

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, January 24, 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 Arakaki, Public/Honolulu 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
Cynthia Yee, Senior Condominium Specialist
Benedyne Stone, Senior Condominium Specialist
Amy Endo, Real Estate Specialist
David J. Grupen, Real Estate Specialist
Shari Wong, Deputy Attorney General
Marilyn Antolin, Recording Secretary

Others: Lei Fukumura, Special Deputy Attorney General
Dana Kenny, Savio Realty Ltd.
Kyle Nitahara, Savio Realty Ltd.
Robert O'Neal
Vincent Lin-Watanabe
Liane Lin-Watanabe

Call to Order: Chair Senter called the meeting to order at 9:03 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.

Executive Officer's Report: The Executive Officer ("EO") informed the Commissioners that the original applications with any original associated documents to be considered at the meeting were available for review.

Minutes of Previous Meeting

Upon a motion by Commissioner Arakaki, seconded by Commissioner Sherley, it was voted on and unanimously carried to accept the minutes of the December 20, 2013 meeting.

Licensing – Ratification: Upon a motion by Commissioner Arakaki, seconded by Commissioner Gendrano, it was voted on and unanimously carried to ratify the attached list.

Committees and Program of Work: **Condominium Review Committee – Condominium Rules and Regulations.**

Senior Condominium Specialist Yee presented the recommended members of the Condominium Blue Ribbon Committee. Commissioner Sherley and Commissioner Arakaki are the designated co-chairs for the Condominium Blue Ribbon Committee.

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

Upon a motion by Commissioner Cobb, seconded by Commissioner Faulkner, it was voted on and unanimously moved to increase previously approved panel members from no more than (10) ten members to no more than fifteen (15) members, including the co-chairs.

Upon a motion by Commissioner Cobb, seconded by Commissioner Lee, it was voted on and unanimously moved to delegate to co-chairs, Commissioner Sherley and Commissioner Arakaki, authority to review and approve the final list of the members of the Condominium Blue Ribbon Panel.

Licensing – Applications: The 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.

Vincent Lin-Watanabe

Mr. Lin-Watanabe and his wife, Jungo Lin-Watanabe, were present to answer any questions that the Commissioners may have regarding Mr. Lin-Watanabe's request.

Mr. Lin-Watanabe was asked if he wished to have his request for preliminary decision considered in executive session. He accepted offer.

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

Upon a motion by Commissioner Faulkner, seconded by Commissioner Cobb, it was voted on and unanimously carried to take this matter under advisement.

Robert A. O'Neal

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

Mr. O'Neal was asked if he wished to have his request for preliminary decision, considered in executive session. He accepted offer.

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

Upon a motion by Commissioner Faulkner, seconded by Commissioner Cobb, it was voted on and unanimously carried to take this matter under advisement.

Licensing –
Applications:

Savio Realty, Ltd.

As a representative of Savio Realty Ltd., Principal Broker Dana Kenny was present with the Director of Operations, Kyle Nitahara, to answer any questions that the Commissioners may have regarding Mr. Savio's request.

Mr. Kenny was asked if he wished to have the request for corporation license considered in an executive session. He declined the offer.

Mr. Kenny indicated that a supporting letter dated December 31, 2013 was provided to the Commissioners. The surviving children of Mary Victoria Savio signed the letter. Surita S. Steinfield signed the letter as Individual and Trustee of the Mary Savio Irrevocable trust dated July 17, 1980.

Mr. Kenny requested that the Commission allow them to retain the family name to honor the late Mary Savio's memory and the continued use of the entity name Savio Realty, Ltd.

Mr. Kenny clarified that he speaks to Peter Savio daily regarding administrative functions, non-licensing activities, budgets, purchasing, long term planning, future contracts, etc.

Commissioner Arakaki asked Mr. Kenny to explain further the company name, Savio Realty Ltd. and its existence.

Mr. Kenny indicated that the name Savio Realty, Ltd. was initially licensed nearly 30 years ago. In 2001/2002, Hawaiian Island Home was created, with Mr. Peter Savio as the designated Principal Broker. In 2012/2013, Hawaiian Island Home restructured and a new corporation created. This new corporation was called Savio Realty, Ltd.

