

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 26, 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 (Late arrival)
Charles Aki, Member
Mitchell Imanaka, Member
Helen Lindemann, Member
John Ohama, Member

Calvin Kimura, Supervising 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
Shari Wong, Deputy Attorney General
Irene Kotaka, Secretary

Haunani Alm, Special Deputy Attorney General
George Nakano, Office of Administrative Hearings
Laureen Kai, Professional & Vocational Licensing Division
Sean Kinilau, RICO
Cha Cha Kinilau, RICO
Skip Shigeoka, RICO
Mike Chung, RICO
Sharon On Leng, RICO
Joelle Tanaka, RICO
Norman Lau, RICO
Butch Loo, RICO
Nicki Ann Thompson, Hawaii Association of REALTORS
Steven Gilbert, Hawaii Real Estate Research and Education Center
G. Warren Freeland

Excused: Michael Ching, Member
Alfredo Evangelista, Member
Nora Nomura, Member

Call to Order: The Chair called the meeting to order at 9:07 a.m., at which time quorum was established.

Chair's Report: No formal Chair's Report was presented. The Chair wished everyone present a "Happy Thanksgiving".

Presentation of the ARELLO Investigator of the Year Award - Sean Kinilau was the recipient of the ARELLO Investigator of the Year Award. The Chair presented Mr. Kinilau

with the award on behalf of ARELLO.

Ms. Leng thanked the Commission and its staff for thanking and acknowledging one of their staff members. She stated that the award was well-deserved as Mr. Kinilau possesses honesty and integrity and does good work.

Executive Officer's
Report:

Announcements, Introductions, Correspondence and Additional Distributions

Ms. Lauren Kai, Executive Officer, was introduced to those present.

Vice Chair Lee arrived.

Additions to the Agenda

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

8. Recovery Fund Report - Robert S. Jackson, et al. v. Elizabeth L. Conner, First Circuit Court, Civil No. 92-1335-04, Supreme Court No. 17217 (Intermediate Court of Appeals)

Additional Distribution

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

6. Licensing - Questionable Applications
 - b. Tito Castillo
 - d. Mark Lee
 - f. Maui Schooner Resort Owners Association ("MSROA")

Minutes of Previous Meetings - Approval of the October 24, 1997 Real Estate Commission meeting was deferred to later in the meeting.

1998 Commission Meeting Schedule - The 1998 Real Estate Commission meeting schedule was distributed to the Commissioners for their information. The Commissioners were asked to notify staff in advance if they were unable to attend a meeting due to a conflict in scheduling.

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

Licensing and
Registration -
Ratification:

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

<u>Brokers - Corporations and Partnerships</u>	<u>Effective Date</u>
MSY Corp., Aina Maui Properties	10/01/97
Hawaii Marketing Solutions, Inc.	10/29/97
<u>Brokers - Sole Proprietor</u>	<u>Effective Date</u>
Russell S. Murakami	10/20/97
Samuel Umi Apo	10/30/97
Chela M. Wakefield	10/31/97
Tracy Lewis, Tracy Lewis Realtors	11/07/97
Joanne T. Heydon	11/04/97
Ronald B. Bentley, Bentley Real Estate Service	11/10/97
Harry Y. Teruya, Harry Teruya Realty	11/10/97

<u>Tradename</u>	<u>Effective Date</u>
Mauna Loa Village Resort, Inc., RE/MAX Resort Properties	10/06/97
Nedra Chung, Nedra Chung Realty	10/02/97
Donald D. Weeks, Pahoia Realty	09/29/97
Quincy Hideo Kaneshiro, Quincy Kaneshiro, Realtor (fka Quincy Hideo Kaneshiro, Quincy H. Kaneshiro, Realtor)	11/05/97
Charles S. Portwood, III, A Aloha Paradise Realty (fka Charles S. Portwood, III, A Aloha Real Estate Mgmt. Co.)	11/06/97

