## State of Hawaii

# Real Estate Commission Bulletin



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### Renew Your License By November 30!

All real estate licenses must be renewed by the renewal application deadline of November 30, 2024.

To renew your license on an ACTIVE status:

Complete the continuing education (CE) requirement of 20-hours:
 Core A 2023-2024 "3-D Rules: Disclose, Disclose, Disclose!" (3 credit hours)
 Core B (available July 2024, title yet to be determined) (3 credit hours)
 Elective CE courses (14 credit hours)

Visit your MyPVL account at https://mypvl.dcca.hawaii.gov/ and click on the RECE (Real Estate Continuing Education) tab to ensure you are not repeating an elective course that you have received credit for in the previous biennium.

Do not procrastinate in fulfilling your continuing education requirement.

2) Renew your license: Renewal applications will be available via your MyPVL account at https://mypvl.dcca.hawaii.gov/ in October 2024.

If you answer "YES" to any of the questions on the renewal application you may not renew your license online and must file a hardcopy renewal application. You may request a hardcopy renewal application by calling the Licensing Branch at (808) 586-3000 or in-person at 335 Merchant Street, Room 301. The renewal application deadline of **November 30, 2024** applies to hardcopy renewals as well.

Any licensee who renews their license but fails to complete the 20-hour continuing education requirement will be renewed on an inactive status come January 1, 2025. Remember, an inactive licensee may not engage in any real estate activity or receive compensation.

SALESPERSONS LICENSED IN 2024: You are not required to complete the continuing education requirement in order to renew your license on an active status by the November 30 deadline.

BROKERS LICENSED in 2024: You ARE required to complete the continuing education requirement in order to renew your license on an active status by the November 30 deadline.

Please contact the Real Estate Branch at (808) 586-2643, or visit our website at www.hawaii.gov/hirec should any questions arise.

## Unlicensed Assistants in a Brokerage - What Can They Do?

"What can an unlicensed 'assistant' do in a brokerage?" The Commission has no rule or formal or informal interpretation on this issue. Nor is there a list of do's and don'ts for unlicensed assistants working for a brokerage. However, when making a determination as to the duties and responsibilities of unlicensed staff so as to remain in compliance with the real estate licensing laws (Hawaii Revised Statutes (HRS), Chapter 467, and Hawaii Administrative Rules (HAR), Chapter 99) keep in mind the following:

- 1. §467-1, HRS, defines "real estate salesperson" as "... any individual who, for a compensation or valuable consideration, is employed either directly or indirectly by a real estate broker, or is an independent contractor in association with a real estate broker, to sell or offer to sell, buy or offer to buy, or list, or solicit for prospective purchasers, or who leases or offers to lease, or rents or offers to rent, or manages or offers to manage, any real estate or the improvements thereon, for others as a whole or partial vocation; or who secures, receives, takes, or accepts, and sells or offers to sell, any option on real estate without the exercise by the individual of the option and for the purpose or as a means of evading the licensing requirements of this chapter. Every real estate salesperson shall be under the direction of a real estate broker for all real estate transactions."
- 2. §467-1, HRS, defines "real estate broker" as "... any person who, for compensation or a valuable consideration, sells or offers to sell, buys or offers to buy, or negotiates the purchase or sale or exchange of real estate, or lists, or solicits for prospective purchasers, or who leases or offers to lease, or rents or offers to rent, or manages or offers to manage, any real estate, or the improvements thereon, for others, as a whole or partial vocation; or who secures, receives, takes, or accepts, and sells or offers to sell, any option on real estate without the exercise by the person of the option and for the purpose or as a means of evading the licensing requirement of this chapter."
- 3. Unlicensed brokerage staff may perform duties that do not fall under the above definitions of real estate broker and salesperson. For example, if you have an unlicensed assistant in your brokerage they may not show properties to potential clients or tenants, they may not engage in any real estate negotiations with clients, they may not answer questions or provide information beyond what may be written in fact sheets approved by the principal broker regarding specific properties, and they may not sign any real estate transaction documents.
- 4. Note that included in the definition of both "real estate salesperson" and "real estate broker" is "... manages or offers to manage, any real estate, or the improvements thereon, for others, as a whole or partial vocation; ...; " If you are managing properties for more than a single owner, a current and active real estate license is required to do so.

