

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: Thursday, July 24, 1997

Time: 9:00 a.m.

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

Present: Alvin Imamura, Chair
Carol Mon Lee, Vice Chair
Charles Aki, Hawaii Member
Michael Ching, Kauai Member
Mitchell Imanaka, Oahu Member
Helen Lindemann, Oahu Member
Nora Nomura, Public Member
John Ohama, Oahu Member

Calvin Kimura, Supervising Executive Officer
Christine Rutkowski, Executive Officer
Edmond Ikuma, Senior Real Estate Specialist
Lee Ann Teshima, Real Estate Specialist
Russell Wong, Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
Camille Chun-Hoon, Condominium Specialist
Gina Watumull, Condominium Specialist
Winfred Pong, Deputy Attorney General
Irene Kotaka, Secretary

Haunani Alm, Special Deputy Attorney General
Dr. Nicholas Ordway, Hawaii Real Estate Research & Education Center
Alicia Oh, Hawaii Real Estate Research & Education Center
Marsha Shimizu, Hawaii Association of REALTORS
Crystal Landcaster, Hawaii Association of REALTORS
Peter Tegan, Applicant
J. Michael Hughes, Applicant

Excused: Alfredo Evangelista, 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: The Chair welcomed the incoming Commissioners, Mitchell Imanaka and John Ohama.

Executive Officer's Report: **Announcements, Introductions, Correspondence and Additional Distributions**

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

5. Licensing - Restoration of Forfeited Licenses J. Michael Hughes

- John Robert Hoff
- 6. Licensing - Questionable Applications
Cordially F. Ramos-Newton
- 9. Committee Reports - HREREC Report

Winfred Pong, Deputy Attorney General, attended the meeting in place of Shari Wong who was unable to attend the meeting.

The latest Commission roster was distributed to the Commissioners for their information. The public may request copies by calling the Real Estate Branch office.

A copy of the revised Commission meeting schedule for the remainder of 1997 was distributed to the Commissioners for their information. The September and October Standing Committee meeting dates have been changed.

Minutes of Previous Meetings

Approval of the minutes of the June 27, 1997 Real Estate Commission meeting were deferred to the end of the meeting.

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

Licensing and
Registration -
Ratification:

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

<u>Brokers - Corporations and Partnerships</u>	<u>Effective Date</u>
Claude Heon Realty, Inc. Claude Heon, PB	06/12/97
Island Realty Corporation Elizabeth A. Herszage, PB	05/02/97
South Point Properties, Inc. Diana C. Prentiss, PB	06/23/97
<u>Brokers - Sole Proprietor</u>	<u>Effective Date</u>
Donald D. Weeks	07/15/97
Linda R. Huffman	05/23/97
Stanley M. Yoshioka	06/16/97
Jerol Noel Hanson	03/07/97
Sandra G. Hansen	06/05/97
Harriette S. Duncan	01/28/97
Verna K. F. Lum	06/13/97
Theeocly Davis See	06/04/97
Richard A. Duran	02/21/97
Julie A. Black Kauai Dreams Realty	07/01/97
Robert B. Sullivan	06/24/97
Emmanuel W. T. Chen	06/16/97
Leona M. Holaday	06/18/97
Soen L. Kwee	06/18/97
Merrie N. Higa	07/01/97
Richard S. Shipp	06/30/97
Thomas T. Takeuchi	07/01/97
Alton I. Nadamoto	07/01/97
Douglas S. Hasegawa	03/07/97
Richard B. Ferguson	05/07/97 <u>Limited</u>