<u>Site Office</u>	<u>Expiration Date</u>
Clark Realty Corporation Bayview Estates at Keauhou	03/30/98
Herbert K. Horita Realty, Inc. Royal Kunia Phase 1 - Site 6 and 7	05/16/98
Pacific Resource Realty 802 Punahou	03/25/98
Pan-Pacific Business Services, Inc. 802 Punahou	03/26/98
Castle & Cooke Homes Hawaii, Inc. Unit 111 - Ku'ulako	05/24/98
Castle & Cooke Homes Hawaii, Inc. Lalea at Hawaii Kai	05/30/98
SHC-Properties, Inc. Executive Centre	05/29/98
Schuler Realty/Maui, Inc. Iao Parkside, Phases I, III, IVA, IVB, IVC	04/23/98
The Bay Club Ownership Resort, Inc. The Bay club at Waikoloa Beach Resort	05/30/98
Kahala Falls Ltd., a Hawaii Limited Partnership Kahana Falls	05/30/98
The Prudential Locations Kua'aina Ridge	01/22/98
Properties Unlimited, Inc. Trovare	06/25/98
Castle & Cooke Homes Hawaii, Inc. Mililani Mauka, Unit 116	06/14/98

<u>Branch Office</u>	<u>Effective Date</u>
Hawaiiana Commercial Management Group Ralph S. Foulger, PB Robyn L. Enos, BIC	10/14/97
LCF, Inc. Steven G. Ramey, PB Barbara Jean Lusardi, BIC	10/23/97

<u>Education Waiver Certificate</u>	<u>Expiration Date</u>
Joseph Julio Adorni	10/21/98
Juana Patricia Gilpin	10/23/98
Donald Gilbert Baxter	10/23/98
Kristie K. Cruz	10/28/98
Dina E. Duncan	10/28/98
Dina Jean Pardon	10/29/98
Denise Howard Pearson	11/04/98
Liane L. Brown	11/06/98
Linda Louise Swanson	11/10/98

<u>Real Estate Broker Experience Certificate</u>	<u>Expiration Date</u>
Lawrence Williams	10/21/98

Wanda L. Heaman	10/22/98
Jason P. Lum	10/27/98
Harlan F. Dyckman	10/27/98
Karlyn L. Hamamoto	11/03/98
Leilani Pauline Embernate	11/04/98
William Heaman	11/06/98
Virginia L. Patterson	11/06/98
Randall M. Yamada	11/13/98
Ricky C. Manayan	11/13/98

<u>Real Estate Broker (upgrade)</u>	<u>Effective Date</u>
Dennis R. Lapinski	10/14/97
Christopher M. Fujiyama	10/27/97

<u>Restoration of Forfeited Broker's License</u>	<u>Date</u>
Cynthia Claire McCormick - Real Estate Broker's license will be restored upon successfully passing the real estate broker's license examination within six months.	03/31/98

Michael Masaki Nomura - Real Estate Broker's license will be restored upon successfully passing the real estate broker's license examination within six months. 03/31/98

<u>Condominium Hotel Operator</u>	<u>Effective Date</u>
Lowry Properties, Inc.	10/20/97
Century 21 First Pacific Properties	
Mauna Loa Village Resort, Inc.	10/24/97

<u>Condominium Managing Agent</u>	<u>Effective Date</u>
Lowry Properties, Inc.	10/20/97
Century 21 First Pacific Properties	

Commissioner Ohama returned to the meeting.

Licensing - Restoration of Forfeited Licenses:

Decision making on this matter was deferred to later in the meeting.

Licensing - Questionable Applications:

G. Warren Freeland

G. Warren Freeland was present to request that the Commission grant his request for an equivalency to one listing contract or commercial or industrial listing that closed escrow.

Mr. Freeland stated that he was present to answer any questions that the Commission may have regarding his request. He also stated that he has been active in commercial real estate on Maui since 1989. The majority of his transactions are leasing transactions. He stated that he tried his best to be as good as he can in his specialty by gaining practical experience and education. Mr. Freeland stated that he appreciated the Commission's attention and consideration.