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## **TENANT SCREENING FEES**

Starting May 1, 2024, Hawaii will enforce regulations on tenant screening fees (Hawaii Revised Statutes § 521-46). Landlords, including Property Managers, can only charge these fees during the rental application process. Fees are limited to adults aged 18 and above and emancipated minors. They can only cover costs for obtaining applicant information such as personal reference checks, tenant reports, criminal background checks, and credit reports.

Landlords must provide a receipt and cost breakdown upon request. Any unused fees for authorized costs must be refunded within 30 days of the screening request. For more information, the Hawaii Residential Landlord-Tenant Information Center, run by the Office of Consumer Protection (OCP), offers free guidance on Hawaii's Residential Landlord-Tenant Code. Call between 8:00 a.m. and 12:00 p.m. at the following numbers:

- Honolulu Office (Oahu/Kauai): (808) 586-2634
- Maui Office (Maui/Molokai/Lanai): (808) 243-4648
- Hilo Office (Hawaii Island): (808) 933-0910



## The Chair's Message

Happy May!

Spring is in full bloom, summer is nearing, and change is in the air – how exciting! Seasons remind us to remain flexible and adaptable, and with anticipation and optimism, we embrace change.

Real estate is no different. The real estate industry is dynamic and it is constantly evolving. As real estate licensees, we are fully aware that challenges await. Whether we are prepared for them or not, whether we like them or not, we need to accept the fact that our industry is constantly changing. We need to be prepared. It is always better to be ready with a well-thought-out plan than to react with haphazard confusion.

What's that saying? "When the going gets tough, the tough get going." That's the one. Licensees unite; now is as good of a time as any to see how tough we are as an industry. Significant changes are upon us. Momentous challenges are trying to slow us down. Let's go!

There is a reason you need a license to practice real estate. The license assures the public that you are a professional, you are competent, and you have their best interest in mind. To live up to these standards, you must **take ownership!** Be accountable! Be completely responsible! Be the solution and not the problem!

How? First off, complete your continuing education requirements NOW! 2024 is a license renewal year so remember to renew your license by November 30th, do not procrastinate. Take care of this timely so you can then fully address the changes and challenges that await you. Focus your energies and efforts on the tough stuff.

Next, identify the challenges facing our industry. As a professional, you should be able to easily recognize what is affecting your business and adjust to minimize any disruptions. For example, some of you have complained about the higher mortgage interest rates becoming a detriment to your business and you did nothing but bellyache. You know who you are. You are suffering and will continue to suffer if you do not embrace change. On the other hand, you "tough" ones identified this bump in the road quickly, you crafted a plan to properly address this reality, and this challenge did not affect your business at all. Kudos to you. Keep up the good work.

Another challenge and change that is upon us is the insufficient insurance coverage for many condominiums and the NAR settlement on real estate commissions. The going has gotten tough. Humans are creatures of habit and I can tell you what is going to happen with these two issues. Some will fuss while others will fight. Look in the mirror – what will you do?

If you do not know what to do, I implore you to take action to resolve the challenges and adjust to the changes. I know our industry is tough. I know all of you licensees are fighters, so let's get going. Do not sit back and say, "Oh woe is me." Be willing to step up and

**take ownership** of these challenges! Take the initiative and be responsible for the growth and success of your business and our industry. Mistakes may happen. Do not blame others. Own the consequences of your actions. Be responsible. Be accountable. Be the solution.

**Take ownership!** Do your license proud. No doubt, challenges are upon us but our industry will get through them. You will get through them. We need to toughen up and get going. By helping yourself, your business, and the consumers, you will help our industry. Embrace change, remain flexible and adaptable, and enjoy your profession.