<u>Liability Company</u>	<u>Effective Date</u>
DTF, L.L.C. Douglas T. Fortner, PB	05/27/97
<u>Tradename</u>	<u>Effective Date</u>
Pahoa Realty, Ltd. (fka The Prudential Pahoa Realty)	06/02/97
Stuart W. Wade, Diamond Head Properties	06/12/97
Warren M. Haynes, Jr., Realty Investors Maui	06/06/97
<u>Site Office</u>	<u>Expiration Date</u>
Valley Isle Realty, Inc. The Greens at Maui Lani	12/17/97
ERA Maui Real Estate, Inc. The Greens at Maui Lani	12/17/97
Century 21 Royal Maui Properties, Ltd. The Greens at Maui Lani	12/17/97
The Prudential Locations The Greens at Maui Lani	12/17/97
Peros Realty Company, Inc. The Greens at Maui Lani	12/17/97
Schuler Realty/Oahu, Inc. Pale Kai	12/16/97
Schuler Realty/Oahu, Inc. Po'okela	12/16/97
Castle & Cooke Homes Hawaii, Inc. Island Bungalows	12/27/97
Gentry Realty, Ltd. Fiesta Sea Breeze by GentryClearly Maui, Inc.,	01/03/98
ReMax Maui The Meadowlands	02/06/98
C. Brewer Homes, Inc. Kaimana at Kehalani Halemalu at Kehalani Laule'a at Kehalani	12/15/97
Towne Realty Brokerage Services, Inc. Streamside at Launani Valley, Phases I and II The Gardens at Launani Valley, Phases I and II The Terraces at Launani Valley	01/18/98
Gentry Realty, Ltd. Suncrest, Phase B	01/17/98
Schuler Realty/Oahu, Inc. Westview at Makakilo Heights, Phase II	12/23/97
SHC-Properties, Inc. Executive Centre	11/29/97
Gentry Realty, Ltd. Alii Cove Phases 1, 2, 3, 4, and 5	01/17/98
Michael Spalding Land Co., Ltd. The Greens at Maui Lani	12/17/97
Okamoto Realty Villas at Koele	01/03/98
Watt Hawaii Realty, Inc. A'eloa Villages of Kapolei	02/09/98
Properties Unlimited, Inc. Iwalani - Villages of Kapolei 5	02/05/98
Properties Unlimited, Inc. Honuakaha	01/30/98

Herbert K. Horita Realty, Inc. Royal Kunia Phase I - Site 6 and 7	11/16/97
<u>Education Waiver Certificate</u>	<u>Expiration Date</u>
Whitney A. Dunn	06/27/98
Nicolette Diane Rossbach	07/03/98
Tim Baltzer	07/09/98
<u>Real Estate Broker Experience Certificate</u>	<u>Expiration Date</u>
Don A. Persons	07/02/98
Denise S. Browning Nakanishi	07/02/98
Janice K. Brokerick	07/03/98
Donna J. Stott	07/11/98
<u>Real Estate Broker (upgrade)</u>	<u>Effective Date</u>
Betsy K. Wickstrom	06/17/97
Hisako C. Wada	07/02/97
Janet M. McDade	06/27/97
<u>Continuing Education Waiver</u>	<u>Effective Date</u>
Eric Yee Marn	07/03/97
<u>Condominium Managing Agent</u>	<u>Effective Date</u>
Hawaii First Inc.	06/19/97

The Chair returned and resumed presiding over the meeting.

Limited Liability Companies (LLCs) - Commissioner Lindemann asked about the licensing of LLCs.

The SEO stated that the Division has determined that LLCs are allowed for all licensing areas, with the exception of real estate salespersons who are associated with a broker. Sole proprietors or real estate brokers with licensees under them can be a LLC. A company can be a LLC. A real estate broker salesperson or a salesperson cannot be a LLC, however, a sole proprietor with licensees under them can be a LLC. The principal broker would be an employee of an LLC. REB staff will provide more information to the Commissioners on the LLCs.

Licensing - Restoration
of Forfeited License:

J. Michael Hughes

Mr. Hughes was asked if he would like to have his application considered in executive session. He declined the offer.

Mr. Hughes submitted, as exhibits, copies of the first pages of the deeds from his computer that he had done in the last few years. The deeds represent some but not of all of the real estate transactions that he has handled. He also presented documents showing that the First Circuit Court had appointed him as a Commissioner on five different foreclosure sales in the last few years. The cases were usually extensive, involved and highly litigated. The average case took one year to due to their complexities.

Mr. Hughes also stated that he has given several seminars on Charitable Remainder Trusts and how they apply to real estate transactions at different real estate brokers in Hawaii. As a result of the seminars, he has generated millions of dollars of real estate sales for local brokers and their agents. Some of the brokers for which he has given seminars for in the last few years are Century 21 Lewis

Real Estate (two times), Hale Ohana Century 21 Real Estate, Coldwell Banker McCormack (four times), ERA Jones (three times), Dolman Realty (one time), an island-wide meeting for Century 21 (one time) and Prudential Locations (one time).

Mr. Hughes stated that his prime interest in a real estate license is now two-fold. He stated that he has a mainland buyer who wants to buy a sizable business here that he will expand. The second reason is that he has begun working on projects where he would sell businesses (involving real estate) to Asians so that they can receive their green cards.

