

**REAL ESTATE COMMISSION**  
Professional and Vocational Licensing Division  
Department of Commerce and Consumer Affairs  
State of Hawaii  
[www.hawaii.gov/hirec](http://www.hawaii.gov/hirec)

**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, November 21, 2008

Time: 9:00 a.m.

Place: Queen Liliuokalani Conference Room  
King Kalakaua Building  
335 Merchant Street, First Floor  
Honolulu, Hawaii

Present: Trudy Nishihara, Chair, Broker/Honolulu Commissioner  
Louis Abrams, Broker/Kauai Commissioner  
Annette Aiona, Broker/Hawaii Island Commissioner  
Carol Ball, Broker/Maui Commissioner  
William S. Chee, Broker/Honolulu Commissioner (late arrival)  
Frances Gendrano, Broker/Honolulu Commissioner  
Mark Suiso, Public/Honolulu Commissioner  
Michele Sunahara Loudermilk, Public/Honolulu Commissioner

Neil K. Fujitani, Supervising Executive Officer  
Diane Choy Fujimura, Senior Real Estate Specialist  
Amy Endo, Real Estate Specialist  
David J. Grupen, Real Estate Specialist  
Cynthia Yee, Senior Condominium Specialist  
Cheryl Leong, Condominium Specialist  
Benedyne Stone, Condominium Specialist  
Shari Wong, Deputy Attorney General  
Karyn Takahashi, Secretary

Nancy Donahue Jones, Hawaii Association of REALTORS®  
Myoung Oh, Hawaii Association of REALTORS®  
Stephen Levins, Esq., Executive Director, Office of Consumer Protection  
Michael Moriyama, Esq., Office of Consumer Protection

Absent: Stanley Kuriyama, Vice Chair, Broker/Honolulu Commissioner

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 Chair announced that the Commission may move into executive session to consider and evaluate personal information relating to individuals applying for licensure in accordance with Section 92-5(a)(1), HRS, and/or to consult with the Commission's attorney on questions and issues pertaining to the Commission's powers, duties, privileges, immunities, and liabilities in accordance with Section 92-5(a)(4), HRS.

Commissioner Kuriyama was excused from the meeting. Prior notification of his non-attendance was received.

Executive Officer's  
Report:

The Supervising Executive Officer informed the Commissioners that the original applications with any original associated documents to be considered at the meeting were available for review.

#### **Additions to Agenda**

Upon a motion by Commission Abrams, seconded by Commissioner Chee, it was voted on and unanimously carried to add the following to the agenda:

4. Committees and Program of Work
  - c. Education Review Committee – Agreement with Hawaii Association of REALTORS® to produce and deliver instructor development workshops, and other real estate related workshops, courses, seminars and events

#### **Minutes of Previous Meeting**

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Gendrano, it was voted on and unanimously carried to accept the minutes of the October 31, 2008 meeting.

Committees and  
Programs of Work:

#### **Laws and Rules Review Committee**

Stephen Levins, Esq., Executive Director, and Michael Moriyama, Esq., of the Office of Consumer Protection (OCP) were present to discuss the Mortgage Rescue Fraud Prevention Act (Act). They were asked if they would like to discuss the matter in executive session. Mr. Levins declined the offer.

Mr. Levins provided some background on how the Act came to be. He stated that there was an alarming increase in instances where individuals were defrauding the equity out of property under the auspices of mortgage rescue. He noted that this is occurring across the country and in the past three years, other states have passed similar legislation, including Minnesota and Illinois.

Mr. Levins stated that this legislation was introduced to protect homeowners in Hawaii. REALTORS® were not initially carved out, as a large percentage of cases involved real estate licensees. When this was brought before the legislature, the legislature and OCP were not aware of the problems that may arise inhibiting short sales but the real estate industry became aware of the problems after the fact. Mr. Levins stated that he is aware that these unintentional consequences of the Act do not help consumers or homeowners.

Mr. Levins stated that in the past few months, he has sat down with members of the industry and discussed alternatives, which are still in discussion.

Mr. Levins stated that no one wants to put an end to short sales; but they want to put an end to criminals stealing people's equity. With the nature of today's economy, OCP remains concerned and wants to continue to protect homeowners and consumers.

The Commission inquired how many licensees were referred to the Regulated Industries Complaints Office (RICO). Mr. Levins replied that he did not know, as OCP enforces Chapter 480, unfair and deceptive trade practices.

The Commissioners inquired on what types of complaints were being received about real estate licensees. Mr. Murayama described a typical scenario in which an individual will review foreclosure filings, evaluate the property, approach the homeowner, state that they are a licensee and either collect an up-front fee and disappear with the money or convince the homeowner to turn over the title to the property and give the homeowner the opportunity to buy back the property in a year.

The Commissioners raised concerns regarding the percentage of individuals who were actually licensees conducting this type of criminal act.