Do not forget to have a happy Mother's Day and to honor those who sacrificed for us on Memorial Day.

Mahalo Nui Loa,

Derrick T. Yamane, Chair Hawaii Real Estate Commission

## Administrative Actions January 2024

ANGELITA M PASION, DBA ALOHA ALII REALTY RB 15014

Case No. REC 2020-25-L

Dated: 1/26/2024

(Commission approved Settlement Agreement)

#### **Uncontested Facts:**

At all relevant times, herein, Respondent was licensed by the Real Estate Commission (hereinafter the "Commission") as a sole proprietor real estate broker. The license was issued on or about August 25, 1989. The license expired and forfeited on or about December 31, 2022.

RICO received a request for investigation alleging that Respondent utilized the trade names, "Aloha Hawaii Realty" and "Aloha Hawaii Realty LLC," as a sole proprietor broker that were not registered to Respondent with the Business Registration Division, Department of Commerce & Consumer Affairs, State of Hawaii ("BREG"), in a letter, dated November 19, 2019, addressed to the Real Estate Branch, State of Hawaii wherein Respondent represented herself as "Principal Broker, Aloha Hawaii Realty."

#### **RICO Allegations:**

RICO alleges that Respondent utilized the trade names, "Aloha Hawaii Realty" and "Aloha Hawaii Realty LLC," as a sole proprietor broker that were not registered to Respondent with the Business Registration Division, Department of Commerce & Consumer Affairs, State of Hawaii, in a letter, dated November 19, 2019, addressed to the Real Estate Branch, State of Hawaii, wherein Respondent represented herself as "Principal Broker, Aloha Hawaii Realty," and Respondent thereby misrepresented her licensure status and type to the Commission. RICO further alleges that, at all times relevant to this Settlement Agreement, the trade name "Aloha Hawaii Realty" was not registered to Respondent, that the limited liability company "Aloha Hawaii Realty LLC" was administratively terminated by BREG in December 2018 and that "Aloha Hawaii Realty LLC" was never licensed by the Commission. RICO further alleges that, in the course of investigating RICO Case No. REC 2020-25-L, RICO located a Certificate of Tax Lien against Respondent noting a total amount due and owing to the Department of Taxation, State of Hawaii, of \$30,356.32 that was recorded at the Bureau of Conveyances of the State of Hawaii ("BOC") on February 15, 2019 and a Notice of Federal Tax Lien against Respondent noting an unpaid balance of assessment totaling \$151,387.71 that was recorded at the BOC on November 20, 2013, and that Respondent stated to

RICO that the amounts due to the State of Hawaii regarding general excise taxes were in connection with her personal and real estate business. RICO further alleges, that a subsequent follow up investigation related to RICO Case No. REC 2020-25-L, RICO noted that Respondent posted a for-sale listing on the Multiple Listing Service of HiCentral MLS, Ltd., for an Aiea property on June 30, 2023 (the "MLS Listing"), and that at the time the MLS Listing was posted Respondent's sole proprietor real estate broker license was forfeited due to not being timely renewed.

#### **Violations:**

HRS §§467-14; 467-14(20); 436B-19(8); 467-7; HAR §16-99.19.1(a)(2)(B)

#### **Sanctions:**

Voluntary Surrender of License

## Administrative Actions (cont. from page 4) January 2024

#### RAY R PROSEK

RB 22498

Case No. REC-2020-23-L

Dated: 1/26/2024

(Commission approved Final Order)

#### **Findings of Fact:**

Respondent was licensed by the Real Estate Commission ("Commission") as a real estate salesperson on January 8, 2008. Respondent's real estate salesperson's license expired December 31, 2018. On January 18, 2018, the Commission licensed Respondent as a real estate broker.

On January 1, 2018, Respondent entered into business with JS, sole member of the real estate brokerage firm Sunset Homes, LLC ("Sunset Homes"), located at Haleiwa, Hawaii. JS conveyed 50% membership in Sunset Homes to Respondent.

