

Real Estate Commission Bulletin



Common Faux Pas By Real Estate Applicants and Licensees

During the review process of paperwork submitted by would-be licensees and licensees, whether it by principal brokers, brokers-in-charge, real estate salespersons or real estate brokers, the Real Estate Branch staff have come across some interesting responses to questions asked and instructions given. In order to make the application process or any process easier, more efficient, with less delays, the following may serve to assist the license candidate, the applicant, or the licensee in submitting complete and accurate paperwork.

Examination application

1. Broker Experience Certification (“BE”) – Both the broker applicant and his or her principal broker or broker-in-charge certify the accuracy of the Experience Certification form. The experience portion asks for the NUMBER OF WEEKS the broker candidate has worked FULL-TIME, 40-HOURS A WEEK, as a real estate salesperson. Incredibly, answers provided in the “Number of weeks” blank include: 5 years, 3 years, 1520 weeks, 40 weeks, full time, many, all.

The BE asks for the number of weeks within the previous five (5) years which total at least 3 years, or 156 weeks, that the salesperson has been a full-time salesperson. The correct number of weeks should be at **least 156 weeks**.

There have been times when the first page of the BE application has NOT been submitted. Only the Experience Certification Statement is submitted. This is an INCOMPLETE BE application. An incomplete application will only delay the processing, which, in turn, will delay the scheduling of the license exam, as the BE certificate must be presented at the PSI test site when sitting for the broker license exam.

2. Out-of-state applicants with a current and active real estate license may qualify for the Hawaii equivalencies offered. These are the Preliminary Education Equivalency (“EW”) and the Equivalency to the Uniform Section of the Hawaii Real Estate License Exam (“UEE”). If the out-of-state applicant is a current and active broker, they must also apply for the Broker Experience Certificate. Many times the out-of-state applicant will only send in one of the equivalency applications. Staff will correspond with the applicant and notify him/her that they may also qualify for the other equivalency. Again, this delays the approval process, and may also lengthen the time before the candidates sit for the license exam. Usually, the out-of-state applicant will qualify for both the EW and UEE if they have a current/active out-of-state real estate license.

3. Verification of License (“VOL”) form – This form is included with the EW, UEE, and BE applications. The Hawaii VOL must be completed by the other state’s licensing agency. Oftentimes, the other state’s licensing agency will not complete the Hawaii VOL or will submit their own licensure verification form, which does NOT include all of the information the Hawaii VOL asks for. If the information asked for in the Hawaii VOL is not included in the other state’s form, the candidate will have to complete the Hawaii pre-licensure course and/or sit for the general or uniform portion of the Hawaii licensing exam. Tough but true.

(cont. page 2)

contents

Common Faux Pas By
Real Estate Applicants
and Licensees
(1 - 2)

The Chair’s Message
(3)

Virtual Offices Are Not Allowed
(4 - 5)

Core B 2019 - 2020 “Principal
Brokers: The Buck Stops Here”
(5)

Administrative Actions
(5 - 8)

Statutory/Rule Violations
(9)

Transient Accommodations
Registration Number Must Be
Included in Advertisements
(10)

Specialists’ Office for the
Day on Molokai
(10)

Preliminary Schools/
Continuing
Education Providers
(11)

Real Estate Commission
Meeting Schedule
(12)

Common Faux Pas By Real Estate Applicants and Licensees (cont. from page 1)

License application

1. Real Estate Corp., Partnership, LLC, LLP – On this application, question #8 reads, “Is the applicant now solvent?” WHAT DOES THAT QUESTION MEAN? There have been numerous times when the applicant has checked off the “NO” box! As defined in a Merriam-Webster dictionary, “sol-vent . . . 1: able to pay all legal debts. . . .” The “No” answer only delays the application processing. Unfamiliar word? Don’t guess, Google it for a fast definition and a correct response on the application.

2. Real Estate Salesperson/Broker - Question #2 on the license application reads, “During the past 20 years have you ever been convicted of a crime where there has not been an order annulling or expunging the conviction?” This question can be tricky for those applicants who have been convicted in the past 20 years prior to submitting the license application. Which incidents require disclosure? Which incidents do not require disclosure?

The most common administrative action that appears in the quarterly Real Estate Commission Bulletin is failing to report a DUI (“driving under the influence”). A DUI is considered a CRIME. More specifically, it’s a misdemeanor, and needs to be disclosed. All misdemeanors and felonies within the prior 20 years must be disclosed.

Don’t rush, take the time to carefully READ the instructions, and the specific questions requiring responses in the application. Too often the excuse for an inappropriate response is, “I didn’t read the question correctly.”

Often the court records are not enclosed with the application. It may take awhile to obtain the court records, especially for incidents which happened years ago. If there is a disclosure to be made, start the process of obtaining the relevant court records as soon as possible. Certified court documents work best. Free, online downloads from state websites may or may not be acceptable, so it is best to obtain the certified court documents regarding the incident(s). Always include a brief explanation of how and why the incident(s) occurred.

