

REAL ESTATE COMMISSION
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii
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, June 27, 2014

Time: 9:00 a.m.

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

Present: Nikki T. Senter, Chair, Public/Honolulu Commissioner
Frances Gendrano, Vice Chair, Broker/Honolulu Commissioner
Bruce Faulkner, Broker/Maui Commissioner
Scott A. Sherley, Broker/Hawaii Island Commissioner
Rowena Cobb, Broker/Kauai Commissioner
Aileen Wada, Broker/Honolulu Commissioner
Laurie Lee, Broker/Honolulu Commissioner

Neil K. Fujitani, Supervising Executive Officer
Miles Ino, Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Amy Endo, Real Estate Specialist
David Grupen, Real Estate Specialist
Benedyne Stone, Condominium Specialist
Katherine Linster, Condominium Specialist
Shari Wong, Deputy Attorney General
Marilyn Antolin, Recording Secretary

Others: Lei Fukumura, Special Deputy Attorney General
Patrick N. McFadden
Casey K. Paet

Absent: Scott Arakaki, Chair Laws & Rules Review Committee, Public Member
Real Estate Commission

Call to Order: Chair Senter called the meeting to order at 9:07 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 Arakaki was excused from the meeting. Prior notification of his non-attendance was received.

Chair Senter announced that Vice Chair, Commissioner Frances Gendrano completed her second four-year term on the Hawaii Real Estate Commission. In appreciation for her outstanding contributions and assistance provided, Chair Senter presented Frances Gendrano with a plaque from the Real Estate Commission.

The Executive Officer (EO) acknowledged Commissioner Gendrano for her excellent service and presented her with a Certificate of Appreciation from the Professional and Vocational Licensing Division, Real Estate Branch.

Commissioner Sherley shared his appreciation to Commissioner Gendrano and thanked her for her role as a commissioner.

Executive
Officer's Report

EO informed the Commissioners that the original applications, with any original associated documents considered at the meeting, were available for review.

Minutes of Previous
Meeting

Upon a motion by Commissioner Sherley, seconded by Commissioner Faulkner, it was voted on and unanimously carried to accept the minutes of the May 30, 2014 meeting.

Licensing
Ratification:

Upon a motion by Commissioner Lee, seconded by Commissioner Faulkner, it was voted on and unanimously carried to ratify the May 30, 2014 list.

Licensing
Applications:

EO 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.

Chair Senter took the agenda out of order.

Patrick N. McFadden

Mr. McFadden was present to answer any questions that the commissioners may have regarding his request and present an oral testimony pertaining to his real estate salesperson license. Mr. McFadden's letter of June 19, 2014 was distributed as additional distribution prior to the start of the meeting.

Mr. McFadden was asked if he wished to have the request for real estate salesperson license considered in an executive session. He declined the offer.

Mr. McFadden acknowledged that he was arrested and charged for driving under the influence (DUI) in 2013. He accepts responsibility for his actions, of which the consequences have affected him personally (family) and professionally (career). His goal is to obtain a salesperson license and become a successful real estate professional.

Mr. McFadden indicated that he is currently a Punahou teacher and provides handyman services.

Commissioner Gendrano asked whether Mr. McFadden intends to work for Wyndham Vacation. Mr. McFadden responded that he does intend to work for Wyndham.

There were no further questions for Mr. McFadden. Chair Senter thanked Mr. McFadden for his time.

Casey K. Paet

Mr. Paet was present to answer any questions that the commissioners may have regarding Mr. Paet's request.

Mr. Paet was asked if he wished to have the request for real estate broker license considered in an executive session. He declined the offer.

Chair Senter inquired if Mr. Paet was a member of the LLC and he responded that he was.

Chair Senter asked Mr. Paet if he understood his role and responsibilities as a member of an LLC. Mr. Paet responded that his responsibility included being responsible of the operations of the LLC. Mr. Paet stated he made a mistake regarding due diligence and verifying the status of the contractor license of the members. Commissioner Wada inquired if Mr. Paet continues to be involved with Kekai LLC. Mr. Paet stated he was no longer involved with Kekai LLC. Mr. Paet indicated that one of the members of Kekai is a childhood friend of his and maintains a personal friendship. His friend brought the contractor into the group but his license was inactive. Mr. Paet stated he tried to get the contractor license in order but the responsible licensee had financial difficulties, which hampered their progress. Mr. Paet currently does not have a relationship with the general contractor. The Company was created to assist their clients with repairs and maintenance.

Chair Senter asked if Cadmus Properties Corporation ("Corporation") still exists. Mr. Paet confirmed that Corporation still exists. Mr. Paet's father is currently semi-retired. Mr. Paet has two (2) brothers with real estate salesperson licenses. Mr. Paet would like to obtain a real estate broker license so that he can start to assume additional responsibilities of the Corporation from his father, act as broker-in-charge and eventually become the principal broker which will allow his father to retire full-time from the Corporation.