In or around January 2018, Sunset Homes purchased a REMAX franchise, and conducted business under the trade names REMAX Sunset Homes from January 5, 2018 to February 21, 2018 and RE/MAX Sunset Homes from February 22, 2018 to March 9, 2021.

Respondent conducted business as a real estate salesperson with Sunset Homes from January 2, 2018 to January 18, 2018 and thereafter as a real estate broker-salesperson from January 18, 2018 until July 20, 2018.

JS was the designated principal broker for Sunset Homes from November 6, 2001 through October 19, 2021. JS was responsible for managing the administrative functions of Sunset Homes.

Respondent was responsible for the management and recruitment of agents and sales staff at Sunset Homes.

Respondent testified JS was the principal broker, responsible for administration of Sunset Homes and "front of house." Respondent testified he was "back of house" and that he was the "broker in charge of salespersons."

Soon after Respondent and JS began business together under Sunset Homes, they disagreed upon the operation of the company.

Prior to doing business with Respondent at Sunset Homes and throughout 2018, JS utilized DocuSign to electronically sign real estate documents. JS's DocuSign account signature includes her first and last name and an ID numbered below her name that begins with "F21C" and ends with "D4D2." JS's DocuSign account signature does not include the "REALTOR®" membership logo.

On February 12, 2018, Respondent prepared a Purchase Contract for a real estate property located at Aekai Place, Ewa Beach, Hawaii ("Aekai Place Property"). The document is DocuSigned with a signature for JS followed by a black logo REALTOR® membership mark. The ID number beneath the signature does not match JS's DocuSign account ID number.

On February 13, 2018, Respondent prepared a Cooperating Brokerage Firm's Separate Contract for the Aekai Place Property transaction.

On February 16, 2018, Respondent prepared Escrow Instructions for the Aekai Place Property transaction.

The three Aekai Place Property real estate documents prepared by Respondent all include a DocuSign signature for JS's name followed by a black logo Realtor® membership mark and ID number not associated with JS's DocuSign account.

On February 20, 2018, Respondent prepared an Exclusive Right-to-Sell Listing Contract for a real estate property located at Waiama Street, Ewa Beach, Hawaii ("Waiama Property") with a DocuSign signature for JS in the area designated for principal broker or broker-in-charge not associated with JS's DocuSign account.

Respondent prepared an April 25, 2018 Purchase Contract for real estate property located at Kamehameha Highway, Hauula, Hawaii ("Kamehameha Highway Property") with a DocuSign signature for JS in the area designated for principal broker or broker-in-charge not associated with JS's DocuSign account.

JS was unaware Respondent had prepared documents with her signature for the Aekai Place Property, Waiama Property, and Kamehameha Highway Property and did not consent to the use of her signature on those documents.

## Administrative Actions (cont. from page 5) January 2024

JS contacted DocuSign regarding the incorrect DocuSign electronic signatures of her name on the Aekai Place Property, Waiama Property, and Kamehameha Highway Property real estate documents. DocuSign informed her that it traced the incorrect electronic signature back to Respondent.

On May 17, 2018, Respondent signed his name to an Exclusive Right-to-Sell Listing Contract for real estate located at Wahane Street, Kapolei, Hawaii ("Wahane Property"), in the space reserved for the principal broker or broker-in-charge of Sunset Homes.

On May 17, 2018, Respondent signed his name to a Property Management Contract for real estate located at Kuanoo Place, Ewa Beach, Hawaii ("Kuanoo Property") in the space reserved for the principal broker or broker-in-charge of Sunset Homes.

On June 15, 2018, Respondent signed his name to a Rental Agreement for the Kuanoo Property as "Broker-Owner Ray Prosek" in the space reserved for the principal broker or broker-in-charge of Sunset Homes.

On May 24, 2018, Respondent signed his name to a Property Management Contract for real estate located at Kolili Street, Kapolei, Hawaii, in the space reserved for the principal broker or brokerin-charge of Sunset Homes.