3. Condominium Hotel Operator – Often the requested supporting documents are not submitted with the application. Condo association declaration and by-laws must be submitted to support the fact that short-term vacation rentals are permitted in the condo. Failure to include the requested docs further delays processing and approval.

Change Form

1. One of the most frequent items that is not completed correctly is the “Change Principal Broker” section. The instructions on what to do are written on the Change Form. Oftentimes, the names of the entity and principal broker who is departing, and the principal broker coming on board are not noted correctly in Section A of the Change Form. There are 3 Change Forms needed: 1 Change Form for the brokerage/entity, 1 Change Form for the departing principal broker, and 1 Change Form for the new principal broker.

2. “Change legal name” – the original legal name should be inserted in Section A. The new legal name should be entered in the right column of the form next to “Change legal name of entity or individual”.

3. If a broker is changing to a sole proprietor, the Sole Proprietor application must be submitted together with the application fee.

4. “Temporary Principal broker or broker-in-charge” – The initial request is up to 6 months. If an additional 6 months is required, the request for the extension must be approved by the Commission, so submit the extension request at least one month prior to the expiration date of the original request.

The Chair's Message

Dear Real Estate Licensees:

On January 8, 2020, the Hawaii Real Estate Commission ("HIREC") held its Committee meetings on **Molokai** for the first time. Interesting facts: there are 41 licensees on Molokai and even though Molokai is part of Maui County, it is a regional affiliate of the Honolulu Board of Realtors ("HBR"). Mahalo to Rob Stephenson and Lisa Willing of Tropic Island Properties LLC ("Tropic") for arranging logistics and being wonderful hosts for this first-ever event. Lisa is Principal Broker of Tropic and Rob is the current Molokai Regional Chairperson for HBR.

Regulators, like the HIREC, are charged with protecting consumers via laws and rules. However, **technological advancements** are occurring at an increasingly rapid pace and present **challenges to consumer protection**. More is being done online - we now see buyers purchasing property without having visited it (relying on electronic photos and inspector reports), utilizing the services of a real estate agent without ever meeting the agent and using electronic signatures on documents. All of this makes transacting real estate easier and more convenient but they also create risk for fraud and therefore, can diminish consumer protection. I anticipate this trend to continue and while the HIREC will do the best it can, risk to consumers will likely also escalate as part of accepting the convenience of increasing technological advancement.

The HIREC has just retained a consultant to work on an **update to the salespersons pre-license curriculum**. It has been about 15 years since the last comprehensive update and much has changed in the practice of real estate since then.

Note that HIREC participates in an annual review of the effectiveness of the test questions (it must be a fair test of the "minimally qualified applicant") with PSI, the test administrator. A number of revisions are usually made to maintain current accuracy. Still, a formal holistic review and update is warranted. The goal is to have the updated curriculum ready for review and approval by the HIREC for use by July 2020.

Hawaii is a **self-reporting state for real estate licensees**. Note:

Hawaii Revised Statutes, §436B-16 Notice of judgments, penalties. (a) Each licensee shall provide written notice within thirty days to the licensing authority of any judgment, award, disciplinary sanction, order, or other determination, which adjudges or finds that the licensee is civilly, criminally, or otherwise liable for any personal injury, property damage, or loss caused by the licensee's conduct in the practice of the licensee's profession or vocation. A licensee shall also give notice of such determinations made in other jurisdictions. . . .

Licensees are required to self-report any of the instances in HRS §436B-16(a) to the HIREC:

1. On licensing and renewal applications.
2. Within 30 days of any such determination while licensed.

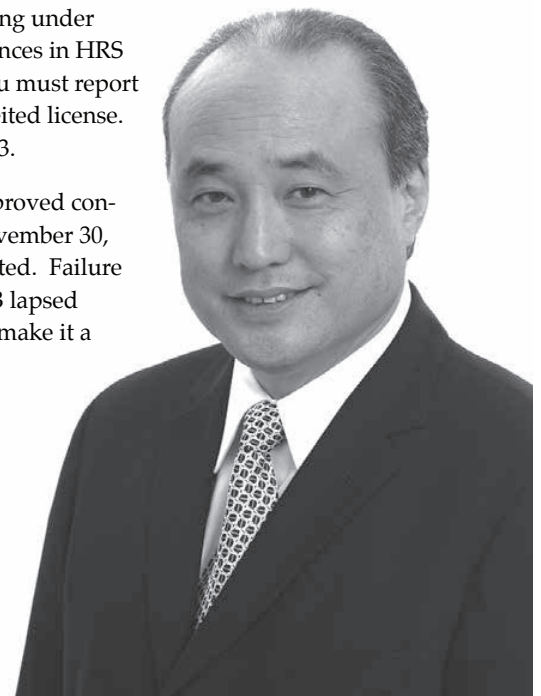
Every month we see licensees agreeing to pay additional fines for failing to self-report (usually \$500 for the first failure). The most common self-reporting failures we get from RICO include driving under the influence (DUI) and practicing with a lapsed or forfeited license. If any of the instances in HRS §436B-16(a) happen to you, or you have practiced with a lapsed or forfeited license, you must report it to the HIREC within 30 days of that determination or discovery of the lapsed or forfeited license. If you have any questions about this, please call the Real Estate Branch at (808) 586-2643.

