

DENISE P. BALANAY 5526
Regulated Industries Complaints Office
Department of Commerce and
Consumer Affairs
State of Hawaii
235 S. Beretania Street, 9th Floor
Honolulu, Hawaii 96813
Telephone: 586-2660

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PROF & VOCATIONAL
LICENSING DIVISION

DEPT. OF COMMERCE
AND CONSUMER AFFAIRS

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DEPT OF COMMERCE
& CONSUMER AFFAIRS
STATE OF HAWAII

HEARINGS OFFICE

Attorney for Department of Commerce
and Consumer Affairs

REAL ESTATE COMMISSION
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAII

In the Matter of the)
Real Estate Broker's License of)
RONALD I. NAKATSU and RON)
NAKATSU REALTY, INC.,)
Respondents.)

REC 2003-203-L

SETTLEMENT AGREEMENT PRIOR
TO FILING OF PETITION FOR
DISCIPLINARY ACTION AND
COMMISSION'S FINAL ORDER

SETTLEMENT AGREEMENT PRIOR TO FILING OF PETITION
FOR DISCIPLINARY ACTION AND COMMISSION'S FINAL ORDER

Respondents RONALD I. NAKATSU and RON NAKATSU REALTY, INC.

(hereinafter "Respondents"), and the Department of Commerce and Consumer Affairs, through its Regulated Industries Complaints Office (hereinafter "RICO"), through its undersigned attorney, enter into this Settlement Agreement on the terms and conditions set forth below.

A. UNCONTESTED FACTS

1. Respondent RONALD I. NAKATSU is licensed by the Real Estate Commission (hereinafter the "Commission") as a real estate broker under License Number RB 14116. Said license was issued on August 14, 1986 and currently has an expiration date of December 31, 2006. Respondent RON NAKATSU REALTY, INC. is licensed by the Commission as a real

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estate broker under License Number RB 14820. Said license was issued on January 1, 1989 and currently has an expiration date of December 31, 2006.

2. The last known address for Respondents is 94-378 Pupupani Street, Suite 101, Waipahu, Hawaii 96797.

3. RICO received information that a Small Claims Court judgment was entered against Respondents in Honolulu Small Claims Court case 1SC03-1-254 for return of a security deposit to tenants of a rental property located at 1428 Kalaepohaku Street, Honolulu, Hawaii, 96816.

4. Respondents failed to disclose the judgment to the Commission within 30 days of entry of same.

5. The foregoing allegations, if proven, would constitute violations of the following statutes governing the conduct of real estate brokers licensed in the State of Hawaii: Hawaii Revised Statutes ("H.R.S.") §§ 436B-16(a) (failure to disclose any judgment which adjudges that the licensee is liable for any damage caused by the licensee's conduct in the practice of the licensee's profession or vocation), and 467-14 (violation of H.R.S. Chapter 467 and/or rules adopted pursuant thereto).

6. The Commission has jurisdiction over the subject matter herein and over the parties hereto.

B. REPRESENTATIONS BY RESPONDENTS:

1. Respondents are fully aware that they have the right to be represented by an attorney of their choosing in this matter and voluntarily waive that right.

2. Respondents enter into this Settlement Agreement freely and voluntarily and

under no coercion or duress.

3. Respondents have been informed of their right to have a hearing to determine the issues in RICO's investigation. Pursuant to HRS §91-9(d), Respondents voluntarily waive their right to a hearing and agrees to a disposition of this case in accordance with the terms and conditions of this Settlement Agreement.

4. Respondents being at all times relevant herein licensed as real estate brokers by the Commission acknowledges that they are subject to penalties including but not limited to, revocation, suspension or limitation of their licenses and civil fines, if the foregoing violations are proven at hearing.

5. Respondents do not admit that they have violated any law or rule, but acknowledge that RICO has sufficient cause to file a Petition for Disciplinary Action against their real estate broker's licenses.

6. Respondents enter into this Settlement Agreement as a compromise of the claims and to conserve on the expenses of proceeding with an administrative hearing on this matter.

7. Respondents agree that this Settlement agreement is intended to resolve the issues raised in RICO's investigation in RICO Case No. REC 2003-203-L.

C. TERMS OF SETTLEMENT:

1. Administrative fine. Respondents agree to pay a fine in the amount of FIVE HUNDRED AND NO/100 DOLLARS (\$500.00), the payment of which shall be due within thirty (30) days of the Commission's approval of this Settlement Agreement. Said payment shall be made by **cashier's check or money order made payable to "State of Hawaii - Compliance Resolution Fund"** and mailed to the Regulated Industries Complaints Office, Attn: Denise P. Balaney, Esq., 235 S. Beretania Street, 9th Floor, Honolulu, Hawaii 96813. The mailing should be postmarked by the ~~30th day to be in~~ compliance with this Settlement Agreement.

2. Failure to Comply with Settlement Agreement. If Respondents fail to fully and timely pay the administrative fine as set forth in paragraph C.1 above, Respondents' licenses shall be automatically revoked for a period of five (5) years upon RICO's filing of an affidavit with the Commission attesting to such failure. In case of such revocation, Respondents shall turn in all indicia of their licensure to the Executive Officer of the Commission within ten (10) days after receipt of notice of the revocation. Upon completion of the revocation period, Respondents understands that they will need to apply to the Commission for reinstatement pursuant and subject to the requirements and conditions set forth in HRS § 436B-21.

