

Real Estate Commission Bulletin

The Latest 2010 Legislative Update

A brief summary of some of the bills and acts from the 2010 legislative session appears below. The summaries are not intended to be an exhaustive list or to cover all provisions of the bills and acts. Complete information is available at www.capitol.hawaii.gov.

Additional summaries of legislative action that may be of interest to real estate licensees are included in the Commission's mandatory core course, Core B, 2010 along with the module, "Don't Discriminate: Fair Housing in Diverse Communities."

ACT 9 SB 2602 HD1, Relating to real estate brokers and salespersons – continuing education

Increases the continuing education requirement for real estate licensees from 10 hours to at least 20 hours per biennium effective January 1, 2011. Promotes professionalism and consumer protection. Rejected Senate's proposal that required a high school diploma or equivalent for new licensees.

The Governor signed this bill on March 23, 2010, and its effective date is January 1, 2011..

ACT 11 SB 2699 SD1, Relating to restoration time limits for licensees

Establishes a 5-year time limit, from the date of forfeiture, for individual real estate brokers and salespersons to apply for restoration of their license. Provides for automatic termination of a broker license issued to any person other than a natural person if an application for restoration is not filed within one year of forfeiture. This Act affects only forfeited, not inactive licenses.

Previously, there was no time limit for the restoration of individual real estate licenses.

The governor signed this bill on April 1, 2010.

Act 49 SB 2921 SD1 HD1, Relating to escrow depositories – real properties

Requires a Hawaii license from the Commissioner of Financial Institutions to act as an escrow depository with respect to transactions involving property in Hawaii. This will make all escrow entities handling Hawaii real property subject to Hawaii regulations, create uniformity and provide a clear course of action for Hawaii residents seeking assistance or redress from an escrow company dealing with Hawaii property.

The Governor signed this bill on April 23, 2010, and the effective date is July 1, 2010.

HB 1212 HD1 SD1 CD 1, Relating to public documents; privacy

Protects from public disclosure, as part of an inquiry into an individual's fitness to be granted or to retain a license, one's record of unresolved complaints. Complaints that have been resolved, which include those where warning letters may have been issued and other intermediary actions taken before sanctions incurred, are not considered a significant privacy interest subject to protection and will be disclosed via DCCA's website. The bill has a sunset date of July 1, 2013.

The Governor vetoed this bill on July 6, 2010.

Act 84 SB 2603 SD 2 HD2 CD1, Relating to mortgage licensing

Brings the Hawaii mortgage loan originator licensing laws into full compliance with the federal Secure and Fair Enforcement (SAFE) for Mortgage Licensing Act of 2008, which increases uniformity, reduces regulatory burden, enhances consumer protection and reduces fraud by encouraging states to regulate the mortgage industry.

The bill deals with, among other things, licensing of mortgage brokers and solicitors, setting the Mortgage Loan Recovery Fund fee for branch offices of loan originators, the amounts of license application, renewal and



contents

2010 Legislative Rules
(1 - 2)

The Chair's Message
(3)

Administrative Actions
(4 - 8)

Statutory Rules/
Violations (9)

Prelicense
Real Estate Schools
(10)

Continuing
Education Providers
(11)

Real Estate
Commission Meeting
Schedule
(12)

The Latest 2010 Legislative Update (cont. from page 1)

other related fees and the transitioning from one law to another and from one division to another (from DCCA's Professional and Vocational Licensing Division to Division of Financial Institutions)

The Governor signed this bill on May 7, 2010.

Act 36 SB 2910 HD1, Relating to residential real property, mortgage foreclosure

Provides consumer protection by prohibiting a foreclosing mortgagee from requiring that a buyer purchase owner's title insurance or escrow services from a particular vendor as a condition of sale. Applies only to foreclosure of residential property improved by four or fewer units. Violators of the law shall be liable to buyers in an amount equal to three times the charges incurred in the purchase of the title insurance policy or escrow services.

The Governor signed this bill on April 19, 2010, and the effective date is July 1, 2010.

Act 53 HB 2197 HD1 SD1, Relating to condominiums; solar energy; wind energy

Gives boards of directors of condominium associations the authority to install or allow installation of solar or wind energy devices on common elements under appropriate circumstances to reduce Hawaii's dependence on fossil fuel energy. However, devices cannot be installed on limited common elements without owners' consent, cannot be a structural alteration that constitutes a material change of plans, and cannot directly, specially and adversely affect an individual non-consenting unit owner in a manner not common to apartment owners as a whole.

The Governor signed this bill on April 23, 2010.

