commission was reconvening its scheduled meeting at 11 a.m., pursuant to Chapter 92, HRS.

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

Recovery Fund Report:

Clifford Laughton, REC-TAX-96-1

Upon a motion by Commissioner Imamura, seconded by Commissioner Ching, it was voted on and unanimously carried to approve the settlement of \$64 to Clifford Laughton.

Licensing:

Restoration of Forfeited Licenses

Daniel A. Ecklund	Salesperson
Patti L. Johnson	Salesperson
Michelle F. Kahele	Salesperson
Sang Y. Pae	Salesperson
C. Doane Triggs	Salesperson

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

Questionable Applications

Gary K. Higa

After a review of the information presented by the applicant, Commissioner Lindemann moved to deny the real estate salesperson's license of Gary K. Higa, unless within 60 days, he submits proof of payment or approved written payment plan with the State of California, Franchise Tax Board for all outstanding tax obligations and documents to verify compliance with conditions set forth in the accepted Offer in Compromise with the IRS, in accordance with §467-8(3), and §436B-19(10),(8) and (12), HRS. Commissioner Imamura seconded the motion. The motion was voted on and unanimously carried.

James H. Johns

After a review of the information presented by the applicant, Commissioner Lindemann moved to deny the real estate salesperson's license of James H. Johns, unless within 60 days, he submits proof of payment or approved written payment plan with the IRS for all outstanding tax obligations, in accordance with §467-8(3) and §436B-19(10), (8) and (12), HRS. Commissioner Imamura seconded the motion. The motion was voted on and unanimously carried.

Cheryl A. Fry

After a review of the information presented by the applicant, Commissioner Lee

moved to approve the real estate salesperson's license of Cheryl A. Fry. Commissioner Lindemann seconded the motion. The motion was voted on and unanimously carried.

Suzanne N. Meek

After a review of the information presented by the applicant, Commissioner Aki moved to approve the real estate broker's license of Suzanne N. Meek. Commissioner Evangelista seconded the motion. The motion was voted on and unanimously carried.

Samuel D. Almazan, Almazan & Associates Realty

After a review of the information submitted by the applicant, Commissioner Ching moved to approve the sole proprietor application of Samuel D. Almazan dba Almazan & Associates Realty. Commissioner Aki seconded the motion. The motion was voted on and unanimously carried.

Albert James Del Rio

After a review of the information presented by the applicant, Commissioner Lindemann moved to deny the real estate salesperson's license of Albert James Del Rio, unless within 60 days, he submits proof of payment or approved written payment plan with the IRS for all outstanding tax obligations, in accordance with §467-8(3), HRS, and §436B-19(10), (8) and (12), HRS. Commissioner Imamura seconded the motion. The motion was voted on and unanimously carried.

Joseph H. Main dba Wailea Properties

After a review of the information submitted by the applicant, Commissioner Ching moved to approve the extension of the temporary principal broker appointment of Janet Williams from January 2, 1997 to February 28, 1997. Commissioner Lee seconded the motion. The motion was voted on and unanimously carried.

Oceans Apart Vacations, Inc.

After a review of the information submitted by the applicant, Commissioner Lee moved to approve the CHO application request for fidelity bond exemption. Commissioner Ching seconded the motion. The motion was voted on and unanimously carried.

Oceanfront Realty International, Inc.

After a review of the information submitted by the applicant, Commissioner Lee moved to approve the CHO application request for fidelity bond exemption.

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

Abraham Lee

After a review of the information presented by the applicant, Commissioner Lindemann moved to deny Mr. Lee's request for reconsideration of the applications for continuing education courses, "Charitable Remainder Trusts, An Alternative to 1031 Exchanges" and "Family Limited Partnerships: Limiting Liabilities, Asset Reduction and Real Estate." Commissioner Lee seconded the motion. The motion was voted on and unanimously carried.

Next Meeting:

Thursday, December 12, 1996
9:00 a.m.
Kapuaiwa 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 11:46 a.m.

Reviewed and approved by:

Christine Rutkowski
Executive Officer

Date