On or about May 26, 2018, Respondent signed his name to a Rental Agreement for real estate located

at Manawai Street, Kapolei, Hawaii, in the space reserved for the principal broker or broker-incharge of Sunset Homes.

Executive Officer Miles Ino testified there is no record Respondent was ever designated as temporary or permanent broker-in-charge of Sunset Homes.

JS testified that in May 2018, Respondent asked her to designate him as principal broker before she left on a trip to New Jersey, but that she did not agree.

JS never authorized Respondent to sign his name as the principal broker or broker-in-charge of Sunset Homes.

On May 29, 2018, Respondent signed a check from Sunset Homes' client trust account in the amount of \$5,952.00 for "Ray's Accounts Gross PM Commissions" without written authorization from JS.

#### Final order:

Upon review of the entire record of this proceeding, the Commission adopts the Hearings Officer's findings of fact, conclusions of law, and recommended order as the Commission's Final Order at its January 26, 2024, meeting. Accordingly, the Commission finds and concludes that the preponderance of evidence established that Respondent violated HRS §§467-14(1), 467-14(3), 467-14(8), 467-14(13) and 467-14(20), and HAR §16-99-4(i).

#### **Violations:**

HRS §§467-14(1); 467-14(3); 467-14(8); 467-14(13); 467-14(20). HAR §16-99-4(i)

#### **Sanctions:**

License revocation; Fine \$41,000.00.

## Administrative Actions (cont. from page 6) February 2024

ARRIVED LLC, DBA AHH! ALOHA KAUAI VACATION SERVICES and KENNETH M MUCHA, DBA KEN M MUCHA RB 22452

Case No. REC 2022-97-L

Dated: 2/23/2024

RB 23505

(Commission approved Settlement Agreement After Filing of Petition)

#### **Uncontested Facts:**

At all relevant times, herein, Respondent Arrived LLC was licensed by the Real Estate Commission (hereinafter the "Commission") as a real estate broker entity and Respondent Mucha was licensed as a real estate broker.

#### **RICO Allegations:**

Respondent Mucha is the principal broker for Respondent Arrived LLC, a limited liability company. On or about October 26, 2023, RICO filed a petition for Disciplinary Action (hereinafter "Petition"), alleging that: Respondent Mucha had remained in Oregon since becoming the principal broker of Arrived LLC in July of 2021. Respondents failed to notify the Commission about Mucha's absence and failed to appoint a temporary principal broker while he remained in Oregon. Respondents failed to maintain a principal place of business in Hawaii. Respondents failed to maintain a client trust account with a bank in the State of Hawaii.

#### **Violations:**

HRS §\$467-1.6(a); 467-1.6(b)(1); 467-12(a);14(20); 467-14(13); 436B-19(17); HAR §\$16-99-2; 16-99-3(m); 16-99-3(n); 16-99-4(a)

#### **Sanctions:**

Fine \$5,000.00

### March 2024

### DAVE LUCAS and KEANA ALEXANDRA LUCAS

RB 18369 RS 83660

Case No. REC 2023-243-L

Dated: 3/22/2024

(Commission approved Settlement Agreement)

#### **Uncontested Facts:**

At all relevant times herein, Respondent DL has been and continues to be the principal broker for Koa Realty Inc., a Hawaii corporation, licensed by the Commission.

At all relevant times herein, Respondent KL was licensed by the Commission as a real estate salesperson.

RICO received a complaint alleging that, on or about November 18, 2020, Respondent DL certified Respondent KL's "APPLICATION FOR LICENSE – REAL ESTATE" ("Application for Licensure"), submitted on or about November 19, 2020, wherein Respondent KL stated her legal name to be "Keana Alexandra Rees" and her license name to be "Keana Lucas." On or about December 24, 2020, the Commission provided a Notice of Deficiency to Respondent KL informing Respondent KL that her license last name must be the same as her legal last name. On or about May 4, 2023, Respondent KL submitted a "CHANGE FORM—REAL ESATE," requesting a change of legal name from

"Keana Alexandra Rees" to "Keana Alexandra Lucas," and provided her Certificate of Marriage, accepted by the State Registrar on June 14, 2019, showing the Respondent KL's declared surname as of June 1, 2019 was "Lucas".