Act 44 HB 1927 HD1 SD1, Relating to owner-builders
Amends the owner-builder law (Hawaii Revised Statutes, Chapter 444, Contractors) by: (1) Allowing an exemption for the sale or lease of a property by an owner builder prior to the expiration of the one-year prohibition period in the event of hardship; (2) Defining when a construction or improvement project is completed; (3) Exempting improvements pursuant to an approved building permit where the estimated valuation as reflected in the building permit is less than \$10,000; (4) Establishing fines for the failure of an owner-builder to comply with the requirements set forth in the disclosure statement provided to the owner-builder by the county.

The Governor signed this bill on April 21, 2010, and its effective date is July 1, 2010.

Act 91 SB 2643 SD1 HD1 CD1, Relating to general excise tax

Extends the exemption on GET for condominium common expenses paid by managers, submanagers and suboperators from December 31, 2010 to December 31, 2014, and clarifies that the annual cap of \$400,000 imposed by Act 196 SL 2009 applies to the aggregate tax liability, not gross receipts. Exemption also applies to hotel operators and timeshare associations.

The Governor signed this bill on May 11, 2010, and its effective date is July 1, 2010.

Act 21 HB 2596, Relating to income tax credits

Clarifies that refundable tax credits must be used first, followed by nonrefundable tax credits. Thus, in offsetting a taxpayer's income tax liability, tax credits that may be refunded or paid to a taxpayer who has no tax liability shall be used first, followed by nonrefundable tax credits that may be used against taxes in subsequent years until exhausted. This Act, which was signed on April 14, 2010, is expected to save \$17 million and applies to all tax years beginning January 1, 2010.

The Governor signed this bill on April 14, 2010.

CORE B 2010 Is Ready

COMMISSION'S MANDATORY CORE COURSE, PART A and PART B

Core B will be available in both a live classroom version and an online version through December 31, 2010. Effective January 1, 2011, Core B will no longer be available in a live classroom format, and will only be available in an online format.

Core A and Core B, 2009-2010, will both be available until May 31, 2011, for those licensees wishing to restore or reactivate their real estate license. From June 1, 2011, those individuals wishing to restore or reactivate their real estate license must take 12 hours of continuing education elective courses, as the 2009-2010 core course will no longer be available.

Remember, the core course may NOT be used as a "make-up" course for licensees restoring or reactivating their license.

The Chair's Message



Core B of the 2009-2010 core course is now available in a live-classroom and internet version and will cover laws that passed the 2010 legislature, and the module, "DON'T DISCRIMINATE: Fair Housing in Diverse Communities." By

November 30, 2010, all 10 hours of continuing education (CE) must be completed to renew a real estate license on active status for 2011-2012. Congratulations to all licensees who took the initiative and completed Core A of the 2009-2010 mandatory core course in 2009. For those who have not completed Core A, as of January 2010, it is available only on-line.

The 2010 Legislature passed Act 9, SB 2602 HD1, which increases the amount of continuing education hours required to renew real estate licenses to at least 20 hours during the two-year period preceding the application for renewal. The Real Estate Commission supported the Hawaii Association of REALTORS' (HAR) bill to increase CE hours from 10 to at least 20 hours, raising Hawaii's CE requirements to fall in line with most other states' requirements for CE. In the past, Hawaii ranked second from the bottom in the amount of continuing education required. This law is effective January 2011.

If your license is forfeited, you now have 5 years to restore your license where previously it was an indefinite amount of time. When you fail to renew your license on time, your license is forfeited. This should not be confused with an "inactive license". A licensee can elect to place their license in an inactive status until they choose to activate it, which could be for an indefinite amount of time. This new law, Act 11, SB 2699 SD1, passed the 2010 legislature and will be covered in Core B.

We are now in a new fiscal year and as of July 1, 2010, the Commission members include: Vice Chair, Stanley Kuriyama, Laws and Rules Review Committee Chair, Frances Gendrano, Vice Chair, Walter Harvey, Education Review Committee Chair, Carol Ball, Vice Chair, Scott Sherley, Condominium Review Committee Chair, Michele Loudermilk, Vice Chair, Mark Suiso.

Mahalo to Commissioner and public member, Mark Suiso, who will be serving a hold-over appointment until the new governor

appoints a new public member to the Commission and the Senate confirms the new appointee. The new Commissioner from Kauai has not been appointed to date, and when selected, will replace former Commissioner Louis Abrams, who completed serving two terms as the Kauai Commissioner. The Commission also said farewell to Annette Aiona, the former Commissioner from the Big Island.

