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 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: 586-2660

DEPT. OF COMMERCE
 AND CONSUMER AFFAIRS

2011 MAY 31 P 2: 00

HEARINGS OFFICE

Attorney for Department of Commerce
 and Consumer Affairs

CEMETERY AND FUNERAL TRUSTS PROGRAM
 DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
 STATE OF HAWAII

In the Matter of the Cemetery Authority's License of)	CEM 2010-15-L
)	
)	SETTLEMENT AGREEMENT PRIOR TO
OAHU CEMETERY ASSOCIATION,)	FILING OF PETITION FOR DISCIPLINARY
)	ACTION AND DIRECTOR'S FINAL ORDER
Respondent.)	
)	

DEPT. OF COMMERCE
 AND CONSUMER AFFAIRS
 2011 JUN -2 P
 HEARINGS OFFICE

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

Petitioner, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS'
 REGULATED INDUSTRIES COMPLAINTS OFFICE (hereinafter "RICO" or "Petitioner"),
 through its undersigned attorneys, and Respondent OAHU CEMETERY ASSOCIATION
 (hereinafter "Respondent"), enter into this Settlement Agreement on the terms and conditions set
 forth below.

A. UNCONTESTED FACTS:

1. At all relevant times herein, Respondent was licensed by the Cemetery and
 Funeral Trusts Program (hereinafter the "Program") as a cemetery authority under License

Number CE 11. The license was issued on or about November 9, 1967. The license will expire on or about December 31, 2011.

2. Respondent's last known business address is 2162 Nuuanu Avenue, Honolulu, Hawaii 96802, and its last known mailing address is P.O. Box 3170, Honolulu, Hawaii 96802.

3. RICO received information indicating that at the time Respondent submitted its application for renewal of its license in November 2009, Respondent was able to furnish audited financial statements for its Perpetual Care Trust but was unable to furnish an audited financial statement for its pre-need funeral trust.

4. RICO alleges that, at present, Respondent's pre-need funeral trust is without a trustee and is not being administered by a bank.

5. The foregoing allegations, if proven at an administrative hearing before the Program, would constitute violations of the following statute(s) and/or rule(s): Hawaii Revised Statutes ("HRS") § 441-37 (pre-need trust shall be administered by a bank) and Hawaii Administrative Rules ("HAR") § 16-75-7 (relating to requirements for trustees).

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

7. A copy of the executed Settlement Agreement has been provided to the Department of the Attorney General.

B. REPRESENTATIONS BY RESPONDENT:

1. For purposes of this action, Respondent is represented by J. George Hetherington, Esq., Torkildson, Katz, Moore, Hetherington & Harris, 700 Bishop Street, 15th floor, Honolulu, Hawaii 96813-4187.

2. Respondent enters into this Settlement Agreement freely, knowingly, voluntarily, and under no coercion or duress.

3. Respondent is aware of the right to have a hearing to adjudicate the issues in the case. Pursuant to HRS § 91-9(d), Respondent freely, knowingly, and voluntarily waives the right to a hearing and agrees to dispose of this case in accordance with the terms and conditions of this Settlement Agreement.

4. Respondent being at all times relevant herein licensed as a cemetery authority by the Program acknowledges that Respondent is subject to penalties including but not limited to, revocation, suspension or limitation of the license and administrative fines, if the foregoing allegations are proven at hearing.

5. Respondent does not admit to violating any law or rule, but acknowledges that RICO has sufficient cause to file a Petition for Disciplinary Action against Respondent's license.

6. Respondent enters 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. CEM 2010-15-L.

8. Respondent understands this Settlement Agreement is public record pursuant to Hawaii Revised Statutes chapter 92F.

9. Respondent submits that it ceased its practice of selling pre-need memorial items and interment services in 1985. The remaining purchasers and the amount of purchases are shown in the following listing. Respondent has asked the trustee of its perpetual care trust to serve as the trustee of the pre-need trust and has also asked another bank to do so. Both entities

declined because they wish to cease providing such services and the cost of establishing and maintaining the trust and filing the required reports for this relatively small principal amount would not be feasible.