2020 is a license renewal year, which means you will need to complete 20 hours of approved continuing education courses and submit all required items to the HIREC on or before November 30, 2020. Failure to do so means your license is lapsed or forfeited until renewal is completed. Failure of a principal broker ("PB") to renew on time also renders all the licenses under that PB lapsed or forfeited until the PB's license and the brokerage firm's license are renewed. Please make it a priority to handle your renewal responsibility in a timely manner.

My best wishes for a Happy and Successful New Year!



Michael Pang, Chair
Hawaii Real Estate Commission



Virtual Offices Are Not Allowed

The Real Estate Branch fields inquiries from both out-of-state real estate licensees and Hawaii-domiciled licensees who want to know if a “virtual” real estate office is compliant with Hawaii real estate licensing laws and rules. The quick answer is “No.” While the inquirer does not blatantly state that a virtual office is in consideration, it is apparent the caller is trying to determine if a virtual brokerage can be established, and perhaps maintained despite rules to the contrary. They usually pose questions like, “Does the principal broker have to be a “resident” of Hawaii?” “How long may a principal broker be away from the brokerage?” “How often does a principal broker have to be physically in the office?”

Recently, a brokerage applicant submitted the address of the place of business. Recognizing the address to be a possible maildrop type location, further review showed a website for the address as providing “virtual” office space. The applicant was advised to find a brick and mortar place of business. Again, another address submitted revealed a similar virtual office set-up. Third time around, a legitimate place of business address was provided.

The digital age has created new ways of doing business. What was normal and common-place just a handful of years ago, may already be outdated, inefficient, and maybe ineffective. Brick and mortar businesses may be losing ground to virtual locations, but the existing real estate licensing laws and rules still require a definite, physical place of business, where regularly scheduled office hours are maintained, and the principal broker has direct supervision of associated licensees and management oversight of all real estate-related activity emanating from the brokerage.

If you’re a real estate licensee thinking of becoming a Hawaii-licensed broker, and opening up a brokerage firm, read and pay heed to the below Hawaii Administrative Rules (“HAR”) and Hawaii Revised Statutes (“HRS”), which define the place of business.

§16-99-3(m) HAR states there shall be a principal broker or one or more brokers-in-charge, or both, at the principal place of business . . .who shall be immediately responsible for the real estate operations conducted at that place of business.

§16-99-3(n) HAR states a brokerage firm shall maintain a principal place of business located in this State at a business address registered with the commission from which the brokerage firm conducts business and where the brokerage firm’s books and records are maintained.

§16-99-2 HAR defines place of business as follows:

“**Place of business**” means the **physical place** where business is conducted **other than a post office box, telephone, telephone answering service, letter or mail drop service**, or motor vehicle within the State, and may include a home occupation office. The place of business shall conform with the permitted use under the zoning code of the county in which the place of business is situated and with any declarations, bylaws, house rules, recorded restrictions, or covenants that may govern the place of business. The commission may use as guidelines, but is not limited to, the following factors in finding that a brokerage firm is maintaining a place of business: **physical presence of the broker during reasonable scheduled office hours**; on-site maintenance of confidential clients’ files which shall be immediately accessible to the commission upon request; the prominent display of the brokerage firm’s name or trade name as licensed by the commission and the listing of the brokerage firm name where permissible in the building directory; the operation of the brokerage firm at a place of business directly accessible to the public; and the on-site maintenance of personnel and compensation records on all real estate salespersons and broker-salespersons employed by or associated with the brokerage firm. Client files as used in this definition includes but is not limited to: real estate contracts, escrow records, trust account records, and confidential client data. “Place of business” does not include the operation of a place of business designed to evade the requirements of the definition as set forth in this paragraph. Each brokerage firm shall have one, and only one, principal place of business. (emphasis added)

§16-99-4 HAR indicates that a client’s trust fund account shall be maintained “in this State”, and shall designate the principal broker as trustee.

The display of a license is required of both the brokerage and the broker by §16-99-6 HAR and §467-12(a) HRS as follows:

§16-99-6 HAR Display of license. The brokerage firm’s certificate of license shall be conspicuously displayed in the principal place of business.

Virtual Offices Are Not Allowed (cont. from page 4)

§467-12 HRS Place of business and posting of license. (a) A licensed real estate broker shall have and maintain a definite place of business in the State, in compliance with this chapter and the rules of the commission, and shall display therein the real estate broker's license and upon request make available any associating real estate salesperson's license.