Mr. Kenny mentioned that they had spent in excess of \$1 million in branding and advertising. If approval for continued use of the name Savio Realty, Ltd. is denied, it could cause Savio Realty, Ltd. financial hardship. Savio Realty, Ltd. currently has 85 licensees and an estimated 1000+ clients. A third-party entity, Pro-Service, manages the employees, processes TDI insurance benefits, and administers human resource related issues.

Furthermore, Mr. Kenny said that public safety is not an issue as there is no risk to the public if granted the use of the name.

Commissioner Arakaki asked why the name was changed from Hawaiian Island Home to Savio Realty, Ltd. Mr. Kenny responded that the business grew from a \$500 million business to an \$8 billion business. Restructuring also created a liability barrier. The request for the name change was based on their attorney's advice. Mr. Kenny stated that they receive numerous inquiries.

Mr. Kenny confirmed that Mr. Peter Savio's license is not associated with Savio Realty Ltd.; however, he should be identified as an employee of Savio Realty Ltd. Mr. Kenny, as an example, illustrated that a Castle Cooke janitor can also be a principal broker at a real estate entity.

SEO Fujitani inquired if Mr. Kenny and Mr. Savio would consider the idea of switching roles in which Mr. Savio is Principal Broker of Savio Realty, Ltd. Mr. Kenny did not entertain the idea since Mr. Savio has not been actively involved in retail transactions for several years.

Further discussions regarding the definition of an employee surfaced. Real Estate Specialist Gruppen indicated to Mr. Kenny again, that if Mr. Savio chose to, as an employee of Savio Realty, Ltd., associate his license with Savio Realty Ltd, the corporate name would be in compliance with §467-9, HRS. However, the name Savio Asset Management would not be in compliance and; therefore, the application for Savio Asset Management would not be approved.

The Commissioners had no additional questions for Mr. Kenny or Mr. Nitahara.

Upon a motion by Commissioner Sherley, seconded by Commissioner Cobb, it was voted on and unanimously carried to take this matter under advisement.

Chapter 91, HRS,
Adjudicatory
Matters:

The Chair called for a recess from the meeting at 10:35 a.m., to discuss and deliberate on the following adjudicatory matters, pursuant to Chapter 91, HRS:

In the Matter of the Real Estate License of Frank Violi, Jr., A Real Estate Salesperson; REC 2013-185-L

Upon a motion by Commissioner Faulker, seconded by Commissioner Sherley, 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 Vice Chair announced that the Commission was reconvening its scheduled meeting at 10:40 a.m.

Executive Session:

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

Licensing –
Applications:

Miran R. Arakelian

After review of the information presented by the applicant, Commissioner Gendrano moved to deny the real estate salesperson license of Miran R. Arakelian. Commissioner Cobb seconded the motion. The motion was voted on and unanimously carried.

The license denial is also based on the following:

"§467-8 **Prerequisites for license, registration, or certificate.** (a) No license, registration, or certificate under this chapter shall be issued to:

- (3) Any person who does not possess a reputation for or record of competency, honesty, truthfulness, financial integrity, and fair dealing;" and

"§436B-19 **Grounds for refusal to renew, reinstate or restore and for revocation, suspension, denial, or condition of licenses.** In addition to any other acts or conditions provided by law, the licensing authority may refuse to renew, reinstate or restore or may deny, revoke, suspend, or condition in any manner, any license for any one or more of the following acts or conditions on the part of the licensee or the applicant thereof:

- (1) Failure to meet or maintain the conditions and requirements necessary to qualify for the granting of a license;. . .
- (8) Failure to maintain a record or history of competency, trustworthiness, fair dealing, and financial integrity;. . .

(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;. . ."

Based on these underlying, still existing issues, the Commission voted to deny his salesperson license application. The applicant's Chapter 7 bankruptcy filing was not taken into consideration by the Commission in its decision.