Upon a motion by Commissioner Lee, seconded by Commissioner Imanaka, 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 Aki, seconded by Commissioner Lee, it was voted on and unanimously carried to accept the report of the November 10, 1997 Laws and Rules Review Committee meeting, as follows:

1. **Accept** the minutes of the October 8, 1997 Laws and Rules Committee meeting

- as amended.
2. HREREC Report
 - a. Laws and Rules Manual and Reference Manual - **Recommend** that HREREC immediately seek new assistance in the fair housing review through the Civil Rights Commission or HUD, and if needed, seek facilitation through the SEO .
 - b. Real Estate Seminars - **Recommend** that the Real Estate Chair work with Commissioners Nomura and Ohama in developing the outline, format and presentation of the next Real Estate Seminar, which will discuss buying and selling real estate in Hawaii from both the buyers and the seller's viewpoint, the consumer's viewpoint. Also **recommend** that the title of the seminar be deferred for discussion at the Education Review Committee meeting.
 3. Special Issues
 - a. Request for Reciprocal Agreement by the Tennessee Real Estate Commission - **Recommend** staff to respond that upon the advice of the Attorney General's Office, the Commission does not have any authority under the present licensing law to negotiate or execute a reciprocal licensing agreement with another jurisdiction, and to explain existing equivalencies available to out of state licensee applicants.
 - b. Business Development Corporation - **Recommend** that staff respond to Richard Rocker, informing him that upon the advice of the Attorney General's Office, the Commission has no objections to business development corporations, provided that the business development corporations meet the statutory requirements.
 4. ARELLO, Other Organizations and Jurisdictions
 - a. ARELLO Special Meeting - **Recommend** not to send a representative to attend the ARELLO Special Meeting, to be held on January 10 and 11, 1998, in Palm Beach, Florida.
 - b. Consumer Federation of America ("CFA") Annual Conference - **Recommend** not to send a representative to CFA's Annual Conference, to be held on December 4 & 5, 1997, in Washington, D.C.
 5. Next Meeting: Wednesday, December 10, 1997
9:00 a.m.
Kapuaiwa Room
1010 Richards Street, Second Floor
Honolulu, Hawaii

Education Review Committee

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

Upon a motion by Commissioner Aki, seconded by Commissioner Lee, it was voted on and unanimously carried to accept the report of the November 10, 1997 Education Review Committee meeting, as follows:

1. HREREC Report
 - a. Broker Curriculum and Resources - Dr. Ordway unavailable for meeting and has yet to contact Senior Real Estate Specialist to develop a schedule for this program's completion although scheduled for implementation in January 1998. Chair Aki requested that Mr. Gilbert provide a status report if Dr. Ordway is not able to attend the meeting.
 - b. Evaluation of CE Courses/Providers/Instructors - Task force in progress - Report to be completed for distribution with the December meeting agenda materials.
 - c. Continuing Education Elective Course - REB still awaiting contact by

- Dr. Ordway on Committee/REB comments to first draft of Seller Disclosure course delivered to HREREC on August 29, 1997.
- d. Chair Aki recommends the reprioritization and reassignment of the program of work assigned to HREREC and the Real Estate Chair with highest priority to Broker Curriculum and Resources and Evaluation and Education System for CE and Prelicensing Instructors, as follows (in order of priority and reassignment):
Broker Curriculum and Resources
Evaluation and Education System for CE and Prelicensing Instructors
CE Elective Course
IDW and New Course Briefing - recommend eliminating IDW for next FY
Legislative and Government Participation
Consumer Guide
Interactive Participation
Education via Media/Internet - recommend eliminating next FY
Real Estate Hotline - recommend eliminating next FY
Alternative Delivery of Education - reassigned to REB
Examination (Laws and Rules Report and Curriculum Review) - reassigned to REB
Five Year Education and Research Plan - reassigned to REB
CE Core Course - completed
Recommend approval.
3. Continuing Education Administration, Curriculum, Courses, Providers, and Instructors
- a. Applications: 1997-1998 Registration\Certification of Continuing Education Providers, Instructors, and Courses - Ratification List - **Recommend approval.**
- b. Elective Course Application One Time Offering Providers, Instructors, and Course Applications - Hawaii Institute for Continuing Legal Education (HICLE) two (2) CE elective course credits for the seminars "Hawaii Real Estate Law Seminar, Part I" and "Hawaii Real Estate Law Seminar, Part II" for December 9 and 10, 1997, including approval of the following instructors for this seminar only: Mitchell Imanaka, Esq.; Deborah Chun, Esq.; and Mark Hazlett, Esq. **Recommend Approval** subject to receipt of proof of surety bond before the first day of seminar.
4. Licensing Examination
- a. Memorandum prepared by the Deputy Attorney General regarding Procurement of Real Estate Testing Services - **Accept.**
- b. Request Passage of the General and State Parts of the Broker examination be Considered Separately - Gina Watase a salesperson - **Recommend denial..**
5. ARELLO, REEA and Other Organizations Report - ARELLO Education Fund Report for the accounting period of June and July 1997 - **Accept.**
6. Next Meeting: Wednesday, December 10, 1997, 10:30 a. m.
Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, HI 96813

Commissioner Imanaka returned to the meeting.

