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 Regulated Industries Complaints Office
 Department of Commerce and Consumer Affairs
 State of Hawaii
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 Honolulu, Hawaii 96813
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 DEPT OF COMMERCE
 & CONSUMER AFFAIRS
 STATE OF HAWAII

DEPT. OF COMMERCE
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 2006 MAY -1 P 1: 48
 HEARINGS OFFICE

Attorney for Department of Commerce
 and Consumer Affairs

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

DEPT. OF COMMERCE
 AND CONSUMER AFFAIRS
 2006 JUL 28 P 12
 HEARINGS OFFICE

In the Matter of the Real Estate Licenses of) REC 2005-66-L
)
 RALPH GRAY, SUSANNA SEXTON,) SETTLEMENT AGREEMENT PRIOR TO
 ELIZABETH L. DOWER and DOWER) FILING OF PETITION FOR DISCIPLINARY
 REALTY, INC.,) ACTION AND COMMISSION'S FINAL
) ORDER
 Respondents.)
 _____)

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

Respondents RALPH GRAY, SUSANNA SEXTON, ELIZABETH L. DOWER and
 DOWER 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 RALPH GRAY is licensed by the Real Estate Commission
 (hereinafter the "Commission") as a real estate salesperson under License Number RS 57803.
 Said license was issued on September 8, 1999 and currently has an expiration date of December
 31, 2006.

2. Respondent SUSANNA SEXTON (now known as Susanna Robinson) is licensed by the Commission as a real estate salesperson under License Number RS 62583. Said license was issued on September 19, 2003 and currently has an expiration date of December 31, 2006.

3. Respondent ELIZABETH L. DOWER is licensed by the Commission as a real estate broker under License Number RB 7974. Said license was issued on February 4, 1974 and currently has an expiration date of December 31, 2006.

4. Respondent DOWER REALY, INC. is licensed by the Commission as a real estate broker under License Number RB 14519. Said license was issued on February 18, 1988 and currently has an expiration date of December 31, 2006.

5. The last known address for Respondents is 1114 11th Avenue, Honolulu, Hawaii 96816.

6. RICO received a complaint against Respondents from Gregory and Gina Hungerford, alleging, inter alia, that Respondents breached their fiduciary duties to the Hungerfords and attempted to delay and deceive them in a real estate transaction.

7. RICO alleges that (a) Respondents acted as agents for both buyers and sellers in a real estate transaction without a properly signed disclosure; (b) Respondents failed to ensure that all essential terms of the contract were in writing; (c) Respondents modified the terms of the contract without the written consent of all parties; and (d) the responsible brokers failed to supervise.

8. The foregoing allegations, if proven, would constitute violations of the following statutes governing the conduct of real estate brokers and salespersons licensed in the State of Hawaii: HRS § 467-1.6 (failure to supervise); HRS § 467-14(4) and HAR § 16-99-3.1(g) (acting

as agent for both parties without signed consent); HAR § 16-99-3(f) (failing to ensure all essential terms in writing); and HAR § 16-99-3(u) (modifying terms of contract without written consent).

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

B. REPRESENTATIONS BY RESPONDENT:

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 salespersons or brokers 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 do not admit that they have violated any law or rule and it is understood that Respondents' agreement to pay the consideration described in this Settlement Agreement is not an admission of negligence, liability, fault or wrongdoing of any kind

whatsoever. Respondents acknowledge that RICO has sufficient cause to file a Petition for Disciplinary Action against their respective 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. Respondent agrees that this Settlement Agreement is intended to resolve the issues raised in RICO's investigation in RICO Case No. REC 2005-66-L.

C. TERMS OF SETTLEMENT:

1. Administrative fine. Respondent RALPH GRAY agrees 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: 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. Administrative fine. Respondent SUSANNA SEXTON agrees 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: 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.

3. Administrative fine. Respondent ELIZABETH L. DOWER agrees 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: 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.

4. Administrative fine. Respondent DOWER REALTY, INC. agrees 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: 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.

5. Failure to Comply with Settlement Agreement. If Respondents fail to fully and timely pay their respective administrative fine as set forth in paragraph(s) C.1, C.2, C.3 and C.4 above, Respondents' respective 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 licensures 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 a new license pursuant to and subject to the requirements and conditions set forth in HRS § 436B-21.

6. 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.

7. Approval of the Commission. Respondents agree that, except for the representations, agreements and covenants contained in Paragraphs C.8, C.9, C.10 and C.11 below, this Settlement Agreement shall not be binding on any of the parties unless and until it is approved by the Commission.

8. 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.