Congratulations to Commissioner Frances Gendrano, O'ahu, who was reappointed for her second 4-year term. And a hearty welcome goes to new Commissioner from the Big Island, Scott Sherley. The Commission welcomes committed individuals who volunteer their time and energy to maintain a real estate industry safe for consumers and licensees alike.

At its monthly meetings the Commission continues to review license applications which include disclosures of past convictions, judgments, involuntary liens, outstanding tax obligations, and pending lawsuits. The Commission also reviews recommended disciplinary actions and settlement agreements against licensees, and may approve, defer, amend, or not accept the disciplinary actions and settlement agreement terms. You will notice a new format in reporting the disciplinary actions and settlement agreements in this issue of the Bulletin. We hope you find it easier to read and digest.

The Commission will continue to explore the possibility of requiring background checks and or fingerprinting of a potential licensee in its Program of Work for fiscal year 2011.

For questions, comments and inquiries, please contact the Real Estate Branch at telephone 808-586-2643, email at hirec@dcca.hawaii.gov, or at 335 Merchant Street, Room 333, Honolulu, HI 96813.

Administrative Actions

December 2009

Diana Heejin Park

Salesperson –
RS 57376
Case Nos:
REC 2004-65-L
REC 2004-90-L
REC 2004-234-L
Dated 12/18/09

Factual Findings: Respondent was convicted of theft in a criminal case for deposits received for the sale of a property in a fictitious subdivision created to defraud consumers. The sentence included restitution to the victims in the amount of \$60,000.00 and probation. A Default Judgment was entered against the Respondent for \$40,943.78. The Judgment was entered as a result of Respondent altering purchase agreements and forging signatures to designate a false cooperating buyer's broker and diverting unearned commissions for her own benefit. Respondent did not report the criminal conviction or Judgment to the Commission.

Order: License is revoked and must pay a fine of \$2,000.00.

Violations: HRS §§467-14 (1)- (4), (16), (20); HRS §436B-16 and §§436B-19(2), (7), (11), (12), and (14); and HAR §16-99-3(u).

January 2010

Brandon P. Price and The Price Corporation

Broker – RB 19732
Broker – Corp.
RB 19731
Case No. REC 2008-149-L
Dated 1/28/10

Factual Findings: A judgment was entered against Respondent on 6/6/2007 in Clark County, Nevada, in favor of Bank of America for \$7,985.16, plus interest, attorney's fees and costs. On applications for real estate broker's licenses, Respondents falsely answered "No" to the question, "Are there any pending lawsuits, unpaid judgments, outstanding tax obligations, or any other type of involuntary liens against you?"

Order: Licenses are revoked and each must pay a fine of \$500.00.

Violations: HRS §§467-14(8), and (20), and §467-20.

February 2010

Parifi Realty of Hawaii, Inc.

Broker-RB 19386
Francine D. Sapla
Broker-RB 9785
Case No: REC 2007-470-L
Dated 2/26/2010

Factual Findings: As the listing agent, Respondent failed to reply to buyer's initial offer to purchase a Waipahu property. Unbeknownst to the buyer, the MLS price was reduced by \$900.00. Promises were made by Respondent to call the buyer back but never did. Sales price was subsequently reduced again by \$500.00. Buyer wrote directly to Seller to inquire whether property was still available for purchase. Seller informed buyer that the offer was not received from their agent as yet. On September 25, 2007, Buyer discontinued further efforts to purchase the property and did not hear from the Respondent since then.

Order: License revocation; Licensee and Brokerage each pay a \$2,500.00 fine

Violations: HRS §§467-14(1), (2), (3), (8), (13) and (20), HAR §16-99-3(j)

March 2010

RE/Max Big Island LLC dba RE/Max Properties

Broker-RB 17751
Case No: REC 2006-124-L
Dated 3/25/10

Allegations: Respondent represented both the buyers and sellers in a 2004 sale. Respondent never obtained the buyers' initial on section A-2 of the DROA regarding Agency Disclosure. Even though the buyers executed the DROA on 1/17/04, and were bound by contract to purchase the property on or about 1/22/04, the buyers did not execute a written "Addendum to the DROA-Dual Agency Addendum," until 2/10/04. The Sellers' signatures were not obtained on said Addendum until 3/13/04.

Sanction: Voluntary license revocation.