Condominium Review Committee

Upon a motion by Commissioner Imanaka, seconded by Commissioner Aki, it was voted on and unanimously carried to accept the report of the November 10, 1997 Condominium Review Committee meeting, as follows:

1. HREREC Report

- a. Hawaii Condominium Bulletin - Second bulletin for Fiscal Year 1997-98 has been completed; distribution is targeted for the end of November.
 - b. Board of Director's Guide --
 - 1) Homebuyer's Guide to Condominium Living --Completely revised and third draft submitted for committee review.
 - 2) Fair Housing - In process of implementing staff and vice chair's comments on draft 1. Next step to review process with outside source and submit draft 2 by either November 28, 1997 (for December 10, 1997 CRC meeting) or January 2, 1998 (for January 16, 1998 CRC meeting).
 - 3) A Quick Guide to Condominium Living - **Recommend approval** for printing the submitted draft subject to staff's stylistic and non substantive changes.
 - c. Five Year Education and Research Plan --reassigned to REB.
 - d. Condominium Seminars -- Withdrawing request to present a televised 90- minute seminar topic on anti-discrimination in condominiums; revisiting topic.
2. Condominium Governance and Management
 - a. AOA Registrations Issued Effective Dates through October 31, 1997 for the 1997-1999 Registration - **Recommend approval**.
 - b. Marco Polo, AOA, Inc. Investments of Reserves In Money Market Mutual Funds Comprised of T Bills and other Treasury Obligations -- **Recommend acceptance** of the withdrawn request.
 3. CPR Registration, Public Reports, Extensions Issued- **Recommend approval** to ratify issuance of effective dates for public reports and extensions for the month of October, 1997.
 4. Next Meeting: Wednesday, December 10, 1997
1:30 p.m.
Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii

Executive Session:

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

Chapter 91, HRS,
Adjudicatory Matters:

The Chair called a recess from the meeting at 9:28 a.m., to discuss and deliberate on the following adjudicatory matters, pursuant to Chapter 91, HRS:

The Real Estate Broker's License of Joe C. Pacquing dba Joe Pacquing Realty and the Real Estate Salesperson's License of Rose C. Galanto, REC 95-138-L

Upon a motion by Commissioner Imanaka, seconded by Commissioner Aki, it was voted on and unanimously carried to accept the Settlement Agreement As To Rose C. Galanto After Filing of Petition for Disciplinary Action and Commission's Final Order.

The Real Estate Salesperson's License of Daniel R. Belchar, REC-95-60-L

Upon a motion by Commissioner Imanaka, seconded by Commissioner Ohama, it was voted on and unanimously carried to accept the Settlement Agreement After Filing of Petition for Disciplinary Action Against Real Estate Salesperson's License and Commission's Final Order. **The Real Estate Broker's License of James B. Dempsey dba Dempsey West Realty, REC-96-121-L and REC-97-58-L**

Upon a motion by Commissioner Aki, seconded by Commissioner Imanaka, it was voted on and unanimously carried to accept the Settlement Agreement with Respondent James B. Dempsey Before Filing of Petition for Disciplinary Action and Commission's Final Order.

The Real Estate Broker's Licenses of American Resort Marketing, Inc. and Borge M. Meyer, REC 96-76-L

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

The Real Estate Brokers' Licenses of MacArthur Worrall & McCarter, Inc. dba MacArthur & Company and Adele N. MacArthur and the Real Estate Salesperson's License of E. Joy Jemmott, REC 95-55-L

Upon a motion by Commissioner Aki, seconded by Commissioner Imanaka, 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.

The Real Estate Salesperson's and Real Estate Broker's Licenses of Teri Joy Koester aka Terry D. Joy and fka Terry D. Gimber, REC 96-23-L

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

The Real Estate Salesperson's License of Douglas Correa, REC 95-241-L

Upon a motion by Commissioner Aki, seconded by Commissioner Imanaka, 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.