#### **RICO Allegations:**

RICO alleges that Respondent DL knowingly certified Respondent KL's Application for Licensure which contained a misrepresentation of Respondent KL's legal name and that Respondent KL knowingly misrepresented her legal name on her Application for Licensure.

#### **Violations:**

HRS §\$467-1.6(b)(4); 467-14(13); 467-9(a); 436B-19(2)

HAR §16-99-3(b)

#### **Sanctions:**

Fine \$1500.00

## Statutory/Rule Violations

**Settlement Agreement (Allegations/Sanction):** A Settlement Agreement may or may not include an admission that the Respondent violated licensing laws and/or rules on a case-by-case basis.

**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(8)	Failure to maintain a record or history of competency, trustworthiness, fair dealing, and financial integrity.
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 HRS licensees.
HRS §467-1.6(b)(1)	The principal broker shall be responsible for: The client trust accounts, disbursements from those accounts, and the brokerage firm's accounting practices;
HRS §467-1.6(b)(4)	The principal broker shall be responsible for the proper handling of any commission application, real estate license application, or renewal application that the principal broker or the brokerage firm expressly agrees to handle on behalf of the applicant, including without limitation, verifying for completeness and appropriate fees, and mailing or delivering the appropriate documents to the commission by the required deadline
HRS §467-7	No person within the purview of this chapter shall act as real estate broker or real estate salesperson, or shall advertise, or assume to act as real estate broker or real estate salesperson without a license previously obtained under and in compliance with this chapter and the rules and regulations of the real estate commission.
HRS §467-9(a)	(a) Every applicant for issuance of a real estate license, registration, or certificate under this chapter shall file an application with the commission in a form and setting forth the information as may be prescribed or required by the commission, and shall furnish any additional information bearing upon the issuance of the license, registration, and certificate as it requires. In the case of a partnership or corporation, any general partner or officer thereof may sign the application on behalf of the applicant. The commission may prescribe deadlines for the submission of applications.
HRS §467-12(a)	Maintain a definite place of business in the state and display broker's license.
HRS §467-14(1)	Making any misrepresentation concerning any real estate transaction.
HRS §467-14(3)	Pursuing a continued and flagrant course of misrepresentation, or making of false promises through advertising or otherwise;
HRS §467-14(8)	Conduct constituting fraudulent or dishonest dealings.
HRS §467-14(13)	Violating this chapter, chapters 484, 514B, 514E, or 515, or section 516-71, or the rules adopted pursuant thereto.
HRS §467-14(20)	Failure to maintain a reputation for or record of competency, honesty, truthfulness, financial integrity, and fair dealing.

## Statutory/Rule Violations (cont. from page 8)

HAR §16-99-2 Place of business definition.

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(n) 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 §16-99-3 99-9 brokerage firm conducts business and where the

brokerage firm's books and records are maintained.

HAR §16-99-3(o) Prior to the time the principal broker or the broker in charge is absent from the principal place of business for

more than thirty calendar days, and no other broker in charge is registered with the principal place of business, the principal broker shall submit to the commission a signed, written notification of the absence designating a temporary principal broker or temporary broker in charge, who shall acknowledge the temporary designation by signing the notification. In case of prolonged illness or death where the principal broker or broker in charge is unable to act, another broker shall be designated as the temporary principal broker or broker in charge within thirty days of the illness or death with appropriate notification to the commission. A temporary principal broker or broker in charge arrangement shall not exceed a period of six months, with the right to extend prior to

expiration for another six months for good cause and with the approval of the commission.

HAR §16-99-4(a) Every brokerage firm that does not immediately place all funds entrusted to the brokerage firm in a neutral

escrow depository, shall maintain a trust fund account in this State with some bank or recognized depository, which is federally insured, and place all entrusted funds therein. The trust fund account shall designate the principal broker as trustee and all trust fund accounts, including interest bearing accounts, shall provide for

payment of the funds upon demand.