Violations: HRS §§467-14(4), and (13), HRS §436B-19(7), HAR §§16-99-3.1(e), (f), and (g)

Administrative Actions (cont. from page 4)

April 2010

Kevin Y. Yu

Salesperson-RS 68392
Case No: REC 2009-76-L
Dated 4/22/10

Allegations: Pled no contest to driving under the influence on or about 6/18/08. Respondent disclosed the conviction in writing to the Commission via letter dated 11/18/08 which was accompanied by the license renewal application.

Sanction: Pay an administrative fine of \$500.00

Violations: HRS §§436B-19(12), (14), and (17)

Carol Star

Broker-RB 18509
Star International, LLC
Broker-RB 18843
Case No: REC 2009-132-L
Dated 4/22/10

Allegations: The Honolulu Board of REALTORS ("HBR") issued an Opinion and Decision adverse to the Respondents on or about 4/17/08 which concluded that the respondents violated Articles 1 and 5 of the National Association of REALTORS' Code of Ethics. Respondent STAR was required to attend and successfully complete an ethics and agency class or the equivalent. Upon information and belief, the Respondent met the conditions or terms of the 4/17/08 discipline however the respondent did not report the HBR Opinion and Decision to the Commission in writing.

Sanction: Respondents shall, jointly and severally, pay an administrative fine of \$500.00.

Violations: HRS §§436B-19(15), and (17)

Heather E. Hedenschau

Broker-RB 16210
Case No: REC 2006-124-L
Dated 4/22/10

Allegations: Misinformation on the MLS regarding number of bedrooms, square footage and number of mature, fruit-bearing trees; Failure to timely memorialize dual agency disclosure; Failure to express exact obligation regarding general excise tax on commission; and professional misconduct in disclosing confidential information to sellers.

Sanctions: Voluntary License Suspension for one year. Suspension, however, will be stayed. During the stay, the Respondent shall be permitted to engage in the activities of a real estate broker. However, if disciplinary action is imposed against Respondent's license during the period of the stay, the stay herein shall be lifted immediately and Respondent's license shall be suspended for one year. Respondent must also pay an administrative fine of \$5,000.00 and enroll and successfully complete an education course or courses to be determined by the Commission

Violations: HRS §§467-14(4),(13), (18), (20), HRS §§436B-19(2), (7), (17)
HAR §§16-99-3(b), (f), 3.1(e), (f), and (g)

Marilou Valerio

Salesperson –
RS 68761
Case No. REC 2008-303-L
Dated 4/22/10

Allegation: Failed to disclose a 2001 Nevada conviction in connection with a guilty plea for drawing a check with insufficient funds. Failed to disclose pending disciplinary actions on renewal application.

Sanction: Voluntary revocation of license

Violations: HRS §§467-14(13), and (20), HRS §§436B-19(1), (2), and (5).

May 2010

Donald A. Wright

Salesperson-
RS 49935
Case No. REC 2008-212-L
Dated 5/28/10

Allegation: Pled guilty to DUI on or about 9/12/07. Respondent disclosed the conviction in writing to the Commission on 10/12/07.

Sanction: Pay an administrative fine of \$500.00.

Violations: HRS §§436B-19(12), (14), and (17)

Administrative Actions (cont. from page 5)