Mr. Hughes stated that since the beginning of this year, other attorneys have brought in over fifty million dollars of investment money into Hawaii's economy by structuring these investments. These investors usually buy homes here as well.

He stated that his wife is from a famous movie family from India and he has received great interest from India about these "green card investments." He and his family will be leaving on July 29th to go to India for three weeks to meet with prospective investors in Hawaii's economy. He stated that this will be great for Hawaii and for the real estate industry here (that they will be co-brokering with).

Based on his expertise as a real estate attorney for 27 years, his years of real estate licensing in Hawaii (1987 to 1995), his work as a Commissioner and the 14 years as a licensed Real Estate Broker in Michigan, he would like to request that the Commission waive the course and exam requirement for restoring his real estate salesperson's license, to waive the course, time requirement and examination requirement for his real estate broker's license. He stated that this will help to stimulate the economy in Hawaii, stimulate commercial real estate sales and residential sales and is a prudent thing to do in light of his experience and expertise. He stated that we all want to get rid of the image that Hawaii is a state with excessive red tape that hinders business. He stated that he could reinstate his broker's license in Michigan in one week, but he would rather bring the business to Hawaii from Asia. Mr. Hughes stated that the Commission's positive decision to grant him a real estate broker's license will be their part in doing away with this "red tape" reputation that Hawaii has and bring more money into the real estate industry of the economy in Hawaii.

Mr. Hughes stated that he has lived in Hawaii for 12 years. He is also practicing law and concentrates in the real estate area.

Mr. Hughes was asked the reason for the non-renewal of his license. He stated that he had gotten married and had gotten a baby in the first year. He was not doing any real estate transactions as a licensee.

Licensing -
Questionable
Applications:

Peter Tegan

Mr. Tegan was asked if he would like to have his application considered in executive session. Mr. Tegan declined the offer.

Mr. Tegan stated that his bankruptcy was discharged on June 6, 1997. He thanked the Commission for considering his application and that if the Commission had any questions, he would attempt to answer them.

Mr. Tegan was asked if he had any outstanding Federal or State tax obligations. He stated that his tax obligations have been discharged and if there were any late State of Hawaii taxes, they were paid.

Upon a motion by Commissioner Aki, seconded by Commissioner Ching, 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 Ching, seconded by Commissioner Nomura, it was voted on and unanimously carried to accept the report of the July 9, 1997 Laws and Rules Review Committee meeting, as follows:

1. Chair's Report- **Recommend approval** of the Commission Chair's recommendations as to the organization of the Commission and the Standing Committees, specifically to the Laws and Rules Review Committee, per July 1, 1997 memorandum, as follows:

Vice Chair - Carol Mon Lee

LRRC Chair - Michael Ching

LRRC Vice Chair - Nora Nomura

Members:

Charles H. Aki

Alfredo G. Evangelista

Alvin M. Imamura

Mitchell Imanaka

Carol Mon Lee

Helen Lindemann

John Ohama

2. **Recommend acceptance** of the minutes of the April 9, 1997, May 7, 1997 and the June 17, 1997 Laws and Rules Review Committee meetings as circulated.
3. HREREC Report
 - a. **Committee request** that HREREC to submit a written planning calendar of events, unavailability dates of all staff members, deadline dates of assignments (REC and UH) , any date(s) that will affect Commission programs, etc. prior to the July 24, 1997 Commission meeting. The planning calendar is needed to determine the priority, specifications, and deadlines for Commission programs assigned HREREC.
 - b. Professional Responsibility Course - two Commission assignees presently taking the course and individual evaluations by the assignees along with HREREC's evaluation with be provided after completion.
 - c. Real Estate Seminars - HREREC to provide a written report to this Committee evaluating the effectiveness of the seminar, "Land Title Problems In Hawaii". HREREC shall also provide suggested topics on the next seminar.
4. Program of Work
 - a. Program of Work and Budget FY98- PVL Licensing Administrator and the Director are presently reviewing and awaiting approval. Upon approval, copies will be distributed to the Commissioners, staff, HREREC, HAR, and other interested parties.
 - b. Rule Making, Chapter 99, Real Estate Brokers and Salespersons - Discussion with a representative of the Hawaii Association of Realtors on written comments submitted and new recommendations. The Commission plans to collaborate with the PVL Administrator in the streamlining and deregulation of the licensing laws and rules.
 - c. Neighbor Island Outreach - **Recommend approval** that the October Standing Committees meetings will convene on Wednesday, October 8, 1997, Aston Wailea Resort, Wailea, Maui, as follows :