§16-99-2 HAR indicates that use of a mail drop/answering service is insufficient to meet the requirements of §§16-99-3 and 16-99-6 HAR and §467-12 HRS. Similarly, a "virtual office" location may not meet the same requirements.

§467-1.6 HRS Principal brokers spells out the responsibilities of the principal broker, and states directly, "The principal broker shall have direct management and supervision of the brokerage firm and its real estate licensees."

An inappropriate principal place of business impedes regulatory oversight. It also hampers a consumer's ability to conduct timely and expedient transactions with their real estate agent. Licensees are encouraged to review the laws and rules and seek competent legal counsel to determine if their brokerage complies with laws and rules relating to the business of real estate.

Core B 2019 - 2020 "Principal Brokers: The Buck Stops Here"

Core B 2019-2020, "Principal Brokers: The Buck Stops Here" is being developed and the target release date will be in July 2020. The course focusses on principal brokers, their duties and responsibilities. ALL associated licensees under a principal broker should know what their PB is doing or not doing. The 2020 update of real estate-related legislation will also be included.

Core B will be available in live classroom and online formats. Both Core A and B 2019-2020 will be available through May 31, 2021. If only Core A or Core B is completed, no credit will be given for the core course. Both Core A and Core B must be completed in order to earn the 6 hours of core course credit.

Administrative Actions

October 2019

ARLENE M. ICHIMURA
RB 75492

Case No. REC-2019-381-L

Dated 10/25/19

UNCONTESTED FACTS:

From January 1, 2017 to about October 19, 2017, Respondent's real estate salesperson license expired and/or was forfeited. Respondent undertook activities requiring a license between approximately January 1, 2017 to October 19, 2017.

Respondent subsequently restored her license on or about October 20, 2017.

Respondent's principal broker during this time her license was expired will be the subject of a separate Settlement Agreement or proceeding.

Violations:
HRS § 467-7

Sanctions:
Fine of \$1,000.00

CECILIO R. RIODIL
RB 17784

Case No. REC-2019-306-L

Dated 10/25/19

UNCONTESTED FACTS:

Respondent is the principal broker for JIU, Inc., doing business as Century 21 Homefinders of Hawaii.

RICO ALLEGATIONS:

RICO alleges that the real estate salesperson's license of Chris S. Mabuti also known as Cris S. Mabuti (hereinafter "Mabuti") was placed on inactive status from January 1, 2019 to January 28, 2019 for failing to meet continuing education requirements. During this time, Mabuti engaged in one (1) real estate transaction.

Mabuti will be the subject of another proceeding.

Once Respondent learned this information, Respondent immediately removed Mabuti from all active listings and transferred her listings to a properly licensed real estate salesperson to complete. Respondent ensured that Mabuti successfully complied with all continuing education requirements and that her license was placed back on active status.

Violations:
HRS § 467-1.6(b)(7)

Sanctions:
Fine of \$1,000.00

(cont. page 6)

6 Administrative Actions (cont. from page 5)

October 2019

CHRIS S. MABUTI
also known as **Cris S. Mabuti**
RS 68895

Case No. REC-2019-281-L

Dated 10/25/19

RICO ALLEGATIONS:

RICO alleges that Respondent's real estate salesperson's license was placed on inactive status from January 1, 2019 to January 28, 2019 for failing to successfully complete continuing education requirements in a timely manner. During this time period, Respondent engaged in one (1) real estate transaction. Respondent subsequently completed her continuing education coursework and her license was returned to active status.

Respondent's principal broker will be the subject of a separate legal proceeding.

Violations:

HRS § 467-7

Sanctions:

Fine of \$500.00

PATRICIA BISSETT
RS 74191

Case No. REC-2017-106-L

Dated 10/25/19

RICO ALLEGATIONS:

Respondent is the sole and managing member of MAUI ISLAND REALTY LLC ("MIR").

On or about May 4, 2016, while licensed as a real estate salesperson, the Respondent, on behalf of MIR, entered into a rental agreement with John James Ellerton ("Mr. Ellerton").

Respondent materially altered the rental agreement sometime between August 1, 2016 and November 10, 2016, without Mr. Ellerton's written or verbal consent.

Violations:

HRS § 436B-19(7), HRS § 436B-19(8), HRS § 436B-19(9), HRS § 436B-19(17), HRS § 467-14(13), HRS § 467-14(20), HAR § 16-99-3(a), HAR § 16-99-3(b) and HAR § 16-99-3(u).

Sanctions:

Fine of \$2,500.00

Respondent, at her own expense, shall enroll in and successfully complete an education course or courses, to be determined by the Commission. The education course or courses are in addition to, and do not take the place of, any continuing education requirements under HRS Chapter 467 and HAR Chapter 16-99.