May 2010

<p>Jennel Douglas Salesperson-RS 71724 Case No. REC 2009-221-L Dated 5/28/10</p>	<p>Allegation: Pled no contest to DUI on or about 11/18/08. Respondent disclosed the conviction in writing to the Commission in connection with her 1/30/09 renewal application. Mailing address on file is not the Respondent's current mailing address.</p>	<p>Sanction: Pay an administrative fine of \$500.00. Violations: HRS §§436B-19(12), (14), and(17), HAR §16-99-5(a)</p>
<p>Ryan R. Wells Salesperson-RS 59936 Case No. REC 2009-82-L Dated 5/28/10</p>	<p>Allegation: Pled guilty to DUI on or about 10/08/08. Respondent disclosed the conviction in writing via letter dated 11/30/08 to the Commission in connection with his license renewal application.</p>	<p>Sanction: Pay an administrative fine of \$500.00 Violations: HRS §§436B-19(12), (14), and (17)</p>
<p>Cori L. Shimabukuro Salesperson-RS 59468 Case No. REC 2009-84-L Dated 5/28/10</p>	<p>Allegation: Pled guilty to DUI on or about 2/25/08. Respondent disclosed the conviction in writing via letter dated 11/26/08 to the Commission in connection with her license renewal application.</p>	<p>Sanction: Pay an administrative fine of \$500.00 Violations: HRS §§436B-19(12), (14), and (17)</p>
<p>Cara Bohne Salesperson-RS 68875 Case No. REC 2009-48-L Dated 5/28/10</p>	<p>Allegation: Pled no contest to DUI on or about 8/15/07. Respondent disclosed the conviction in writing via a statement with her 12/26/08 license renewal application.</p>	<p>Sanction: Pay an administrative fine of \$500.00 Violations: HRS §§436B-19(12), (14), and (17)</p>
<p>Gregory S. Skaltas dba Oki-Spar Broker-RB 15104 Case No. REC 2009-46-L Dated 5/28/10</p>	<p>Allegation: Pled no contest to DUI on or about 7/22/08. Respondent disclosed the conviction in writing via letter dated 12/12/08 in connection with his license renewal application.</p>	<p>Sanction: Pay an administrative fine of \$500.00 Violations: HRS §§436B-19(12), (14), and (17)</p>
<p>Leilani Griego aka Leilani Luka Rios-Griego Salesperon-RS 65032 Case No. REC 2009-120-L Dated 5/28/10</p>	<p>Allegation: Pled no contest to DUI on or about 12/12/07. Respondent disclosed the conviction in writing via a statement with her 12/23/08 license renewal application.</p>	<p>Sanction: Pay an administrative fine of \$500.00 Violations: HRS §§436B-19(12), (14), and (17)</p>
<p>Rebecca Hirsch-Kelihoomaluu Broker-RB 19834 Case No. REC 2009-47-L Dated 5/28/10</p>	<p>Allegation: Pled guilty to DUI on or about 5/7/08. Respondent disclosed the conviction in writing via letter dated 10/25/08.</p>	<p>Sanction: Pay an administrative fine of \$500.00 Violations: HRS §§436B-19(12), (14), and (17)</p>
<p>Andrew K. Cabebe Salesperson-RS 59292 Case No. REC 2009-39-L Dated 5/28/10</p>	<p>Allegation: Pled no contest to DUI on or about 4/20/07. Respondent disclosed the conviction in writing via letter with his 11/30/08 renewal application</p>	<p>Sanction: Pay an administrative fine of \$500.00 Violations: HRS §§436B-19(12), (14), and (17)</p>

Administrative Actions (cont. from page 6)

May 2010

Flora G. Lamontagne

Broker-RB 17428

Case Nos. REC 2006-233-L and
REC 2008-294-L

Dated 5/28/10

Factual Findings:

Transaction #1: Respondent did not disclose her dual representation. Closing was delayed repeatedly for reasons Respondent failed to explain to the Buyers. A second appraisal was done which reflected an increase in the fair market value. Respondent failed to provide the Buyers with any amendments to the DROA to reflect the increased purchase price nor did she explain or disclose the basis for the increase. Respondent advised the Buyers that if they did not agree to pay more for the property, they would lose their loan and all non-refundable deposits. Respondent and Seller agreed to the increase in purchase price and that the Buyers would be required to pay the difference of \$13,000.00 outside of escrow. Buyers did not receive any amendments to the DROA to reflect the increased purchase price and Respondent did not explain or disclose the basis for the increase to buyers. The buyers tendered a check for \$40,934.34 to Respondent. Respondent also required the buyers to tender another check for \$1,400.00 for "real estate expense" but did not explain what the fees are for. Respondent instructed escrow to prepare a HUD Settlement Statement which reflected \$18,902.68 of the buyers deposit although they supplemented their \$13,000.00 deposit with another payment of \$40,934.34 to Respondent. Respondent issued a refund check to the Buyers for \$11,250.00 but the check was not negotiable. Respondent gave another check to the buyers in the amount of \$11,250.00. Respondent failed, despite repeated requests, to provide the buyer with an accounting and copies of all documents Respondent has relating to the sale of the property.

Transaction #2: Respondent represented Buyers for property A. During and after the purchase of property A, the Respondent had the Buyers sign numerous additional documents for a property B. The Buyers had no intension of purchasing property B and did not know what the Respondent was having them sign. The Respondent had the Buyers sign a DROA for the purchase of property B. Respondent represented the Sellers of property B. Respondent paid the deposit for the Buyers for property B and had them sign a mortgage note and deed. Respondent notarized the Buyers signature. The Buyers were not aware that they were signing a mortgage note and deed for an additional property and the Respondent did not explain that they were purchasing property B. Respondent made the initial mortgage payment for property B but at some point stopped making payments. The Buyers, being unaware of the purchase of property B, never made any mortgage payments on the property. They were served with a foreclosure notice and discovered that the Respondent had used their personal information to purchase a property in their name without their knowledge or consent. Respondent listed property B for sale and represented that she was the agent for the seller of property B.

