

DENISE P. BALANAY 5526-0
Regulated Industries Complaints Office
Department of Commerce and Consumer
Affairs
State of Hawaii
Leiopapa A Kamehameha Building
235 South Beretania Street, Suite 900
Honolulu, Hawaii 96813
Telephone: (808) 586-2660

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

ROSEMARY D. KANE and SUGAR
KANE REALTY, INC.,

Respondents.

REC 2003-313-L

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

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Respondents ROSEMARY D. KANE and SUGAR KANE REALTY, INC. (hereinafter collectively referred to as "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 Rosemary D. Kane is licensed by the Real Estate Commission (hereinafter the "Commission") as a real estate broker under license number RB 9620. Said

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DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
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& CONSUMER AFFAIRS
STATE OF HAWAII

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DEPT OF COMMERCE AND CONSUMER AFFAIRS

license was issued on April 14, 1978 and currently has an expiration date of December 31, 2004. Respondent Sugar Kane Realty, Inc. is licensed by the Commission as a real estate brokerage firm under license number RB 16241. Said license was issued on December 18, 1992 and currently has an expiration date of December 31, 2004.

2. Respondent Rosemary D. Kane is and at all times relevant herein was the principal broker for Respondent Sugar Kane Realty, Inc.

3. The last known address for Respondents is 86-120 Farrington Highway, #403, Waianae, Hawaii, 96792.

4. RICO received information regarding a real estate transaction between seller Kevin John Milnes and buyer Ronilo Maganis, Jr., involving allegations that Respondents failed to properly execute the DROA, including but not limited to failing to have the principal broker or broker-in-charge review and/or sign the DROA, failing to acknowledge who gave or received the earnest money deposit, failure to timely perform termite inspections, failure to notify the seller of the buyer's qualification of the mortgage loan, and failure to follow up on several other suspense deadlines.

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 ("HRS") §§467-14(7) (failing to account for any moneys belonging to others), 467-14(13) (violating chapters and rules), and Hawaii Administrative Rules ("HAR") §§16-99-3(a) (fully protect the general public), 16-99-3(b) (protect the public against unethical practices in the real estate field), and 16-99-3(f) (all financial obligations and commitments in writing and provided to all parties involved).

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 agree 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 acknowledge that they are subject to penalties including but not limited to, revocation, suspension or limitation of their license 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 2003-313-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 at the time Respondents sign 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. Balanay, Esq., 235 S. Beretania Street, 9th Floor, Honolulu, Hawaii 96813. The mailing should be postmarked on the date this Settlement Agreement is signed by Respondents 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 understand 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.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.

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.

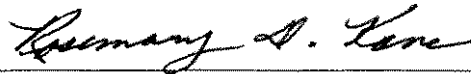
6. Any Ambiguities Shall be Construed to Protect the Consuming Public. It is agreed that any ambiguity in this Settlement Agreement is to be read in the manner that most completely protects the interests of the consuming public.

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.


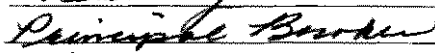
DATED: Honolulu, Hawaii, 11/3/04



ROSEMARY D. KANE
Respondent

DATED: Honolulu, Hawaii, 11/3/04

SUGAR KANE REALTY, INC.

By 
Its 
Respondent

DATED: Honolulu, Hawaii, NOV - 8 2004


DENISE P. BALANAY
Attorney for Petitioner

IN THE MATTER OF THE REAL ESTATE BROKER'S LICENSE OF ROSEMARY D. KANE AND SUGAR KANE REALTY, INC.; SETTLEMENT AGREEMENT PRIOR TO FILING OF PETITION FOR DISCIPLINARY ACTION AND COMMISSION'S FINAL ORDER; REC 2003-313-L


APPROVED AND SO ORDERED:
REAL ESTATE COMMISSION
STATE OF HAWAII

December 17, 2004
DATE

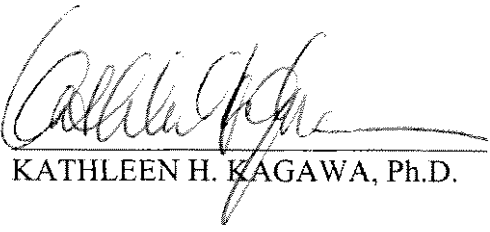
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Vice Chairperson

LOUIS E. ABRAMS



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KATHLEEN H. KAGAWA, Ph.D.



MICHELE SUNAHARA LOUDERMILK



TRUDY I. NISHIHARA



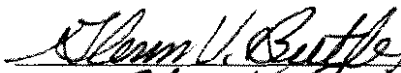
IRIS R. OKAWA



VERN M. YAMANAKA

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

On this 2nd day of November, 2004, before me personally appeared ROSEMARY D. KANE, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed on her own behalf and as the authorized representative of and on behalf of SUGAR KANE REALTY, INC..


Name: Glenn V. Butler
Notary Public, State of Hawaii

My commission expires: 2 Nov 07