Failure to complete the education course or courses as required by the Commission may constitute a failure to comply with this Settlement Agreement.

PATRICIA BISSETT and
MAUI ISLAND REALTY LLC
RB 22804
RB 21401

Case No. REC-2017-218-L

Dated 10/25/19

UNCONTESTED FACTS:

At all relevant times, Bissett was licensed by the Real Estate Commission (the "Commission") as a real estate salesperson pursuant to license RS 74191, which was issued on about January 18, 2012. On or about January 23, 2019, Bissett was issued real estate broker license RB 22804. The license is currently active and is scheduled to expire on December 31, 2020.

On or about November 14, 2013, MIR was issued real estate broker license RB 21401. The license is currently active and is scheduled to expire on December 31, 2020.

RICO ALLEGATIONS:

Bissett is the sole and managing member of MIR.

RICHARD G. CLAYTON ("Clayton") was MIR's principal broker from August 23, 2016 until October 20, 2018.

Clayton was MIR's broker in charge from October 20, 2018 until October 31, 2018.

MIR operated without a principal broker or broker in charge from November 1, 2018 until January 22, 2019.

Bissett became MIR's principal broker on January 23, 2019, as soon as Bissett was issued license RB 22804.

Bissett repeatedly accessed, deposited, and disbursed client funds from MIR's client trust account between August 23, 2016 and January 22, 2019, even though she was not the principal broker of MIR.

Violations:

HRS § 436B-19(7), HRS § 436B-19(8), HRS § 436B-19(17), HRS § 467-14(6), HRS § 467-14(13), HRS § 467-14(20), HAR § 16-99-3(a), HAR § 16-99-3(b) and HAR § 16-99-3(m).

Sanctions:

Fine of \$7,500.00

(cont. page 7)

Administrative Actions (cont. from page 6)

October 2019

RAPHAEL J. AUGUSTINE
RS 60971

Case No. REC-2019-152-L

Dated 10/25/19

UNCONTESTED FACTS:

Respondent self-reported in November 2018 that he had been convicted of the offense of Operating a Vehicle Under the Influence of an Intoxicant ("OVUII") in the District Court of the Second Circuit, State of Hawaii.

Respondent has complied with all court ordered terms and conditions of his sentence.

Violations:

HRS § 436B-19(12)

Sanctions:

Fine of \$500.00

RICHARD G. CLAYTON
RB 19557

Case No. REC-2019-347-L

Dated 10/25/19

RICO ALLEGATIONS:

Respondent was the principal broker of the brokerage firm MAUI ISLAND REALTY LLC ("MIR") from August 23, 2016 until October 20, 2018.

said client trust accounts between August 23, 2016 and October 20, 2018.

Respondent did not have access to MIR's client trust accounts between August 23, 2016 and October 20, 2018.

Respondent was MIR's broker in charge from October 20, 2018 until October 31, 2018.

Respondent failed to properly manage and supervise MIR and Bissett while Respondent was MIR's principal broker.

PATRICIA BISSETT ("Bissett") was a licensed real estate salesperson operating under MIR at all relevant times. Bissett's real estate salesperson license number was RS 74191.

Violations:

HRS § 436B-19(7), HRS § 436B-19(8), HRS § 436B-19(9), HRS § 436B-19(17), HRS § 467-1.6(a), HRS § 467-1.6(b)(1), HRS § 467-14(13), HRS § 467-14(20), HAR § 16-99-3(a) and HAR § 16-99-3(b).

Bissett was not a licensed real estate broker until she was issued license RB 22804 on January 23, 2019.

Sanctions:

Fine of \$7,500.00

As MIR's principal broker, Respondent knowingly and repeatedly allowed Bissett to access and disburse client funds from MIR's client trust accounts, and Respondent did not have access to

November 2019

KEISHA S. JOHNSON
RS 63837

Case No. REC-2019-12-L

Dated 11/22/19

UNCONTESTED FACTS:

On or about August 2, 2000, Respondent was convicted in the State of Hawaii of the crimes of Driving Without a Valid Driver's License, Accidents Involving Damage to Vehicle or Property and Criminal Contempt of Court (the "2000 Conviction").

der the Influence of an Intoxicant or what is commonly referred to as "Driving Under the Influence" or "DUI" in the District Court of the Third Circuit, State of Hawaii (the "2018 Conviction").

Respondent self-reported the 2018 Conviction in March 2018.

On or about May 18, 2004, Respondent submitted a real estate salesperson license application to the Commission. Despite the 2000 Conviction Respondent answered "No" to the question on the 2018 application that asked: "In the past 20 years have you been convicted of a crime in which the conviction has not been annulled or expunged?"

Respondent has complied with all court-ordered terms and conditions of her sentence.

Violations:

HRS § 436B-19(2), HRS § 436B-19(5), HRS § 436B-19(12), HRS § 436B-19(17) and HRS § 467-20.