- 9:00 a.m. Laws and Rules Review Committee
- 10:30 a.m. Education Review Committee
- 1:30 p.m. Condominium Review Committee
- d. Interactive Participation with Organization
 - 1) ARELLO Annual Conference - next Task Force Meeting, 11 a.m., Thursday, July 24, 1997
 - 2) ARELLO Committee Participation 97/98 - Commissioners and Staff to submit mailout forms to SEO, who will collaborate with Chair in providing a consolidated recommendations to ARELLO.
- 5. Next Meeting: Wednesday, August 13, 1997
 9 a.m.
 Kapuaiwa Room
 HRH Princess Victoria Kamamalu Building
 1010 Richards Street, Second Floor
 Honolulu, Hawaii

HREREC Report - The Guide to the General Calendar of 1997-98 Program of Work for the HREREC was distributed prior to the start of the meeting. It was requested that HREREC staff and Dr. Ordway's vacations be included on the calendar for planning purposes.

Education Review Committee

Upon a motion by Commissioner Aki, seconded by Commissioner Lindemann, it was voted on and unanimously carried to accept the report of the July 9, 1997 Education Review Committee meeting, as follows:

1. Chair's Report - **Recommend approval** of the Commission Chair's recommendations as to the organization of the Commission and the Standing Committees for FY98, specifically Education Review Committee: Charles Aki, Chair and Helen Lindemann, Vice-Chair, and members Michael G. Ching, Alfredo G. Evangelista, Alvin M. Imamura, Mitchell Imanaka, Carol Mon Lee, Nora A. Nomura, and John Ohama.
2. HREREC Report
 - a. Continuing Education Core Course - Second working draft available no later than July 10th. Commissioner Lindemann requested a copy.
 - b. Continuing Education Elective Course - Steve Gilbert to check with Dr. Ordway on Disclosure CE course discussed last year. 1995-96 Law Update and Ethics course is on the Center web page.
 - c. Examination - Update report for ASI to include 1997 legislation.
 - d. Consumer Guide - Update and publish agency brochure, with no cost. Target date this summer.
 - e. Chair Aki recommended that Dr. Ordway's schedule be included in the planning calendar as recommended by LRRC.
3. Continuing Education Administration
 - a. 1997-98 Ratification List of Continuing Education Providers, Instructors, and Courses - **Recommend approval**.
 - b. Law Seminars International - **Recommend approval** for one-time offering for two (2) continuing education credits for "1997 Advanced Conference on Commercial Real Estate Leases - Negotiating Commercial Real Estate Leases and Special Commercial Leasing Issues" for September 4 and 5, 1997. Approval for one-time offering includes the following instructors:

Mark Hazlett, Esq., Dale Zane, Esq. and Lisa Woods Munger, Esq.

4. Licensing Examination
 - a. Informal Briefings by NAI and AMP at ARELLO - SEO to schedule meetings with these companies during ARELLO conference in Maui or at September Committee meetings.
 - b. Uniform Section Waiver, ARELLO Exam Certification Program - Discussion on whether the existing contract and laws and rules allow the waiver of the uniform part of the exam and allow for taking State part only for active real estate licensees of other states or for CE purposes. Specialist Wong to work with Commissioner Lindemann and the Deputy Attorney General on this issue and report back with any recommendations.
5. Program of Work FY98
 - a. Neighbor Island Outreach - October 8, 1997, Wailea, Maui.
 - b. 1997 ARELLO Annual Conference - **Recommend approval** to send five (5) Commissioners and five (5) staff persons to the 1997 ARELLO Conference in Wailea, Maui, subject to travel approval and budget. Commissioners and Staff attending to be determined by Commission Chair and SEO.
 - c. 1997 HAR Convention - **Recommend approval** to send two (2) staff persons to the 1997 HAR Convention in Wailea, Maui, subject to travel approval and budget. Staff persons attending to be determined by SEO.
 - d. Division and Department Program - **Recommend approval** to fund out the REEF the participation by the Time Share Administrator to the 1997 ARELLO Annual Conference in Wailea, Maui, subject to travel approval and budget.
 - e. Chapter 99 - Informal part of drafting process to end in August.
 - f. Meetings and Symposium - **Recommend** moving September 12 Committee meetings to the 17th, 16th, 15th, subject to room availability and Commissioner/staff availability.
6. Real Estate Specialist of the Day and Licensing Examination Monitoring-Schedule for Joint Specialist of the Day and examination monitoring:

07/25/97	Kauai
07/26/97	Kauai (monitoring)
08/21/97	Hilo
08/22/97	Kona
08/23/97	Kamuela (monitoring)
11/07/97	Maui
11/08/97	Maui (monitoring)
7. ARELLO, REEA and Other Organizations Report - ARELLO Education Fund Report for May 1997 - **Accept.**
8. Next Meeting: **Wednesday, August 13, 1997, 10:30 a. m.**
Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii

HREREC Report

Continuing Education Core Course - Ms. Oh stated that HREREC was finalizing the last draft. Ms. Oh stated that she was under the impression that the draft had been distributed at the last Committee meeting. She was informed that the first draft was distributed at the meeting. Ms. Oh stated that Mr. Gilbert was still working on the Commission's comments and that the instructor briefing was scheduled for August 19. Ms. Oh stated that she will check with Mr. Gilbert on the

progress. Ms. Oh also stated that she will forward whatever materials she has to REB staff either today or tomorrow. Mr. Gilbert is anticipated to return on August 5, 1997.

HREREC will submit the second working draft of the continuing education core course, Laws Update and Ethics 1997-98, by July 25, 1997.

Continuing Education Elective Course (Disclosure) - Dr. Ordway is still working on the course and will submit it by the August 13, 1997 Education Review Committee meeting.

Dr. Ordway's Schedule - Per the Committee Chair's request, Dr. Ordway's schedule has been included in the Guide to the General Calendar of the 1997-98 Program of Work for the HREREC. It was also suggested that the HREREC date the calendar when submitting it to the REC.

Ms. Shimizu introduced Crystal Landcaster, Educational Assistant, for the Hawaii Association of REALTORS.

Condominium Review Committee

Upon a motion by Commissioner Lee, seconded by Commissioner Ching, it was voted on and unanimously carried to accept the report of the July 9, 1997 Condominium Review Committee meeting, as follows:

1. Chair's Report
Recommend approval of the Commission Chair's recommendations on the FY98 Organization of the Commission with the Condominium Review Committee: Alfredo G. Evangelista - Chair, Mitchell Imanaka - Vice Chair, Charles H. Aki, Michael G. Ching, Alvin M. Imamura, Carol Mon Lee, Helen Lindemann, and John Ohama.
2. HREREC Report
 - a. Hawaii Condominium Bulletin - Awaiting third issue draft.
 - b. Board of Director's Guide - Guide to Condominium Living - received REB comments and working draft in July; Fair Housing - waiting on advisor.
 - c. Five Year Education and Research Plan - May presentation, staff to finalize.
 - d. Condominium Seminars - Working with CAI Hawaii for Maui summer seminar.
 - e. Condominium Survey - Working in conjunction with Condo Specialist Yee.
3. AOA Ratification Reports
 - a. Registrations Issued Effective Dates through June 30, 1997 Interim Registration - **Recommend approval.**
 - b. Registrations Issued Effective Dates through June 30, 1997 for 1997-1999 Registration - **Recommend approval.**
4. Condominium Project Registration, Public Reports, and Limited Equity Housing Cooperatives
 - a. Condominium Project Registration, Public Reports, Extensions Issued, Owner-Occupant Announcements - **Recommend approval** to ratify issuance of effective dates for public reports, extensions, and owner-occupant announcements for the month of June, 1997.
 - b. Performance Bond - **Recommend approval of** Castle & Cooke's request for reducing the amount of the performance bond no. 14-51-76 for Ku'ulako Phase 3 condominium project, (which bond

has been posted for all three phases) and where 4 of 13 buildings (40-43) have been completed; in the reduced amount of 50% of the existing bond amount to cover the remaining costs to complete the construction of the project subject to Castle & Cooke satisfying similar conditions approved by the Real Estate Commission at its February 22, 1991 meeting in connection with a similar request made by Castle & Cooke for Mililani Mauka-Kumehawai Court as follows:

- 1) The project architect must certify by phases what percentage of the project has been completed;
- 2) The developer must provide clear evidence that the certificate percentage of the project for each phase has been completed and all work billed and paid for and provide lien release from the general contractor and all subcontractors for all phases;
- 3) The developer must not convey any unit to a purchaser prior to the expiration of the 45-day mechanic's lien period, unless the purchaser receives a title insurance policy with a mechanic's lien endorsement; and
- 4) The developer may not use any funds of a prospective purchaser prior to conveyance of an apartment to the purchaser.