The Commission further stated that we need a mechanism to get RICO to investigate these individuals, and, if they are in fact licensees, they should not fall through the cracks, as we are charged with protecting the consumer. Individuals need to be referred to RICO--these individuals need to be targeted. The fact that an individual states "I am a real estate licensee" should be enough to trigger an investigation.

Mr. Levins stated that he does not want to mislead the Commission into thinking that RICO is not aware of these individuals; he does not know, as it is not his function to say what RICO does or does not do. Mr. Levins stated that he does not want to speak for any other entity in the State.

Mr. Levins stated that he is optimistic that this situation will be fixed; however, they never perceived this Act as shutting down short sales.

The Commissioners stated that we have Chapter 467, Hawaii Revised Statutes, and Chapter 99, Hawaii Administrative Rules, to enforce conduct detrimental to consumers—the system is there. When a consumer is in distress, the first person they call is a REALTOR®, but now it appears the licensees' hands are tied. Short sales does not always mean the property is distressed, it means the property value is upside down. In some cases, the real estate licensee is also a mortgage broker and the Commission wondered if there has been research done on where the impact is coming from.

Mr. Levins stated that there were many hearings last session regarding this Act and nothing was brought up from the real estate licensees. Mr. Levins stated that he wants the Commission to understand that OCP has a different enforcement mechanism. They want to help these individuals and they have successfully obtained hundreds of thousands of dollars in restitution.

The Commissioners agreed that the Commission would like to have these individuals under our jurisdiction at the same time. The Commission is a consumer protection body and we want to work in concert with OCP.

Commissioners stated that we need to work together in educating licensees and consumers and inquired if there were any plans on education. Mr. Levins stated that he has been on television a few times and has written a few articles on this problem and agreed that consumer education is important.

The Commission also raised a concern that individuals are being taught these methods. Mr. Levins stated that he has seen some infomercials and agreed that some methods being taught can be viewed as rescue scams and it is a major problem in the mid-west also, not only in Hawaii.

As the real estate licensing law is strong enough to prosecute these bad actors, the SEO inquired about the complaint process. Mr. Levins responded that if a case comes in to the Consumer Resource Center, the intake investigator will determine if it is to be sent over to RICO, OCP, or both. Mr. Levins stated that OCP does need to make RICO aware of the transgressions of licensees so RICO may pursue the licensing issue of the case. He added that he will make sure RICO will be made aware of all cases involving a licensee.

#### **Education Review Committee**

Senior Specialist Fujimura reported that the current agreement with the Hawaii Association of REALTORS® to produce and deliver instructor development workshops, and other real estate related workshops, courses, seminars and events is set expire on December 31, 2008. She noted that there is an option to renew the agreement for the 2009-2010 biennium.

Commissioner Aiona moved to exercise the option to renew the Hawaii Association of REALTORS® agreement for the 2009-2010 biennium. Commissioner Ball seconded the motion. The motion was voted on and unanimously carried.

#### **Condominium Review Committee**

Commissioner Suiso reported that the drafts of the updates of two condominium brochures are available. Senior Specialist Yee stated that this is a preliminary copy for review and comment. A copy will be distributed to each Commissioner.

Licensing –  
Ratification:

Upon a motion by Commissioner Abrams, seconded by Commissioner Gendrano, it was voted on and unanimously carried to ratify the attached list.

Licensing –  
Applications:

The Supervising Executive Officer informed the Commissioners that the information provided to the Commissioners is related only to the issue that is before the Commission for consideration. The other materials submitted are available for the Commissioners review should they desire to review it. If the applicants have an issue, which is personal in nature, they have the right to request that their application be considered in executive session.

#### **Nestor E. Segundo**

After review of the information presented by the applicant, Commissioner Ball moved to approve the real estate salesperson license of Nestor E. Segundo, with conditions. The motion was voted on and unanimously carried.

**Alan D. Peery**

After review of the information presented by the applicant, Commissioner Abrams moved to approve the real estate salesperson license of Alan D. Peery, with conditions. Commissioner Gendrano seconded the motion. The motion was voted on and unanimously carried.

Executive Session: Upon a motion by Commissioner Abrams, seconded by Commissioner Chee, 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;" and 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."

Commissioner Abrams excused.

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

Licensing –  
Applications:

**Leonora P. Riordan**

After review of the information presented by the applicant, Commissioner Loudermilk moved to approve the real estate salesperson license of Leonora P. Riordan. Commissioner Gendrano seconded the motion. The motion was voted on and unanimously carried.

**C and H Properties, Inc.**

After review of the information presented by the applicant and based on the present fact situation and the belief that it was never the intent of section 467-9, Hawaii Revised Statutes, to prevent this type of name use, Commissioner Loudermilk moved to approve the trade name Windermere/C and H Properties for C and H Properties, Inc., pending confirmation that the franchise is registered with the Business Registration Division of the Department of Commerce and Consumer Affairs and authorization of franchise of assignment is provided. Commissioner Chee seconded the motion. The motion was voted on and unanimously carried.