Sanctions:

Fine of \$1,000.00

On or about February 26, 2018, Respondent was convicted of the crime of Operating a Vehicle Un-

(cont. page 8)

Administrative Actions (cont. from page 7)

December 2019

LEEANN STARINIERI
RS 71355

Case No. REC-2019-162-L

Dated 12/20/19

RICO ALLEGATIONS:

RICO alleges that on or about November 1, 2018, Respondent submitted a renewal application where Respondent answered “No” to the question, “[i]n the past 2 years have you been convicted of a crime in which the conviction has not been annulled or expunged?”

Violations:

HRS § 467-20.

Sanctions:

Fine of \$750.00

BENJAMIN F. CHAPMAN, III
RS 64454

Case No. REC-2019-165-L

Dated 12/20/19

UNCONTESTED FACTS:

On or about September 4, 2004, Respondent submitted a real estate salesperson application to the Commission. In response to the question, “[d]uring the past 20 years have you ever been convicted of a crime where there has not been an order annulling or expunging the conviction?” Respondent answered “No.”

RICO ALLEGATIONS:

RICO alleges that on or about June 9, 2002, Respondent was convicted of the offense of Driving Under the Influence of an Intoxicant, a petty misdemeanor, in the District Court of the First Circuit, State of Hawaii. Respondent complied with all terms of his court ordered supervision.

On or about October 17, 2016, Respondent submitted a real estate salesperson application to the Commission. In response to the question, “[d]uring the past 20 years have you been convicted of a crime where there has not been an order annulling or expunging the conviction?” Respondent answered “No.”

RICO alleges that on or about January 21, 2005, Respondent was convicted of the offense of Driving Under the Influence of an Intoxicant, a petty misdemeanor, in the District Court of the First Circuit, State of Hawaii. Respondent complied with all terms of his court ordered supervision.

Violations:

HRS § 467-20.

Sanctions:

Fine of \$1,500.00

Representations by Respondent:

Respondent erroneously believed that Driving Under the Influence of an Intoxicant was a traffic infraction and did not constitute a criminal offense. Respondent’s incorrect responses were not an attempt on his part to hide or conceal the fact of his convictions, but stemmed from an honest, but ultimately mistaken belief.

Respondent is extremely remorseful for his past conduct and learned a great deal from what happened. Respondent represents that this will not happen again.

STEPHANIE L. REGUCERA
RS 77824

Case No. REC-2019-164-L

Dated 12/20/19

UNCONTESTED FACTS:

On or about April 17, 2017, Respondent was convicted in the State of Hawaii of the crime of Operating a Vehicle Under the Influence of an Intoxicant or what is commonly referred to as “Driving Under the Influence” or “DUI” (the “Conviction”). The Respondent fulfilled all Court-imposed terms and conditions of the Conviction.

On or about November 7, 2018, Respondent submitted a real estate salesperson license renewal application to the Commission. Despite the Con-

viction, Respondent answered “No” to the question on the 2018 application that asked: “In the past 2 years have you been convicted of a crime in which the conviction has not been annulled or expunged?”

Violations:

HRS § 436B-19(2), HRS § 436B-19(5), HRS § 436B-19(17) and HRS § 467-20.

Sanctions:

Fine of \$1,000.00

CORRECTION:

In the August 2019 Real Estate Commission Bulletin, Administrative Actions, page 6, Gerald T. Tasaki should read Gerald T. Takasaki, RB 13251.

Statutory/Rule Violations

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.

- 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(8) Failure to maintain a record or history of competency, trustworthiness, fair dealing, and financial integrity.
- HRS §436B-19(9) Conduct or practice contrary to recognized standards of ethics for the licensed profession or vocation.
- 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(17) Violating this chapter, the applicable licensing laws, or any rule or order of the licensing authority,
- HRS §467-1.6(a) The principal broker shall have direct management and supervision of the brokerage firm and its real estate licensees.
- HRS §467-1.6(b)(1) The principal broker shall be responsible for the client trust accounts, disbursements from those accounts.
- HRS §467-1.6(b)(7) The principal broker shall be responsible for ensuring that the licenses of all associated real estate licensees and the brokerage firm license are current and active.
- HRS §467-7 Licenses required to act as a real estate broker or salesperson.
- HRS §467-14(13) Violating this chapter, chapters 484, 514A, 514B, 514E, or 515, or section §516-71, or the rules adopted thereto.
- 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
- HAR §16-99-3(a) Licensee shall fully protect the general public in its real estate transactions.
- HAR §16-99-3(b) The licensee shall protect the public against fraud, misrepresentation, or unethical practices in the real estate field. The licensee shall endeavor to eliminate any practices in the community which could be damaging to the public or to the dignity and integrity of the real estate profession. The licensee shall assist the commission in its efforts to regulate the practices of brokers and salespersons in this State.
- HAR §16-99-3(m) There shall be a principal broker or one or more brokers-in-charge, or both, at the principal place of business, and one or more brokers-in-charge at a branch office who shall be immediately responsible for the real estate operations conducted at that place of business.
- HAR §16-99-3(u) The licensee shall not add to or modify the terms of an instrument previously signed or initiated by a party to a transaction without written consent of all the parties.