3. Possible further sanction. The Commission, at its discretion, may pursue additional disciplinary action as provided by law to include further fines and other sanctions as the Commission may deem appropriate if Respondents violate any provision of the statutes or rules governing the conduct of real estate brokers in the State of Hawaii, or if Respondents fail to abide by the terms of this Settlement Agreement.

4. Approval of the Commission. Respondents agree that, except for the representations, agreements and covenants contained in Paragraphs C.5, C.6, C.7 and C.8 below, this Settlement Agreement shall not be binding on any of the parties unless and until it is approved by the Commission.

5. No Objection if Commission Fails to Approve. If the Commission does not approve this Settlement Agreement, does not issue an order pursuant thereto, or does not approve a lesser remedy, but instead an administrative hearing is conducted against Respondents in the Commission's usual and customary fashion pursuant to the Administrative Procedure Act, Respondents agree that neither they nor any attorney that they may retain, will raise as an objection in any administrative proceeding or in any judicial action, to the Commission's proceeding against them on the basis that the Commission has become disqualified to consider the case because of its review and consideration of this Settlement Agreement.

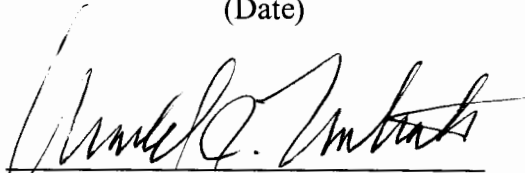
6. Any Ambiguities Shall be Construed to Protect the Consuming Public. It is agreed that any ambiguity in this Settlement Agreement is to be read in the manner that most completely protects the interests of the consuming public.

7. No Reliance on Representations by RICO. Other than the matters specifically stated in this Settlement Agreement, neither RICO nor anyone acting on its behalf has made any representation of fact, opinion or promise to Respondents to induce entry into this Settlement Agreement, and Respondents are not relying upon any statement, representation or opinion or promise made by RICO or any of its agents, employees, representatives or attorneys concerning the nature, extent or duration of exposure to legal liability arising from the subject matter of this Settlement Agreement or concerning any other matter.

8. Complete Agreement. This Settlement Agreement is a complete settlement of the rights, responsibilities and liabilities of the parties hereto with respect to the subject matter hereof; contains the entire agreement of the parties; and may only be modified, changed or amended by written instrument duly executed by all parties hereto.

IN WITNESS WHEREOF, the parties have signed this Settlement Agreement on the date(s) set forth below.

DATED: Honolulu, Hawaii, 3/18/05.
(City) (State) (Date)


RONALD I. NAKATSU
Respondent

DATED: Honolulu, Hawaii, 3/18/05.
(City) (State) (Date)

RON NAKATSU REALTY, INC.

By: 
Its PRESIDENT

DATED: Honolulu, Hawaii, MAR 23 2005.


DENISE P. BALANAY
Attorney for Department of Commerce

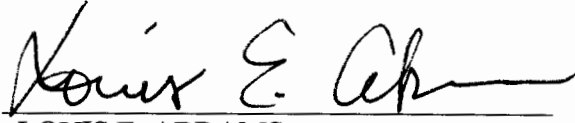
IN THE MATTER OF THE REAL ESTATE BROKER'S LICENSE OF RONALD I. NAKATSU AND RON NAKATSU REALTY, INC.; SETTLEMENT AGREEMENT PRIOR TO FILING OF PETITION FOR DISCIPLINARY ACTION AND COMMISSION'S FINAL ORDER; CASE NO. REC 2003-203-L

APPROVED AND SO ORDERED:
REAL ESTATE COMMISSION
STATE OF HAWAII

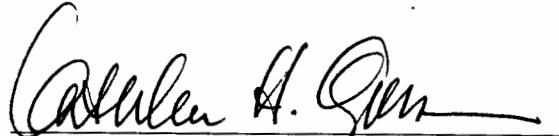
JOHN OHAMA
Chairperson

April 29, 2005
DATE

MITCHELL A. IMANAKA
Vice Chairperson


LOUIS E. ABRAMS

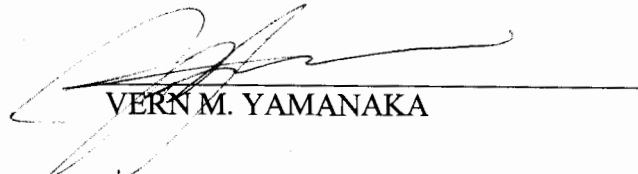
CAROL MAE A. BALL


KATHLEEN H. KAGAWA, PH.D.


MICHELE SUNAHARA LOUDERMILK


TRUDY L. NISHIHARA


IRIS R. OKAWA


VERN M. YAMANAKA

PVL 12/04

STATE OF HAWAII)
) SS.
CITY AND COUNTY OF HONOLULU)

On this 18th day of March, 2005, before me personally appeared RONALD I. NAKATSU, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

13

Sherry R. Naga
Name: Sherry R. Naga
Notary Public, State of Hawaii

My commission expires: March 9, 2006

STATE OF HAWAII)
) SS.
CITY AND COUNTY OF HONOLULU)

On this 18th day of March, 2005, before me personally appeared Ronald I. Nakatsu, to me known to be the person who, being by me duly sworn, did say that he is the President of RON I. NAKATSU REALTY, INC., and that the foregoing instrument was signed on behalf of the corporation by authority of its board of directors, and is the free act and deed of the corporation.

13

Sherry R. Naga
Name: Sherry R. Naga
Notary Public, State of Hawaii

My commission expires: March 9, 2006