The Real Estate Salesperson's License of Edna A. Nakasato, REC 95-166-L, et al.

Upon a motion by Commissioner Lee, seconded by Commissioner Lindemann, it was voted on and unanimously carried to approve the Hearings Officer's Findings of Fact, Conclusions of Law and Recommended Order.

Recess:

The Chair recessed the meeting at 9:37 a.m.

Reconvene:

The Chair reconvened the meeting at 9:47 a.m.

The Real Estate Salesperson's License of Randall C. M. Worsley, REC 94-2-L

Upon a motion by Commissioner Imanaka, seconded by Commissioner Lee, it was voted on and unanimously carried to approve the Hearings Officer's Findings of Fact, Conclusions of Law and Recommended 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 9:52 a.m., pursuant to Chapter 92, HRS.

Upon a motion by Commissioner Lindemann, seconded by Commissioner Lee, it was voted on and unanimously carried to approve the minutes of the October 24, 1997 Real Estate Commission meeting, as circulated.

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

Executive Session:

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

Recovery Fund Report:

Kathryn Glenn Fisher v. Milagros Baradi, et al., Civil No. 92-3897-01, First Circuit Court

Upon a motion by Commissioner Lee, seconded by Commissioner Lindemann, it was voted on and unanimously carried to approve the report of the Real Estate Recovery Fund counsel.

Robert S. Jackson, et al. v. Elizabeth L. Conner, First Circuit Court, Civil No. 92-1335-04, Supreme Court No. 17217 (Intermediate Court of Appeals)

Upon a motion by Commissioner Lee, seconded by Commissioner Lindemann, it was voted on and unanimously carried to approve report of the Real Estate Recovery Fund counsel.

Commissioner Imanaka returned to the meeting.

Licensing - Restoration
of Forfeited License:

G. Gordon Nash

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

Licensing -
Questionable
Applications:

G. Warren Freeland

After a review of the information presented by the applicant, Commissioner Lindemann moved to approve G. Warren Freeland's request for an equivalency to the ten Hawaii written transactions, of which, three are sales contracts or commercial or industrial leases closed escrow and three are listing contracts or commercial or industrial leases closed escrow (one listing contract or commercial or industrial listing that has closed escrow). Commissioner Imanaka seconded the motion. The motion was voted on and unanimously carried.

Tito Castillo

After a review of the information submitted by the applicant, Commissioner Lee moved to approve Tito Castillo's request for an equivalency to the ten Hawaii written transactions, of which, three are sales contracts or commercial or industrial leases closed escrow and three are listing contracts or commercial or industrial leases closed escrow (one listing contract or commercial or industrial listing that has closed escrow). Commissioner Lindemann seconded the motion. The motion was voted on and unanimously carried.

Brenda Michelle Mybeck

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

deny Brenda Michelle Mybeck's request for an equivalency to the two year, full-time experience requirement, based on §16-99-38(a)(1), HAR. Commissioner Lindemann seconded the motion. The motion was voted on and unanimously carried.

Mark E. Lee

After a review of the information submitted by the applicant, Commissioner Aki moved to deny Mark E. Lee's request for an equivalency to the ten Hawaii written transactions, of which, three are sales contracts or commercial or industrial leases closed escrow and three are listing contracts or commercial or industrial leases closed escrow (three closed sale contracts or commercial or industrial leases that have closed escrow). Commissioner Ohama seconded the motion. The motion was voted on and unanimously carried.

Kathleen E. Reese

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

Maui Schooner Resort Owners Association ("MSROA")

After a review of the information submitted by the applicant, Commissioner Ohama moved to approve the condominium hotel operator registration of Maui Schooner Resort Owners Association, subject to an additional submission by the licensee Jeff Brown, the Vice-President/Director of the broker exempt applicant, that he will not engage in any real estate activity on behalf of the Maui Schooner Resort Owners' condominium hotel operation. Commissioner Lee seconded the motion. The motion was voted on and unanimously carried.

Next Meeting:

Thursday, December 11, 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 10:01 a.m.

Reviewed and approved by:

Calvin Kimura
Supervising Executive Officer

December 11, 1997

Date

[X] Approved as circulated.

[] Approved with corrections; see minutes of _____ meeting.