Transient Accommodations Registration Number Must Be Included in Advertisements by Department of Taxation

Section 237D-4(c), Hawaii Revised Statutes, requires all Transient Accommodations (TA) operators to conspicuously provide their Hawaii Transient Accommodations Certificate of Registration number (Hawaii Tax ID Number formatted as TA-###-###-###-###) in their advertisements, including online listings. Failure to provide the TA registration number in advertisements and listings may result in a citation. The penalty for failure to comply is \$500 per day for the first violation, \$1,000 per day for the second violation, and \$5,000 per day for the third and subsequent violations.

The Department of Taxation (DOTAX) has been monitoring listings on different online platforms and received information from Airbnb regarding some of its hosts. DOTAX has been contacting these TA operators to remind them about (1) their Hawaii tax obligations and (2) the requirement to post the TA registration number in their advertisements. TA operators must file and pay General Excise, Transient Accommodations, and income taxes.

DOTAX is committed to administering Hawaii's tax laws in a fair, consistent, and efficient manner. These registration requirements help promote and maximize compliance, while ensuring consistent and equitable tax treatment for all transient accommodations.

The support and vigilance of the real estate community is critical for DOTAX. With continued education and updates to owners and operators in the real estate community, benefits can extend to everyone and compliance with tax laws goes up. Together, our reach is further, our voice is louder, and our success is greater.

Specialists' Office for the Day on Molokai

The Real Estate Commission's Real Estate and Condominium Specialists offered a Specialists' Offices for the Day at the UHMC Molokai Education Center, in Kaunakakai, Molokai, on Wednesday, January 8, 2020, to discuss real estate licensing and condominium concerns with interested parties.

This was the first time the Commission held its monthly committee meetings on Molokai. There are 41 real estate licensees on Molokai. Tropical Island Properties, LLC graciously hosted the meetings, and provided delicious, homemade treats made by Tutu Popo's Kitchen.

The Specialists are prepared to discuss questions about licensing laws and rules, license applications, broker experience certificate applications, examination administration, continuing education, new legislation, Commission procedures, educational programs, and related topics.

Other questions that may come up at the sessions concern boards, associations, meetings, managing agents, condominium association registration, condominium hotel operators, fidelity bonding, the condominium property regime statute, public reports, project registration, the condominium dispute resolution program, new legislation, reserves, and other condominium-related topics.

If you have any questions, you may contact a Real Estate Specialist or a Condominium Specialist at (808) 586-2643. You may also write to: Real Estate Commission, 335 Merchant Street, Room 333, Honolulu, HI 96813, or you may email staff at hirec@dcca.hawaii.gov.

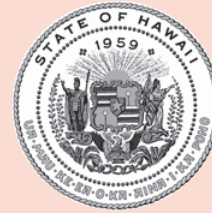
The Specialists' Office for the Day program is funded by the Condominium Education Trust Fund and the Real Estate Education Fund.



Front Row, left to right: Diane Fujimura - Sr. Real Estate Specialist, Real Estate Branch, Derrick Yamane - Oahu Commissioner, Scott Arakaki - Public Member Back Row, left to right: Rob Stephenson - Tropical Island Properties LLC, Shari Wong - Deputy Attorney General, Carole Riche-lieu - Sr. Condo Specialist, Real Estate Branch, Lisa Willing - Principal Broker, Tropical Island Properties LLC, Neil Fujitani - Supervising Executive Officer, Real Estate Branch, Mike Pang - Chair, Real Estate Commission, Tammy Norton - Secretary, Real Estate Branch, Bruce Faulkner - Maui Commissioner, Laurie Lee - Oahu Commissioner, John Love - Public Member

Prelicensure Schools

Abe Lee Seminars	808-942-4472
Akahi Real Estate Network, LLC	808-896-1414
All Islands Real Estate School	808-564-5170
American Dream Real Estate School, LLC	720-322-5470
Carol Ball School of Real Estate	808-280-0470
The CE Shop, Inc.	888-827-0777
Coldwell Banker Pacific Properties Real Estate School	808-551-6961
Continuing Ed Express, LLC	866-415-8521
Diamond Resorts Real Estate Academy – Hawaii, LLC	480-392-2337
Excellence in Education dba Maui Real Estate School	808-212-4861
Inet Realty	808-955-7653
Maui Real Estate Academy, LLC dba Hawaii Real Estate Academy	808-633-5737
OCL Real Estate, LLC dba OnCourse Learning Real Estate	800-532-7649
Ralph Foulger’s School of Real Estate	808-239-8881
Real Estate School Hawaii	808-551-6961
REMI School of Real Estate	808-230-8200
Scott Alan Bly School of Real Estate, LLC dba Bly School of Real Estate	808-738-8818
Seiler School of Real Estate	808-874-3100
Vitousek Real Estate Schools, Inc.	808-946-0505



