

DIANE R. CORN 3912-0
Regulated Industries Complaints Office
Department of Commerce and
Consumer Affairs
State of Hawaii
Leiopapa A Kamehameha Building
235 S. Beretania Street, 9th Floor
Honolulu, Hawaii 96813
Telephone: (808) 586-2660

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2006 JAN 11 P 3: 26

DEPT OF COMMERCE
& CONSUMER AFFAIRS
STATE OF HAWAII

DEPT. OF COMMERCE
& CONSUMER AFFAIRS

2006 JAN 11 P 3: 24

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)	REC 2003-267-L
Licenses of)	
)	SETTLEMENT AGREEMENT AFTER
CAPITAL RESEARCH GROUP, INC., and)	FILING OF PETITION FOR
FREDERICK H. OVERSTREET,)	DISCIPLINARY ACTION AND
)	COMMISSION'S FINAL ORDER
Respondents.)	
)	

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

CAPITAL RESEARCH GROUP, INC., and FREDERICK H. OVERSTREET,
(hereinafter "Respondents") and the DEPARTMENT OF COMMERCE AND CONSUMER
AFFAIRS, by and through its REGULATED INDUSTRIES COMPLAINTS OFFICE
(hereinafter "RICO"), enter into this Settlement Agreement on the terms and conditions set forth
below.

A. UNCONTESTED FACTS

1. Respondent Capital Research Group, Inc., ("Respondent CRG") is licensed by the
State of Hawaii Real Estate Commission (hereinafter the "Commission") as a real estate
brokerage under License Number RB 16339, issued on April 22, 1993 and due to expire on

December 31, 2006. Respondent Frederick H. Overstreet (“Respondent Overstreet”) is licensed as a real estate broker under License Number RB 8033, issued on March 25, 1974 and due to expire on December 31, 2006.

2. The last known address for Respondent CRG is 1833 Kalakaua Avenue, #409, Honolulu, Hawaii 96815 and the last known address for Respondent Overstreet is 1310 Heulu Street, #801, Honolulu, Hawaii 96822.

3. On September 27, 2005, RICO filed a Petition for Disciplinary Action (hereafter “Petition”) against Respondents CRG and Overstreet, alleging that Respondents violated Hawaii Revised Statutes (“HRS”) §§ 467-14(7) and 467-14(20) and Hawaii Administrative Rules (“HAR”) §§ 16-99-3(b) and (e) and 16-99-4(a) and (d). Respondents stipulate and agree that Petitioner had probable cause to file a petition for disciplinary action against them.

4. The foregoing allegations, if proven, would constitute violations of the aforementioned statutes and rules governing the conduct of real estate brokerages and brokers licensed in the State of Hawaii. Respondents being at all times relevant herein licensed as a real estate brokerage and broker by the Commission acknowledge they are subject to penalties including but not limited to, revocation, suspension or limitation of their licenses and civil fines, if the allegations in the petition are proven at hearing. The Commission has jurisdiction over the subject matter herein and over the parties hereto.

B. REPRESENTATIONS BY RESPONDENT

1. Respondents CRG and Overstreet are fully aware that they have the right to be represented by an attorney of their choosing in this matter and are represented by Burt L. Snyder, Esq. Respondents CRB and Overstreet enter into this Settlement Agreement freely and voluntarily and under no coercion or duress.

2. Respondents CRG and Overstreet 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 agree to a disposition of this case in accordance with the terms and conditions of this Settlement Agreement.

3. Respondents being at all times relevant herein licensed as a real estate brokerage and broker by the Commission acknowledge that they are subject to penalties including but not limited to, revocation, suspension or limitation of their licenses and civil fines, if the allegations in the petition are proven at hearing.

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

5. 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.

6. Respondents agree that this Settlement agreement is intended to resolve the issues raised in RICO's investigation in RICO Case No. REC 2003-267-L.

C. TERMS OF SETTLEMENT

1. Administrative fine. Respondents CRG and Overstreet agree to pay a fine in the amount of ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00.), 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: Diane R. Corn, Staff Attorney, 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. Real Estate Education. Respondent Overstreet agrees to take and successfully complete educational course(s), including but not limited to accounting principals, professional responsibility and ethics, to be determined by the Commission. The Commission shall also determine Respondent Overstreet's deadline for completion of the education and submission of the evidence of completion. The course(s) is(are) in addition to and does(do) not take the place of any continuing education requirements. Respondent Overstreet stipulates and agrees to contact the Executive Officer of the Commission within ten (10) calendar days of the date the Commission approves this Settlement Agreement to initiate determination of the educational course(s).

3. Restitution. Respondents CRG and Overstreet paid restitution to the complainant in this case with interest prior to the filing of this settlement agreement. As a result, restitution is no longer an issue in this matter.

4. Failure to Comply with Settlement Agreement. If Respondents fail to fully and timely pay the administrative fine as set forth in paragraph C (1) and/or successfully complete the continuing education course(s) designated by the Commission in paragraph C (2) 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 understand that they will need to apply to the Commission for new licenses pursuant and subject to the requirements and conditions set forth in HRS §§ 92-

5. Approval of the Commission. Respondents agree that, except for the representations, agreements and covenants contained in Paragraphs C (6), C (7), C (8) and C (9) below, this Settlement Agreement shall not be binding on any of the parties unless and until it is approved by the Commission.

6. 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 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.