Order: License revocation; pay \$5,000.00 fine.

Violations: HRS §§467-14(1), (2), (3), (4), (7), (16), (20), §436B-19(7), HAR §§16-99-3(b), and (f)

Administrative Actions (cont. from page 7)

May 2010

Jill McGowan

Broker-RB 19849

Case No. REC 2008-225-L

Dated 5/28/10

Factual Findings: On 3/28/06, a judgment was entered against the Respondent in the matter of *Intersource Realty, Inc. v Jill McGowan*, Civil No. DC-SC 05-1-0449 in the amount of \$3,665.00. The lawsuit alleged that Respondent withdrew funds from Intersource Realty, Inc.'s client trust account without authorization. She had subsequently ended her business relationship with the President of Intersource Realty and discussed payment for outstanding commissions for work she had completed. Thereafter, by a memorandum dated 1/4/05 and faxed on 1/17/05, Respondent believed that it was put in writing by the President that she could be paid \$5,400.00 out of the client trust account. Accordingly, she paid herself by writing a check in the amount of \$5,400.00. In an affidavit notarized on 2/13/06, the president stated that the fax sent on 1/17/05 was a forgery and that phone records show that no fax had been sent from his office to Respondent on that date or any surrounding dates. In a statement attached to a Motion for Reconsideration filed in the small claims action, Respondent stated that she had no reason to doubt that the 1/17/05 fax was from the Plaintiff. Respondent also stated that she did not believe Intersource met its burden of proof just because the phone records show that the fax was not sent from Intersource's office. Respondent also alleged that she had not been properly trained by the president and that the lawsuit was revenge and harassment because the president had lost his presence on Molokai and was jealous of her success after leaving the company. The president asked for judgment in the amount of \$3,500.00 because he believed that \$3,500.00 was the maximum amount he could request in small claims court. Respondent did not report this judgment to the Commission.

Order: Pay a \$1,000.00 fine.

Violations: HRS §436B-16

Settlement Agreement (Allegations/Sanction): The respondent does not admit to the allegations set forth by the Regulated Industries Complaints Office (RICO) and denies having violated any licensing law or rule. The Respondent enters in a Settlement Agreement as a compromise of the claims and to conserve on the expense of proceeding with a hearing on the matter.

Disciplinary Action (Factual Findings/Order): The respondent is found to have violated the specific laws and rules cited, and the Commission approves the recommended order of the Hearings Officer.

Statutory/Rule Violations

(The laws and rules cited above as possible violations and violations, as the case may be, are listed below in an abbreviated form.

To view the specific laws and rules in their entirety, please go to the Commission's website at www.hawaii.gov/hirec