Further recommend approval of an additional condition: architect's and general contractor's certification as to the percentage of the project remaining to be completed and the dollar amount needed to achieve full completion of the project construction (all phases).

- c. Limited Equity Housing Cooperative Public Report - Waipahu Towers Limited Equity Housing Cooperative (WTC)
Pursuant to §421H-5, HRS, **recommend approval** of the following practical application of Part III of Chapter 514, HRS to the registration of Waipahu Towers Limited Equity Housing Cooperative (WTC):
 - 1) A final public report issued with a non-expiring date;
 - 2) Public report given to first time buyers;
 - 3) Those provisions and conditions set forth in REC's project consultant, Galen C.K. Leong, Esq.'s memo to the Real Estate Commission dated June 2, 1997 beginning at number 2.
 - 4) Purchaser's cancellation rights shall be governed by HUD requirements;
 - 5) The developer shall not be required to contribute to the condominium management education fund.

5. Program of Work, FY98

- a. Neighbor Island Outreach - October 8, 1997, 1:30pm, Aston Wailea Resort, Wailea, Maui, Condominium Review Committee Meeting
- b. Condominium Specialist Office for the Day - July 25, 1997, State Building, 3060 Eiwa Street, Conference Room, Lihue, Kauai, 10:30 am to 3:30 pm.

6. Next Meeting: Wednesday, August 13, 1997

1:30 p. m.

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

Recess: The Chair recessed the meeting at 9:40 a.m.

Reconvene: The Chair reconvened the meeting at 9:52 a.m.

Chapter 91, HRS, Adjudicatory Matters The Chair called for a recess from the meeting at 9:52 a.m., to discuss and deliberate on the following adjudicatory matters, pursuant to Chapter 91, HRS:

Asset Property Management, Inc., and James Stephen Morgan, REC 96-107-L and REC-96-134-L

Upon a motion by Commissioner Ching, seconded by Commissioner Lindemann, 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.

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 9:57 a.m., pursuant to Chapter 92, HRS.

Committee Reports: **Education Review Committee**

ASI Item Writing - Dr. Ordway stated that there is a problem with Megan's law, which deals with the registration of sex offenders. A decision must be made as to whether or not it is the duty of the licensee to disclose the existence of a sex offender as a part of the licensee's duty to ascertain and disclose material facts. Dr. Ordway stated that there was no answer to that question as they are unsure of how accessible the information is. There are 550 registered sex offenders in Hawaii. A person may find out the information by contacting the Hawaii Criminal Justice Data Center or the neighbor island police offices. Hawaii licensees have a problem because licensees have a statutory duty to ascertain and disclose material facts. This law does not exist in other states.

Commissioner Nomura stated that the licensee should disclose that the law exists and then direct the buyer to do the research.

Dr. Ordway suggested clarification in the law to correct the ambiguity.

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

Licensing - Restoration of Forfeited License:

J. Michael Hughes

Salesperson

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

John Michael Lambert

Salesperson

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

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.

John Robert Hoff
Sandra Y. Shim

Salesperson
Salesperson

After a review of the information submitted by the applicants, Commissioner Lee 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.

Questionable
Applications:

Peter A. Tegan

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

Robert D. Nelson

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

Ronald A. Yoda

After a review of the information submitted by the applicant, Commissioner Ching moved to deny Ronald A. Yoda's request for an equivalency to the transaction requirement (ten transactions of which three are closed listings and three are closed sales), based on §19-99-38(a)(2)(A), HAR. Commissioner Nomura, seconded the motion. The motion was voted on and unanimously carried.

Cordially F. Ramos-Newton

The applicant withdrew her request from consideration.

Robin B. Gibson

After a review of the information submitted by the applicant, Commissioner Ching moved to deny Robin G. Gibson's request for an equivalency to the "closed transaction" requirement (three closed sales and three closed listings), based on §16-99-38(a)(2)(A), HAR. Commissioner Nomura seconded the motion. The motion was voted on and unanimously carried.

EO's Report:

Minutes of Previous Meetings

Upon a motion by Commissioner Lee, seconded by Commissioner Ching, it was voted on and unanimously carried to approve the minutes of the June 27, 1997 Real Estate Commission meeting as circulated.

Next Meeting: Friday, August 29, 1997
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 10:12 a.m.

Reviewed and approved by:

Christine Rutkowski, Executive Officer

Date

[] Accepted as is.
[] Accepted with corrections. See minutes of _____.

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