7. 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.


8. 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.

9. 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, DEC 30 2005.

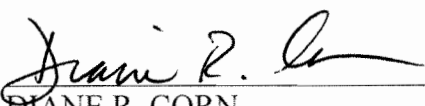
CAPITAL RESEARCH GROUP, INC.

By 
FREDERICK H. OVERSTREET, Its President
Respondent

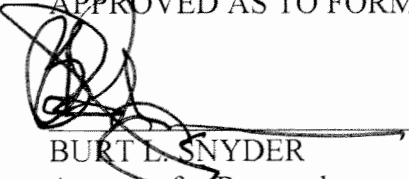
DATED: Honolulu, Hawaii, DEC 30 2005.


FREDERICK H. OVERSTREET
Respondent

DATED: Honolulu, Hawaii, JAN 04 2006.

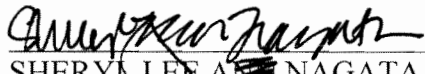

DIANE R. CORN
Attorney for Department of Commerce and
Consumer Affairs

APPROVED AS TO FORM:


BURT L. SNYDER
Attorney for Respondents
Capital Research Group, Inc., and
Frederick H. Overstreet

IN THE MATTER OF THE REAL ESTATE BROKER'S LICENSES OF CAPITAL RESEARCH GROUP, INC. AND FREDERICK H. OVERSTREET; SETTLEMENT AGREEMENT AFTER FILING OF PETITION FOR DISCIPLINARY ACTION AND COMMISSION'S FINAL ORDER; REC 2003-267-L

REVIEWED AND RECOMMENDED FOR CONSIDERATION:



SHERYL LEE A. NAGATA
Hearings Officer

JAN - 4 2006

DATE

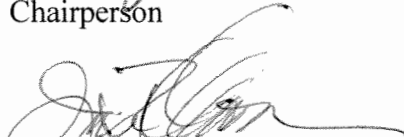
APPROVED AND SO ORDERED:
REAL ESTATE COMMISSION
STATE OF HAWAII



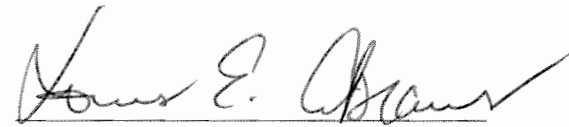
TRUDY I. NISHIHARA
Chairperson

January 27, 2006

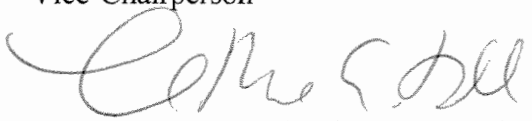
DATE



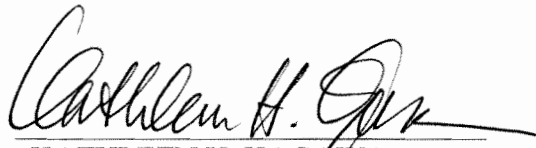
IRIS R. OKAWA
Vice-Chairperson



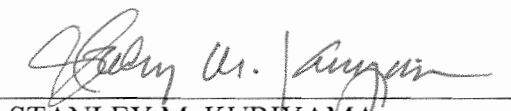
LOUIS E. ABRAMS



CAROL MAE A. BALL



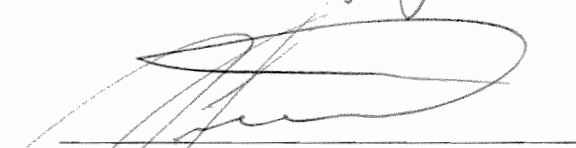
KATHLEEN H. KAGAWA,
Ph.D.



STANLEY M. KURIYAMA



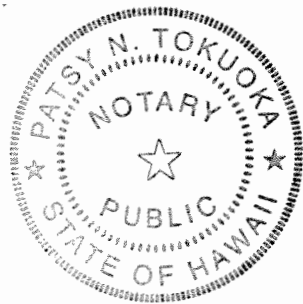
MICHELE SUNAHARA
LOUDERMILK



VERN M. YAMANAKA
PVL 07/22/05

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

On this 30th day of December, 2005, before me personally appeared
FREDERICK H. OVERSTREET to me known to be the person described, and who executed the
foregoing instrument, on his own behalf and on behalf of CAPITAL RESEARCH GROUP,
INC., as president, director and principal broker, and acknowledged that he executed the same as
his free act and deed.



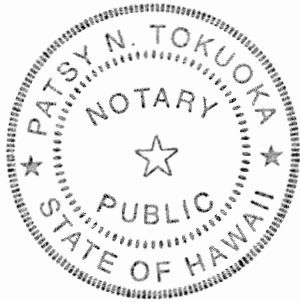
Patsy N. Tokuoka
Name: _____
Notary Public, State of Hawaii

My Commission expires: _____

PATSY N. TOKUOKA
NOTARY PUBLIC, FIRST JUDICIAL CIRCUIT
State of Hawaii
Commission Expires 06/30/2008

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

On this 30th day of December, 2005, before me personally appeared
FREDERICK H. OVERSTREET, 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.



Patsy N. Tokuoka
Name: _____
Notary Public, State of Hawaii

My Commission expires: _____
PATSY N. TOKUOKA
NOTARY PUBLIC, FIRST JUDICIAL CIRCUIT
State of Hawaii
Commission Expires 06/30/2006