As to the clarification requested by staff regarding "most likely to deny" on the delegation of staff dated April 22, 2010, the Commission confirmed that if a Request for Preliminary Decision application results in the Real Estate Commission's decision to "most likely deny" the license application when submitted, must be brought before the Real Estate Commission to render the official "denial" decision. The preliminary decision shall provide advisory guidance, and shall not be construed as binding.

Anna R. Jenkins

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

Mary T. Scott-Lau

After review of the information presented by the applicant, Commissioner Lee moved to approve the real estate salesperson license of Mary T. Scott-Lau. Commissioner Sherley seconded the motion. The motion was voted on and unanimously carried.

Vincent Lin-Watanabe

After review of the information presented by the applicant, Commissioner Gendrano moved to most likely to approve, with conditions, the real estate salesperson license of Vincent Lin-Watanabe. Commissioner Arakaki seconded the motion. The motion was voted on and unanimously carried.

Robert A. O'Neal

After review of the information presented by the applicant, Commissioner Wada moved to most likely to approve, the real estate salesperson license of Robert A. O'Neal. Commissioner Sherley seconded the motion. The motion was voted on and unanimously carried.

Jeff R. LaFrance

After review of the information presented by the applicant, Commissioner Gendrano moved to most likely deny, the real estate broker license of Jeff R. LaFrance. Commissioner Faulkner seconded the motion. The motion was voted on and unanimously carried.

Savio Realty, Ltd.

After review of the information presented by the applicant, Commissioner Arakaki moved to allow the continued use of the entity name Savio Realty, Ltd. pursuant to §467-9(c)(1), HRS, based on the following conditions:

1. That the Commission be provided with a notarized written authorization from the legal representative of the Mary V. Savio Trust, Susan S. Steinfield, permitting the use of Mary Savio's name to represent the name in Savio Realty, Ltd. This authorization should include confirmation that if using the signature, Surita S. Steinfield, that Surita S. Steinfield is also known as, and is, the same person as Susan S. Steinfield.
2. That the Commission's approval is based solely on and limited to, the existing entity, Savio Realty, Ltd., and the particular circumstances of this situation.

Commissioner Sherley seconded the motion. The motion was voted on; and, Commissioners Senter, Gendrano, Arakaki, Faulkner, Lee, and Sherley voted aye. Commissioners Cobb and Wada voted nay. The motion passed.

Recovery Fund –
Report:

Carol A. Bucauto, Country Lands & Homes

The proposed settlement agreement previously approved by the Real Estate Commission at its September 27, 2013 meeting was rejected by former licensee and Judgment Debtor Carol A. Bucauto.

Next Meeting: Friday, February 28, 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 12:07 p.m.

Reviewed and approved by:

/s/ Miles I. Ino

Miles I. Ino
Executive Officer

February 14, 2014

Date

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

**APPROVED APPLICATIONS FOR REAL ESTATE
REAL ESTATE COMMISSION MEETING ON JANUARY 24, 2014**

<u>Brokers – Limited Liability Companies and Partnerships</u>	<u>Effective Date</u>
Standard Commercial LLC	12/11/2013
Gail Swanson dba Hawaiian Style Realty LLC	01/01/2014
iTs Properties, LLC	01/06/2014

<u>Brokers – Corporations and Partnerships</u>	<u>Effective Date</u>
Pacific Bridge Real Estate, Inc	01/01/2014
Agent 007 Real Estate, Inc.	01/01/2014

<u>Brokers – Sole Proprietor</u>	<u>Effective Date</u>
Derek Carl Stattin	12/03/2013
Bob Hedin dba Paradise Rentals and Real Estate	12/09/2013
Linda L. Fisher	12/09/2013
Don Binning	12/12/2013
Clifford S.L. Woo	12/23/2013
Francis Benjamin McClelland dba Camino Properties	01/01/2014

<u>Brokers – Sole Proprietor</u>	<u>Effective Date</u>
Derek Carl Stattin	12/03/2013
Bob Hedin dba Paradise Rentals and Real Estate	12/09/2013
Linda L. Fisher	12/09/2013
Don Binning	12/12/2013
Clifford S.L. Woo	12/23/2013
Francis Benjamin McClelland dba Camino Properties	01/01/2014