State of Hawaii Real Estate Commission

© HAWAII REAL ESTATE COMMISSION BULLETIN, February 2020 copyright Hawaii Real Estate Commission. All rights reserved. This Bulletin, or any part thereof, may not be reproduced without the written permission of the Hawaii Real Estate Commission, except permission is granted to licensed Hawaii real estate brokerages to reproduce and distribute copies of this publication, in its entirety, but not for profit, as an education service. Furthermore, if any portion of this publication is emphasized or highlighted, then the disclosure “Emphasis added” shall be annotated to the reproduction. This publication is intended to provide general information and is not a substitute for obtaining legal advice or other or other competent professional assistance to address specific circumstances. The information contained in the Bulletin is made pursuant to Hawaii Administrative Rules section 16-201-92 and is not an official or binding interpretation, opinion or decision of the Hawaii Real Estate Commission or the Department of Commerce and Consumer Affairs. The Hawaii Real Estate Commission Bulletin is funded by the Real Estate Education Fund, Real Estate Commission, Professional and Vocational Licensing Division, Department of Commerce and Consumer Affairs.

This material may be made available to individuals with special needs. Please call the Senior Real Estate Specialist at 808-586-2643 to submit your request.

Continuing Education Providers

Abe Lee Seminars	808-942-4472	Kauai Board of Realtors	808-245-4049
All Islands Real Estate School	808-564-5170	McKissock, LLC	800-328-2008
American Dream Real Estate School, LLC	720-322-5470	OCL Real Estate, LLC dba OnCourse Learning Real Estate	800-532-7649
Asentiv Hawaii	808-960-9630	Preferred Systems, Inc.	888-455-7437
At Your Pace Online, LLC	877-724-6150	Ralph Foulger’s School of Real Estate	808-239-8881
The Berman Education Company, LLC	808-572-0853	The Real Estate Café	808-728-0223
Build It Green	510-590-3360	Real Estate School Hawaii	808-551-6961
Building Industry Association of Hawaii	808-629-7505	Realtors’ Association of Maui, Inc.	808-873-8585
Carol Ball School of Real Estate	808-280-0470	REMI School of Real Estate	808-230-8200
The CE Shop, Inc.	888-827-0777	Residential Real Estate Council	800-462-8841
CMPS Institute, LLC	888-608-9800	Russ Goode Seminars	808-597-1111
Coldwell Banker Pacific Properties Real Estate School	808-551-6961	Scott Alan Bly School of Real Estate, LLC dba Bly School of Real Estate	808-738-8818
Continuing Ed Express, LLC	866-415-8521	Servpro Industries, LLC	615-451-0200
Dexterity CE, LLC	512-893-6679	Shari S. Motooka-Higa	808-492-7820
Eddie Flores Real Estate Continuing Education	808-951-9888	Sirmon Training and Consulting Group, LLC	704-458-5295
ExceedCE	415-885-0307	Systems Effect LLC, dba Training Cove	480-517-1000
Hawaii Association of Realtors	808-733-7060	USA Homeownership Foundation, Inc., dba Veterans Association of Real Estate Professionals (VAREP)	951-444-7363
Hawaii Business Training	808-250-2384	Vitousek Real Estate Schools, Inc.	808-946-0505
Hawaii CCIM Chapter	808-528-2246	West Hawaii Association of Realtors	808-329-4874
Hawaii First Realty, LLC	808-282-8051		
Hawaii Island Realtors	808-935-0827		
Honolulu Board of Realtors	808-732-3000		
International Association of Certified Home Inspectors (InterNACHI)	303-225-9149		

State of Hawaii
Real Estate Commission
King Kalakaua Building
335 Merchant Street, Room 333
Honolulu, HI 96813

Presorted Standard
U.S. Postage Paid
Honolulu, Hawaii
Permit No. 516

2020 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 Condominium
Review Committee Meeting**

Wednesday, February 12, 2020

Wednesday, March 11, 2020

Wednesday, April 8, 2020

Wednesday, May 13, 2020

Wednesday, June 10, 2020

Wednesday, July 8, 2020

Wednesday, August 12, 2020

Wednesday, September 9, 2020

Wednesday, October 7, 2020

Wednesday, November 4, 2020

Wednesday, December 9, 2020

Real Estate Commission – 9:00 a.m.

Friday, January 24, 2020

Friday, February 28, 2020

Friday, March 27, 2020

Friday, April 24, 2020

Friday, May 29, 2020

Friday, June 26, 2020

Friday, July 24, 2020

Friday, August 28, 2020

Friday, September 18, 2020

Friday, October 23, 2020

Friday, November 20, 2020

Friday, December 18, 2020

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.