HAR §16-99-4(i) A salesperson, broker-salesperson, or employee shall not handle trust properties in any way without the

express written authorization of the person's principal broker or broker in charge. A principal broker or broker in charge may authorize a salesperson, broker-salesperson, or employee, in writing, to place trust properties on behalf of the brokerage firm anywhere the principal broker or broker in charge could place them, but shall

not authorize any other disposition.

HAR §16-99-19.1(a)(2)(B) The license name of a sole proprietor broker: May include a trade name currently registered by the broker with

the business registration division and with the commission, provided that the trade name complies with

section 467-9, HRS

## CONDO HAWAII

### Selling Condo Units: Where's the DPR?

Before most condominium units can be offered for sale or sold, a developer must register the condominium project with the Hawai'i Real Estate Commission ("Commission") and complete a Developer's Public Report ("DPR"). The DPR serves as a disclosure document detailing all material and pertinent information regarding the condominium and the units being sold. These reports undergo review by the Commission's consultants and are issued an effective date allowing for legal sales to occur. In other words, prior to the effective date, no binding contracts can be signed and no moneys can be exchanged.

The fastest and easiest way to check if a condominium is registered is to check the Commission's online database of registered condominiums and DPRs at: https://hawaii.gov/dcca\_condo/. In the database, condominium projects may be searched and sorted by name, developer, TMK, etc.

The Commission has seen an increase in the resale of units in unregistered projects, where the developer failed to register the project with the Commission. These resales fail to provide consumers necessary information about their purchase and possibly violate the Hawai'i condominium law, chapter 514B, HRS. Buyers in these situations would run into problems selling their units, often with banks and escrow firms, as there are no statute or court rulings on how these resales can proceed, if at all, when the requirements allowing the first legal sale were never satisfied. Given the lack of legal clarity, potential increased liability, and obstacles from financial institutions that are aware of unregistered condominium projects, real estate licensees are recommended to avoid these transactions. Licensees who assist developers in an illegal first sale of an unregistered condominium unit can be subject to disciplinary action, including license revocation.

The registration of condominiums and the DPR serve to not only protect consumers in providing material and pertinent facts about their real estate transactions, but also protect real estate licensees and developers as such facts have been disclosed. The Commission recommends that, even if the resale of a condominium unit would fall under chapter 508D, HRS, ensure the unit you sell has undergone the required legal process.

## Unlicensed Assistants in a Brokerage - What Can They Do? (cont. from page 2)

- 5. There are some exceptions to real estate licensing as stated in §467-2, HRS. These exceptions apply to individuals, not to entities such as corporations, partnerships, limited liability companies, or limited liability partnerships. Perhaps the most common exception is §467-2(3), HRS, which states an individual does not require a real estate license if this individual "… leases, offers to lease, rents, or offers to rent, any real estate or the improvements thereon of which the individual is the custodian or caretaker; …" A "caretaker" is defined in §467-1, HRS, as
  - "... any individual, who for compensation or valuable consideration, is employed as an employee by a single owner and has the responsibility to manage or care for that real property left in the individual's trust, provided that the term "custodian" or "caretaker" shall not include any individual who leases or offers to lease, or rents or offers to rent, any real estate for more than a single owner; provided further that a single owner shall not include an association of owners of a condominium, cooperative, or planned unit development."
- 6. In Hawaii, there are no "specialty" real estate licenses. If you hold a current and active Hawaii real estate salesperson or broker license, you may sell residential or commercial real estate, lease residential or commercial real estate, sell time share interests, and property manage real estate for more than a single owner. If you are a broker, you may also be a condominium hotel operator.
- 7. If an unlicensed assistant such as a receptionist handles walk-in clients, answers phone inquiries, etc., remember, they may not perform any of the activities that requires a real estate license. If this unlicensed receptionist is posed with a question that only a real estate licensee should be answering, he or she must not answer that question. To avoid these and other similar situations, it may be a best practice to have brokerage staff become real estate licensees.