- HRS §467-14 (1)** Making any misrepresentation concerning any real estate transaction.
- HRS §467-14 (2)** Making any false promises concerning any real estate transaction of a character likely to mislead another.
- HRS §467-14 (3)** Pursuing a continued and flagrant course of misrepresentation, or making false promises through advertising or otherwise.
- HRS §467-14 (4)** Without first having obtained the written consent to do so of both parties involved in any real estate transaction, acting for both the parties in connection with the transaction, or collecting or attempting to collect commissions or other compensation for the licensee's services from both of the parties.
- HRS §467-14(7)** Failing within a reasonable time to account for moneys belonging to others which may be in possession or under the control of the licensee.
- HRS §467-14(8)** Any other conduct constituting fraudulent or dishonest dealings.
- HRS §467-14(13)** Violating this chapter, chapters 484, 514A, 514B, 514E, or 515; § 516-71, or the rules adopted pursuant thereto.
- HRS §467-14 (16)** Converting other people's moneys to the licensee's own use.
- HRS §467-14 (18)** Failing to ascertain and disclose all material facts concerning every property for which the licensee accepts the agency, so that the licensee may fulfill the licensee's obligation to avoid error, misrepresentation, or concealment of material facts.
- HRS §467-14 (20)** Failure to maintain a reputation for or record of competency, honesty, truthfulness, financial integrity, and fair dealing.
- HRS §467-20** False statement.
- HRS §436B-16** Notice of judgments, penalties.
- HRS §436B-19(1)** Failure to meet or maintain the conditions and requirements necessary to qualify for the granting of a license.
- HRS §436B-19(2)** Engaging in false, fraudulent, or deceptive advertising, or making untruthful or improbable statements.
- HRS §436B-19(5)** Procuring a license through fraud, misrepresentation, or deceit.
- HRS §436B-19(7)** Professional misconduct, incompetence, gross negligence, or manifest incapacity in the practice of the licensed profession or vocation.
- HRS §436B-19(11)** Engaging in business under a past or present license issued pursuant to the licensing laws, in a manner causing injury to one or more members of the public.
- HRS §436B-19(12)** Failure to comply, observe, or adhere to any law in a manner such that the licensing authority deems the applicant or holder to be an unfit or improper person to hold a license.
- HRS §436B-19(14)** Criminal conviction.
- HRS §436B-19(15)** Failure to report disciplinary action within thirty days of the disciplinary decision.
- HRS §436B-19(17)** Violations of Chapter §467, HRS, or any other rule or order of the licensing authority.
- HAR §16-99-3(b)** Licensee shall protect the public against fraud, misrepresentation, or unethical practices in the real estate field.
- HAR §16-99-3(f)** Licensee shall see that financial obligations and commitments are in writing.
- HAR §16-99-3(u)** The licensee shall not add or modify the terms of a party to a transaction without written consent of all the parties.
- HAR §16-99-3.1(e)** Any disclosure required ...shall be confirmed in writing in a separate paragraph titled "AGENCY DISCLOSURE"...
- HAR §16-99-3.1(f)** Unless specifically restricted by the real estate brokerage firm in writing, any real estate salesperson, employed by or associated with a real estate brokerage firm, shall be authorized to make the required disclosures on behalf of the real estate brokerage firm. Failure to make the disclosure required by subsections (b), (c), and (d) or to obtain the written confirmation thereof shall subject the real estate brokerage firm and the real estate salesperson to disciplinary action by the commission.
- HAR §16-99-3.1(g)** Received property to be held in trust for the benefit of the depositor, and or for the benefit of third persons, shall be received on behalf of the salesperson's or broker-salesperson's principal broker or broker in charge, and shall be delivered immediately by the next business day after receipt to the salesperson's or broker-salesperson's principal broker or broker in charge, unless the salesperson and broker-salesperson is instructed as to another time in writing by the depositor.

Prelicense Real Estate Schools As of 7/14/2010

This list is regularly updated in the Real Estate Commission's Web page at: <http://www.hawaii.gov/hirec>

ABE LEE SEMINARS
942-4472

AKAHI REAL ESTATE NETWORK LLC
331-2008

ALL ISLANDS REAL ESTATE SCHOOL
564-5170

CAROL BALL SCH OF REAL ESTATE
871-8807

**COLDWELL BANKER
PACIFIC PROPERTY REAL ESTATE SCHOOL**
597-5542

DOWER SCHOOL OF REAL ESTATE
735-8838

FAHRNI SCHOOL OF REAL ESTATE
486-4166

HAWAII ACADEMY OF RE LLC
245-8169

HAWAII INSTITUTE OF REAL ESTATE
561-7653

HUDSON REAL ESTATE SCHOOL
853-8888

MAUI COMMUNITY COLLEGE - VITEC
984-3231

PROSCHOOLS, INC.
503-297-1344 EXT. 812

RALPH FOULGER'S SCHOOL OF RE
591-2980

REMI SCHOOL OF REAL ESTATE
230-8200

SEILER SCHOOL OF REAL ESTATE
874-3100

**UNIVERSITY OF HAWAII AT MANOA
OUTREACH COLLEGE**
956-8244

VITOUSEK REAL ESTATE SCHOOLS
946-0505

This material can be made available for individuals with special needs. Please call the Senior Real Estate Specialist at 586-2643 to submit your request.

Scott Sherley is Newest Member of the Commission



Scott A. Sherley is the newest member of the Real Estate Commission, representing the Big Island. He is a broker-in-charge with ERA Pacific Properties, and has been involved in real estate since 1985. His appointment is effective July 1, 2010.

Mr. Sherley was the 2004 President of the Hawaii Association of REALTORS®. He also served as President of the REALTORS® Association of Maui

in 1999. He is active in the continuing education arena, having authored several continuing education courses previously approved by the Commission, and taught courses dealing with the topics of fair housing, property management, and condominium ownership.

Mr. Sherley is currently the President of the East Hawaii Chapter of the National Association of Residential Property Managers (NARPM), and is active on various committees with the Hawaii Island Board of REALTORS®. He also served on the Commission's Adhoc Committee on Condominium Review and Education. Mr. Sherley is a member of the Community Associations Institute (CAI) and the Real Estate Educators Association (REEA).

Originally from Maui, Mr. Sherley relocated to Pahoehoe, on the Big Island, in 2006, with his wife, Penney. He is a graduate of the Doris Todd Christian Academy, Paia, Maui, 1983.