9. 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.

10. 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.

11. 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, [April 26, 2006]

/s/ RALPH GRAY

RALPH GRAY
Respondent

IN THE MATTER OF THE REAL ESTATE LICENSES OF RALPH GRAY, SUSANNA
SEXTON, ELIZABETH L. DOWER and DOWER REALTY, INC.; SETTLEMENT
AGREEMENT PRIOR TO FILING OF PETITION FOR DISCIPLINARY ACTION AND
COMMISSION'S FINAL ORDER; CASE NO. REC 2005-66-L

DATED: Honolulu, Hawaii, [April 26, 2006]

/s/ SUSANNA SEXTON

SUSANNA SEXTON
Respondent

DATED: Honolulu, Hawaii, [April 26, 2006]

/s ELIZABETH L. DOWER]

ELIZABETH L. DOWER
Respondent

DATED: Honolulu, Hawaii, *Dower Realty Inc.*
April 26, 2006
DOWER REALTY, INC.

By: **/s/ ELIZABETH L. DOWER**

Its _____

DATED: Honolulu, Hawaii, [May 1, 2006]

/s/ PATRICK K. KELLY

PATRICK K. KELLY
Attorney for Petitioner

IN THE MATTER OF THE REAL ESTATE LICENSES OF RALPH GRAY, SUSANNA
SEXTON, ELIZABETH L. DOWER and DOWER REALTY, INC.; SETTLEMENT
AGREEMENT PRIOR TO FILING OF PETITION FOR DISCIPLINARY ACTION AND
COMMISSION'S FINAL ORDER; CASE NO. REC 2005-66-L

APPROVED AND SO ORDERED:
REAL ESTATE COMMISSION
STATE OF HAWAII

/s/ TRUDY I. NISHIHARA

~~TRUDY I. NISHIHARA~~
Chairperson

[July 28, 2006]

~~DATE~~

/s/ STANLEY M. KURIYAMA

~~IRIS R. OKAWA~~ Stanley M. Kuriyama
Vice-Chairperson

/s/ LOUIS E. ABRAMS

~~LOUIS E. ABRAMS~~

/s/ CAROL MAE A. BALL

~~CAROL MAE A. BALL~~

/s/ FRANCES GENDRANO

~~KATHLEEN H. KAGAWA,~~
Ph.D.
Frances Gendrano

/s/ MARK SUIISO

~~STANLEY M. KURIYAMA~~
Mark Suiiso

~~MICHELE SUNAHARA~~
LOUDERMILK

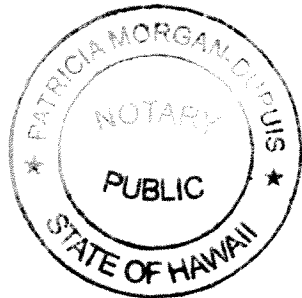
VERN M. YAMANAKA

~~Annette Aiona~~

PVL 02/08/06

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

On this 26 day of April, 2006, before me personally appeared RALPH GRAY, to me known to be the person described and who executed the foregoing instrument and acknowledged the same as his free act and deed.



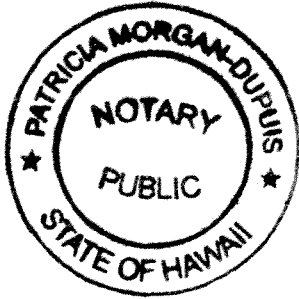
[Signature redacted]

Name: Patricia Morgan-Depois
Notary Public – State of Hawaii

My commission expires: 11/27/09

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

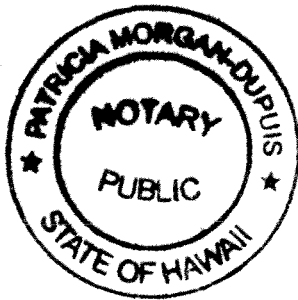
On this 26 day of April, 2006, before me personally appeared
SUSANNA SEXTON, to me known to be the person described and who executed the foregoing
instrument and acknowledged the same as her free act and deed.



[Signature redacted]
Name: Patricia Morgan-Dupuis
Notary Public – State of Hawaii
My commission expires: 11/27/09

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

On this __ day of _____, 2006, before me personally appeared ELIZABETH L. DOWER, to me known to be the person described, and who executed the foregoing instrument, on her own behalf and on behalf of DOWER REALTY, INC. as president, director, and principal broker, and acknowledged that she executed the same as her free act and deed.



[Signature redacted]

Name: Patricia Morgan-Dupuis
Notary Public, State of Hawaii

My Commission expires: 11/27/09