Next Meeting: Friday, December 19, 2008  
9:00 a.m.  
Queen Liliuokalani Conference Room  
King Kalakaua Building  
335 Merchant Street, First Floor  
Honolulu, Hawaii

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Adjournment:               With no further business to discuss, Chair Nishihara adjourned the meeting at  
10:16 a.m.

Reviewed and approved by:

/s/ Neil K. Fujitani  
Neil K. Fujitani  
Supervising Executive Officer

December 10, 2008  
Date

- Approved as circulated.
- Approved with corrections; see minutes of \_\_\_\_\_ meeting.

APPROVED APPLICATIONS FOR REAL ESTATE  
REAL ESTATE COMMISSION MEETING ON NOVEMBER 21, 2008

<u>Brokers – Limited Liability Companies and Partnerships</u>	<u>Effective Date</u>
Sabre Real Estate Group, LLC L. Stephen Polito, PB	10/29/08
<u>Brokers – Corporations and Partnerships</u>	<u>Effective Date</u>
Waikoloa Vacation Rental Management Inc. Robert Dalton, PB	10/27/08
<u>Brokers – Limited Liability Companies and Partnerships Name</u>	<u>Effective Date</u>
Hakamada Realty Advisors L.L.C. Kohei Hakamada, PB	01/01/09
<u>Brokers – Sole Proprietor</u>	<u>Effective Date</u>
Edwin E. Britton	10/15/08
Barbara M. Smith	10/16/08
Jane A. Inuma dba Inuma Management	10/20/08
John A. Musser, John Musser Realty	10/21/08
Hiroki Kawasaki, Kawasaki Realty	10/23/08
Donald B. Acohido	10/24/08
Richard H. Brazil, Jr.	10/27/08
<u>Branch Office</u>	<u>Effective Date</u>
Certified Management Inc. Toni A. Floerke-Politsch, PB	10/15/08
KLU Real Estate Inc. Lou Ann Uyeda	10/30/08
KLU Real Estate Inc. Lou Ann Uyeda	10/30/08
<u>Equivalency to Uniform Section of Examination Certificate</u>	<u>Expiration Date</u>
Delores Dee Tress	10/23/10
Becky Marie Wright	10/24/10
Lauri Ann Foster	10/24/10
Edwin Fox	10/28/10
Emeraude Amy Thai	10/28/10
K. Kemper	10/28/10
Kathy Atsuko Asato	10/29/10
Lisa Fox	10/29/10
Kerrie Lyn Kirkendall	10/29/10
Paul Julio Migliozi	10/31/10
Nicholas Andrew Benavides	10/31/10
Candace Carr Bailey	11/03/10
Kirk Davin Hansen	11/06/10
Gilbert Torres	11/10/10
Yasuko Keiko Okubo	11/10/10

Educational Equivalency Certificate

Delores Dee Tress	10/23/10
Becky Marie Wright	10/24/10
Lauri Ann Foster	10/24/10
Carol Louise Skon	10/27/10
Edwin Fox	10/28/10
Emeraude Amy Thai	10/28/10
Robert David Conciencie	10/28/10
K. Kemper	10/28/10
Kathy Atsuko Asato	10/29/10
Lisa Fox	10/29/10
Kerrie Lyn Kirkendall	10/29/10
Paul Julio Migliozi	10/31/10
Nicholas Andrew Benavides	10/31/10
Candace Carr Bailey	11/03/10
Kirk Davin Hansen	11/06/10
Gilbert Torres	11/10/10
Yasuko Keiko Okubo	11/10/10

Expiration Date

Real Estate Broker Experience Certificate

Katherine Allyson Blackard	10/23/10
Becky Marie Wright	10/24/10
Tim Connor	10/24/10
Joseph Arthur Megna	10/27/10
Tomoko Ishikawa	10/28/10
Emeraude Amy Thai	10/28/10
K. Kemper	10/28/10
Laura Awana Lewis	10/29/10
Candace Carr Bailey	11/03/10
Kirk Davin Hansen	11/06/10
Gilbert Torres	11/10/10

Expiration Date

Continuing Education Equivalency

Margie Antonia	10/24/08
John C. Pinchiaroli	10/30/08
William Cittadino	11/07/08

Effective Date

Real Estate Broker (upgrade)

Jen Jacobsen	10/20/08
Scott Berry	10/22/08
Maggie Murphy	10/22/08
K. Kenny Furuki	10/22/08
Edward A. Halfinger	10/22/08
Terry J. Lovvorn	10/24/08
JoAnn Shelley	10/24/08
Cynthia Northrup	10/27/08
Tanya Bridges	10/29/08
L. Stephen Polito	10/29/08
J J Jasinski	01/01/09
Kohei Hakamada	01/01/09
Mara L. Lockwood	01/01/09

Effective Date