Continuing Education Providers

Abe Lee Seminars	942-4472	Kauai Board of Realtors	808-245-4049
Akahi Real Estate Network LLC	808-331-2008	KendallTodd Inc.	704-271-1285
All Islands Real Estate School	564-5170	Kona Board of Realtors Inc.	808-329-4874
Americas Best	888-910-5452	Lorman Education Services	715-833-3940
Brian R. Thomas dba Edventures	808-885-2117	Lynn W. Carlson	
Career Webschool Cengage Learning, Inc.	800-532-7649	Maui Community College-VITEC	808-984-3231
Carol Ball School of Real Estate	808-871-8807	McKissock, LP	800-328-2008
Coldwell Banker Pacific Properties Real Estate School	597-5592	Michael A. Abrams	922-3456
Continuing Ed Express LLC	866-415-8521	Pacific One Mortgage Inc.	360-654-4527
Continuing-Ed-online.org	800-925-1502	Pacific Real Estate Institute	524-1505
Dower School of Real Estate	735-8838	ProSchools, Inc.	800-452-4879
Ecobroker International	800-706-4321	Ralph Foulger's School of Real Estate	239-8881
Eddie Flores Real Estate Continuing Education	951-9888	Realtors Association of Maui Inc.	808-873-8585
ERA School of Real Estate a Division of SRH Inc.	808-981-0711	REMI School of Real Estate	230-8200
Fahrni School of Real Estate	486-4166	Richard Daggett School of Real Estate	923-0122
Hawaii Academy of Real Estate	808-245-8169	Russ Goode Seminars	597-1111
Hawaii Association of Realtors	733-7060	Seiler School of Real Estate	808-874-3100
Hawaii CCIM Chapter	528-2246	Servpro Industries Inc.	615-451-0200
Hawaii Institute of Real Estate (HIRE)	561-7653	Shari S. Motooka-Higa	457-0156
Hawaii Island Board of Realtors	808-935-0827	The CE Shop, Inc.	888-827-0777
Hogan School of Real Estate	800-794-1390	The Seminar Group	206-463-4400
Honolulu Board of Realtors	732-3000	University of Hawaii at Manoa Outreach College	956-8244
Institute of Real Estate Management (IREM)	800-837-0706	Vitousek Real Estate Schools, Inc.	946-0505
Investment Property Exchange Services, Inc.	387-4140		



State of Hawaii Real Estate Commission

© Copyright Hawaii Real Estate Commission 2010. All rights reserved. Funded by the Real Estate Education Fund and provided as an educational service to Hawaii real estate licensees. This publication is designed to provide general information on the subject matter covered and is not a substitute for professional services to address specific situations. If legal advice or other expert assistance is required, please seek the services of a competent professional.

This material can be made available to individuals with special needs. Please call the Senior Real Estate Specialist at 586-2643 to submit your request.

Frances Gendrano Reappointed

Frances Allison Torre Gendrano was reappointed to a second term as a Commissioner, O'ahu, effective July 1, 2010. She is the principal broker of KFG Properties, Inc. She has served as the vice-chair of the Commission's Education Review Committee, and was most recently the vice-chair of the Commission's Laws and Rules Review Committee.

She is a graduate of Punahou School and Boston College, Boston, MA, where she received a B.S. in Biology.



2010 Real Estate Commission Meeting Schedule

Laws & Rules Review Committee – 9:00 a.m.

Condominium Review Committee – Upon adjournment of the Laws & Rules Review Committee Meeting

Education Review Committee – Upon adjournment of the Education Review Committee Meeting, which is upon the adjournment of the Laws & Rules Review Committee Meeting, which convenes at 9:00 a.m. Real Estate Commission, 9:00 a.m.

Wednesday, August 11, 2010

Wednesday, September 8, 2010

Wednesday, October 13, 2010

Wednesday, November 10, 2010

Wednesday, December 8, 2010

Thursday, August 26, 2010

Thursday, September 23, 2010

Thursday, October 28, 2010

Wednesday, November 24, 2010

Thursday, December 16, 2010

All meetings will be held in the Queen Liliuokalani Conference Room of the King Kalakaua Building, 335 Merchant Street, First Floor.

Meeting dates, locations and times are subject to change without notice. Please visit the Commission's website at www.hawaii.gov/hirec or call the Real Estate Commission Office at (808) 586-2643 to confirm the dates, times and locations of the meetings. This material can be made available to individuals with special needs. Please contact the Executive Officer at (808) 586-2643 to submit your request.