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 Regulated Industries Complaints Office
 Department of Commerce and Consumer Affairs
 State of Hawaii
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DEPT. OF COMMERCE
 AND CONSUMER AFFAIRS

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 AND CONSUMER AFFAIRS

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HEARINGS OFFICE

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Attorney for Department of Commerce
 and Consumer Affairs

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

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 DEPT. OF COMMERCE
 & CONSUMER AFFAIRS
 STATE OF HAWAII

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| In the Matter of the |) | REC 2004-283-L |
| Real Estate Licenses of |) | |
| |) | SETTLEMENT AGREEMENT PRIOR TO |
| DENNY C. ECKENRODE and CHARLES |) | FILING OF PETITION FOR |
| J. SMITH doing business as GOLDEN |) | DISCIPLINARY ACTION AND |
| RULE REALTY, |) | COMMISSION'S FINAL ORDER |
| |) | |
| Respondents. |) | |
| |) | |

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

Respondent DENNY C. ECKENRODE and Respondent CHARLES J. SMITH doing business as GOLDEN RULE REALTY (hereinafter collectively "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 Eckenrode is licensed by the Real Estate Commission (hereinafter the "Commission") as a real estate salesperson under License Number RS 39772. Said license was issued on March 24, 1987 and currently has an expiration date of December 31, 2006.

2. The last known address for Respondent Eckenrode is 1212 Punahou Street, #1106, Honolulu, Hawaii 96826.

3. Respondent Smith is licensed by the Real Estate Commission (hereinafter the "Commission") as a real estate broker under License Number RB 11579. Said license was issued on May 15, 1980 and currently has an expiration date of December 31, 2006.

4. The last known address for Respondent Smith is 1750 Kalakaua Avenue, Suite 103, Honolulu, Hawaii 96826.

5. At all time relevant herein, Respondent Eckenrode was employed by Respondent Smith.

6. RICO has no record of any complaints ever being filed against Respondent Eckenrode or Respondent Smith.

7. RICO received information from the Real Estate Commission that Respondent Eckenrode's real estate salesperson's license had lapsed on January 1, 2003. Respondent license was subsequently renewed by the Real Estate Commission effective August 10, 2004.

8. Respondent Eckenrode is 85 years old. During the period for which his license was lapsed he engaged in a total of 4 real estate transactions, in one of which he was the seller. In addition, Respondent Eckenrode maintained and serviced two real estate management contracts.

9. Despite the lapse of his license, Respondent Eckenrode met his obligations for continuing education. During the period of July 2004 thru October 2004, Respondent Eckenrode completed eight real estate classes and he promptly remedied the lapse of his license as soon as he became aware of said lapse.

10. RICO alleges that Respondent Eckenrode failed to comply with the laws relating to the licensing of real estate salespersons by engaging in real estate activity without the required license in violation of Hawaii Revised Statutes ("HRS") §§ 467-7 (license required).

11. RICO alleges that Respondent Smith failed to properly supervise Respondent Eckenrode in violation of HRS § 467-1.6(b)(6) (failure to ensure that associated real estate licensees are current and active).

12. 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: HRS § 467-7 (license required) and § 467-1.6(b)(6) (failure to ensure that associated real estate licensees are current and active).

13. 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 attorneys 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 rights 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 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 foregoing violations are proven at hearing.

5. Respondents admit to the veracity of the allegations and that their acts constitute violations of the following statutes and/or regulations governing the conduct of licensees in the State of Hawaii: HRS § 467-7 (license required) and § 467-1.6(b)(6) (failure to ensure that associated real estate licensees are current and active).

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 2004-283-L.

C. TERMS OF SETTLEMENT:

1. Administrative fine. Respondents agree to pay a fine in the total 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: Patrick K. Kelly, 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(s) 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 licensees 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, November 1, 2005


DENNY C. ECKENRODE
Respondent

IN THE MATTER OF THE REAL ESTATE LICENSES OF DENNY C. ECKENRODE AND
CHARLES J. SMITH DOING BUSINESS AS GOLDEN RULE REALTY; SETTLEMENT
AGREEMENT PRIOR TO FILING OF PETITION FOR DISCIPLINARY ACTION AND
COMMISSION'S FINAL ORDER; CASE NO. REC 2004-283-L

DATED: Honolulu, Hawaii, NOV 01 2005



CHARLES J. SMITH
dba Golden Rule Realty
Respondent

DATED: Honolulu, Hawaii, NOV 8 2005



PATRICK K. KELLY
Attorney for Department of Commerce
and Consumer Affairs

IN THE MATTER OF THE REAL ESTATE LICENSES OF DENNY C. ECKENRODE AND CHARLES J. SMITH DOING BUSINESS AS GOLDEN RULE REALTY; SETTLEMENT AGREEMENT PRIOR TO FILING OF PETITION FOR DISCIPLINARY ACTION AND COMMISSION'S FINAL ORDER; CASE NO. REC 2004-283-L

APPROVED AND SO ORDERED:
REAL ESTATE COMMISSION
STATE OF HAWAII



TRUDY I. NISHIHARA
Chairperson

November 23, 2005
DATE


IRIS R. OKAWA
Vice Chairperson




LOUIS E. ABRAMS



CAROL MAE A. BALL




KATHLEEN H. KAGAWA,
PH.D.



STANLEY M. KURIYAMA



MICHELE SUNAHARA
LOUDERMILK

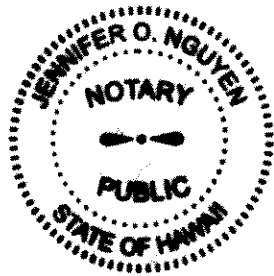


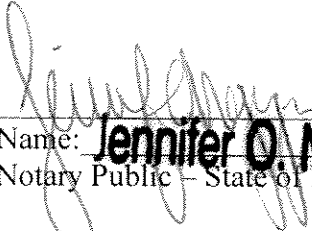
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PVL 07/22/05

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

On this 1st day of November, 2005, before me personally appeared DENNY C. ECKENRODE, to me known to be the person described and who executed the foregoing instrument and acknowledged the same as his/her free act and deed.





Name: Jennifer O. Nguyen
Notary Public - State of Hawaii
My commission expires: MAY 01 2009

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

On this 1st day of November, 2005, before me personally appeared CHARLES J. SMITH, to me known to be the person described and who executed the foregoing instrument and acknowledged the same as his/her free act and deed.

L.S.


Name: Chris K. Garnett
Notary Public – State of Hawaii
My commission expires: DEC 27 2006