<u>Branch Office</u>	<u>Effective Date</u>
Entrada Management Services, Inc. Dennis Simoncelli, PB	12/13/2013

<u>Educational Equivalency Certificate</u>	<u>Expiration Date</u>
Kelsi Kimi Guerra	12/11/2015
Sandra Cusick	12/11/2015
Philip Jin Tae Heimerdinger	12/12/2015
Marie Ulla Case	12/12/2015
Judy Stratford	12/13/2015
Katherine Annette Hatch	12/16/2015
Julie Allison Dueno	12/19/2015
James Farrell	12/19/2015
Lisa Marie Hatem	12/19/2015
Aaron Casariego	12/19/2015
James Brett Fahnestock	12/23/2015
Chase Thomas Newman-Brewer	12/23/2015

Angela Hart Sitzes-Tinker	12/23/2015
Grace Amelia Bocken	12/26/2015
Kenneth Dee Patton, III	12/27/2015
Janis Febe Ann Ganaden	12/27/2015
Branden Michael Wong	12/30/2015
Dominic Gerard Koeijmans	12/30/2015
Kyle Spencer Oda	12/30/2015
Adela Giessen	01/03/2016
Melisa Nicole Marker	01/06/2016
Alexander Panos Zachariou	01/06/2016
McKinley Jones	01/06/2016
Danielle Louise Gulalo	01/07/2016
Leo Kaniela Caires	01/07/2016
William Adam Dornbush	01/08/2016

Equivalency to Uniform Section of Examination Certificate

Expiration Date

Sandra Cusick	12/11/2015
Philip Jin Tae Heimerdinger	12/12/2015
Marie Ulla Case	12/12/2015
Judy Stratford	12/13/2015
Katherine Annette Hatch	12/16/2015
James Farrell	12/19/2015
Lisa Marie Hatem	12/19/2015
Aaron Casariego	12/19/2015
Grace Amelia Bocken	12/26/2015
Kenneth Dee Patton, III	12/27/2015
Janis Febe Ann Ganaden	12/27/2015
Dominic Gerard Koeijmans	12/30/2015
Kyle Spencer Oda	12/30/2015
Adela Giessen	01/03/2016
Melisa Nicole Marker	01/06/2016
Alexander Panos Zachariou	01/06/2016
McKinley Jones	01/06/2016

Real Estate Broker Experience Certificate

Expiration Date

On Kyoung Hana Yoo	12/11/2015
Glenn R. Forman	12/11/2015
Jordan Panina Chow	12/11/2015
Siu Kei Tse	12/11/2015
Althea G. Paik	12/12/2015
Marie Ulla Case	12/12/2015
Damir Joldic	12/16/2015
Katherine Annette Hatch	12/16/2015
Edward Park	12/18/2015
Melissa Iwai	12/19/2015
Lisa Marie Hatem	12/19/2015

Aaron Casariego	12/19/2015
Sophia Asami Takai	12/23/2015
Hatayo Brian Honda	12/23/2015
Lucena G. Nicolas	12/23/2015
Camille K. Rios	12/23/2015
Sean Cheung Tong	12/27/2015
Kyle Spencer Oda	12/30/2015
Melisa Nicole Marker	01/06/2016
Naomi Watts	01/06/2016
William Adam Dornbush	01/08/2016

<u>Real Estate Broker</u>	<u>Effective Date</u>
Gregory S. Bloss	12/04/2013
Derek Carl Stattin	12/03/2013
Brent David Foster	12/05/2013
Evan Kenneth Zenker	12/11/2013
Mark Ken Kumamoto	12/19/2013
Harry S. Newhart	12/26/2013
Kendra Michelle Kuuipo Okihiro	01/01/2014
Dean S.K. Kim	01/01/2014
Francis Benjamin McClelland	01/01/2014

<u>Restoration – Real Estate Salesperson</u>	<u>Effective Date</u>
Glennel Warren	12/13/2013
Grace Redona Devera-Montano	12/18/2013

<u>Restoration – Real Estate Broker</u>	<u>Effective Date</u>
Don Binning	12/12/2013