Commissioner Cobb asked Mr. Paet to identify his current function and his capacity in the Corporation. Mr. Paet responded that he and a staff of eight (8), are currently employed by the company which is run by his father who is the principal broker. Commissioner Gendrano wanted clarification if the Corporation handled both property management and sales. Mr. Paet confirmed that the Corporation operates as a full service brokerage firm that does residential as well as commercial real estate sales and property management.

Mr. Paet indicated that he did not make an appearance before the Contractor's Board. Commissioner Gendrano inquired about the RICO Complaint. Commissioner Lee asked what was alleged in the RICO Complaint. Mr. Paet said the Complaint included an allegation that Mr. Paet was the managing agent for the AOA and Cadmus represented the AOA in the purchase of the unit for

the resident manager, which the complaint alleged was a conflict of interest. The case was closed by RICO due to insufficient evidence.

EO asked what the intentions were when Kekai LLC was created. Mr. Paet said it was to pursue contracting jobs not just from their clients, but others. Mr. Paet said that full disclosures are made to clients. Creating the LLC was intended to give them the opportunity to expeditiously and efficiently complete repairs and maintenance. EO stated that the position of broker-in-charge carries tremendous responsibility and due diligence is of significant importance.

Mr. Paet pointed out that perception is a powerful emotion. He acknowledged that it would have been better if separate entities represented the different positions. He learned a great deal from this experience, an example that will be used as reference in future training.

Upon a motion by Commissioner Gendrano, seconded by Commissioner Faulkner, it was voted on and unanimously carried to take these matters under advisement.

Committees and
Program of Work:

Laws and Rules Review Committee

EO Ino and Commissioner Sherley attended the REEA 2014 Conference in Arizona from June 18 – 24, 2014. A report will be submitted.

Program of Work and Budget (FY15) has been finalized

Laws and Rules Review Committee

Condominium Review Committee

Education Review Committee

Chapter 91, HRS,
Adjudicatory
Matters:

The Chair called for a recess from the meeting at 9:34 a.m., to discuss and deliberate on the following adjudicatory matters, pursuant to Chapter 91, HRS:

In the Matter of the Real Estate Licenses of Douglas S. Konishi and Raymond N. Oishi; REC 2013-25-L

Upon a motion by Commissioner Faulkner, seconded by Commissioner Gendrano, it was voted on and unanimously carried to accept the settlement agreement.

In the Matter of the Real Estate License Agustina C. Salon; REC 2012-267-L

Upon a motion by Commissioner Sherley, seconded by Commissioner Gendrano, it was voted on and unanimously carried to accept the settlement agreement.

Following the Commission's review, deliberation, and decisions in these matters, pursuant to Chapter 91, HRS, the Chair announced that the Commission was reconvening its scheduled meeting at 9:40 a.m.

Executive Session:

Upon a motion by Commissioner Sherley, seconded by Commissioner Gendrano, 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."

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

Licensing
Applications:

Patrick N. McFadden

After review of the information presented by the applicant, Commissioner Faulkner moved to approve the real estate salesperson license of Patrick N. McFadden. Commissioner Sherley seconded the motion. The motion was voted on and unanimously carried.

Andrea R. Michau

After review of the information presented by the applicant, Commissioner Gendrano moved to approve the real estate salesperson license of Andrea R. Michau. Commissioner Lee seconded the motion. The motion was voted on and unanimously carried.

Jonathan J. Ochsenbein

After review of the information presented by the applicant, Commissioner Sherley moved to approve the real estate salesperson license of Jonathan J. Ochsenbein. Commissioner Faulkner seconded the motion. The motion was voted on and unanimously carried.

Norman M. Wetzel

After review of the information presented by the applicant, Commissioner Faulkner moved to approve the real estate salesperson license of Norman M. Wetzel. Commissioner Sherley seconded the motion. The motion was voted on and unanimously carried.

Benjamin K. Rogers

After review of the information presented by the applicant, Commissioner Sherley moved to most likely approve the real estate salesperson license of Benjamin K. Rogers. Commissioner Wada seconded the motion. The motion was voted on and unanimously carried.

Casey K. Paet

After review of the information presented by the applicant, Commissioner Faulkner moved to approve the real estate broker license of Casey K. Paet. Commissioner Sherley seconded the motion. The motion was voted on and unanimously carried.

Next Meeting:

Friday, July 25, 2014
9:00 a.m.
Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Adjournment: With no further business to discuss, Chair Senter adjourned the meeting at
9:55 a.m.

Reviewed and approved by:

/s/ Miles I. Ino

Miles I. Ino
Executive Officer

7/8/2014

Date

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