### **Prelicense Schools**

Abe Lee Seminars	808-942-4472
American Dream Real Estate School, LLC	844-223-7326
Carol Ball School of Real Estate	808-280-0470
The CE Shop, LLC	888-827-0777
Coldwell Banker Pacific Properties	808-748-3410
Real Estate School	
Colibri Real Estate, LLC	866-739-7277
Continuing Ed Express, LLC	866-415-8521
Diamond Real Estate School	808-866-5828
Excellence in Education	808-212-4861
dba Maui Real Estate School	
Grand Vacations Real Estate School	808-927-9190
Hawaii Institute of Real Estate	808-342-4061
Hawaii Real Estate Licensing School LLC	808-594-3511
Inet Realty	808-955-7653
Mayfield Real Estate, Inc.,	800-581-6014
dba Global Real Estate School	
Pacific Real Estate Academy	808-230-1234
Premier Real Estate LLC,	808-556-3135
dba Premier Real Estate Academy	
Real Estate School Hawaii	808-551-6961
REMI School of Real Estate	808-230-8200
Scott Alan Bly School of Real Estate, LLC	808-738-8818
dba Bly School of Real Estate	
Seiler School of Real Estate	808-874-3100
Vitousek Real Estate School, Inc.	808-946-0505
Wong Way Real Estate Academy	808-218-9224



### State of Hawaii Real Estate Commission

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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	Honolulu Board of Realtors	808-732-3000
American Dream Real Estate School, LLC	844-223-7326	International Association of Certified Home	720-735-7125
Building Industry Association of Hawaii	808-629-7505	Inspectors (InterNACHI)	
Carol Ball School of Real Estate	808-280-0470	Kauai Board of Realtors	808-245-4049
The CE Shop, LLC.	888-827-0777	McKissock, LLC	800-328-2008
CMPS Institute, LLC	888-608-9800	Preferred Systems, Inc.	888-455-7437
Coldwell Banker Pacific Properties	808-748-3410	Real Estate School Hawaii	808-551-6961
Real Estate School		Real Estate Success Series LLC	310-259-5776
Colibri Real Estate, LLC	866-739-7277	Realtors' Association of Maui, Inc.	808-873-8585
Continuing Ed Express, LLC	866-415-8521	REMI School of Real Estate	808-230-8200
Eddie Flores Real Estate Continuing Education	n 808-223-6301	Residential Real Estate Council	800-462-5541
ExceedCE, LLC	415-885-0307	Scott Alan Bly School of Real Estate, LLC	808-738-8818
Finance of America Reverse, LLC	330-807-8948	dba Bly School of Real Estate	
Franklin Energy Services, LLC	866-735-1432	Servpro Industries, LLC	615-451-0200
Hawaii Association of Realtors	808-733-7060	Shari Motooka-Higa	808-492-7820
Hawaii Business Training	808-250-2384	Sirmon Training and Consulting Group LLC	704-458-9743
Hawaii CCIM Chapter	808-528-2246	Systems Effect LLC, dba Training Cove	480-517-1000
Hawaii First Realty LLC	808-282-8051	WebCE Inc.	877-488-9308
Hawaii Island Realtors	808-935-0827	West Hawaii Association of Realtors	808-329-4874

State of Hawaii
Real Estate Commission
King Kalakaua Building
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## 2024 Real Estate Commission Meeting Schedule

#### Real Estate Commission – 9:00 a.m.

Friday, May 24, 2024
Friday, June 28, 2024
Friday, July 26, 2024
Friday, August 23, 2024
Friday, September 27, 2024
Friday, October 25, 2024
Friday, November 22, 2024

Until further notice, Laws & Rules Review Committee, Condominium Review Committee, and Education Review Committee meeting items will be discussed at Real Estate Commission meetings.

Friday, December 20, 2024

Real Estate Commission Meetings will be held in the Queen Liliuokalani Conference Room, 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.