Dennis Alba	\$ 80.00
Barbara Atkinson	\$177.00
Americus & Nettie Duarte	\$190.00
Constance Fukumoto	\$ 72.00
Yoshio Funakoshi	\$354.00
Betty Gittel	\$ 40.00
Koyei & Kiyoko Goya	\$120.00
Tamie Hanzawa	\$148.00
Shigeko Hirata	\$ 85.00
Ellen Hughes	\$215.00
Richard Ikei	\$245.00
Alan Inaba	\$810.00
Takeshi & Ethel Ito	\$142.00
George Kagami	\$ 68.00
Lily Kamigaki	\$ 90.00
Annie Kang	\$ 30.00
Hyoichi Kawasaki	\$155.00
Daisy Kiakona	\$470.00
George Kiakona	\$470.00
Fumiyo Kishishita	\$141.00
Tomiko Komoto	\$ 90.00
Robert Kondo	\$250.00
Eddie Kuwazaki	\$ 46.00
Matsu Matayoshi	\$148.00
Fred Matsumura	\$213.00
Utako Miyashiro	\$168.00
Shizuye Miyazaki	\$215.00
Opal Muneoka (Harper)	\$110.00
Sadako Nakagawa	\$484.00
Shigeru & Helen Nakano	\$111.00
Keichi Nakasone	\$ 60.00
Kenji & Martha Nishimi	\$ 23.00
Kiyoshi & Jeannette Okazaki	\$141.00
Yoshiko Sato	\$200.00
Hajime & Alice Shimogawa	\$138.00
Misao Sumida	\$184.00
Henry & Marian Suzuki	\$253.00

Matsuko Takeba	\$140.00
Wallace Takeda	\$215.00
Richard & Elsie Takemura	\$115.00
George Tokunaga	\$206.00
Mikata Tominaga	\$110.00
Tamae Margaret Tsuruoka	\$177.00
Stanley Uyezu	\$238.00
Alice Von Linden	\$ 9.00
Imogene Wise	\$100.00
Fred & Thomas Yamanaka	\$138.00
Dayid & Faye Yamashita	\$138.00
Masako Yamashita	\$114.00
Minoru Yamate	\$ 60.00

C. TERMS OF SETTLEMENT:

1. Probation. Respondent's cemetery authority license in the State of Hawaii is hereby placed on probation for a period of eighteen (18) months. During the probationary period, Respondent agrees to comply with the following terms and conditions:

2. Locate each purchaser or the family of the purchaser within 90 days and refund monies. Respondent shall make best efforts to find current addresses for the purchasers or their families, and to refund all monies within 90 days. Respondent shall, at a minimum, attempt to locate the purchaser using the following sources: telephone information service, applicable police reports, city directory, pertinent public records such as the Department of Health, and U.S. Postal Service.

3. In conjunction with sending these refunds, provide written offers to each purchaser or the purchaser's family that if the services that were originally purchased are desired, the Respondent will provide such services without any additional charges except for the amount that was refunded. Because the purchasers are entitled to the value of their purchases in excess

of the refunded amounts, Respondent shall agree to provide all purchasers who subsequently seek such services the merchandise and interment services they purchased on a pre-need basis without payment of any additional amount. Those purchasers who desire these services need only pay the amount refunded.

4. Provide monthly status reports on contacts with purchasers and maintenance of funds. Respondent shall provide a monthly report to RICO which includes copies of all written communications and responses with the purchasers who have been located and been provided with refunds. Respondent shall also provide a report which shows that the funds are being maintained in accordance with Hawaii law and showing that any withdrawals are solely for the refunds being carried out.

5. Within 120 days, provide a report to RICO indicating which purchasers could not be located and a copy of the report of abandoned property that is being submitted to the director of finance. Respondent shall provide a report notifying RICO which purchasers could not be located. Pursuant to the provisions of H.R.S. §§ 523A-17 to 523A-19, Respondent shall follow the requirements for the reporting of and delivery of abandoned property, and shall keep RICO apprised of the status of the process.

6. Failure to Comply with Settlement Agreement. If Respondent fails to fully and timely comply with the terms of this Settlement Agreement, and specifically, the terms of its probation, as set forth in paragraphs C.2 - C.5 above, Respondent's license shall be automatically suspended upon RICO's filing of an affidavit with the Program attesting to such failure. In case of such suspension, Respondent shall turn in all indicia of the license to the Executive Officer of the Program within ten (10) days after receipt of notice of the suspension. In case of such

suspension, Respondent shall be required to apply to the Cemetery Authority for reinstatement of its license, pursuant to and subject to HRS §§ 92-17, 436B-20, and all other applicable laws and rules in effect at the time.

7. Possible further sanction. The Program, at its discretion, may pursue additional disciplinary action as provided by law to include further fines and other sanctions as the Program may deem appropriate if Respondent violates any provision of the statutes or rules governing the conduct of cemetery authorities in the State of Hawaii, or if Respondent fails to abide by the terms of this Settlement Agreement.

8. Approval of the Program. Respondent agrees that, except for the representations, agreements and covenants contained in Paragraphs C.9, C.10, C.11 and C.12 below, this Settlement Agreement shall not be binding on any of the parties unless and until it is approved by the Program.

9. No Objection if the Program Fails to Approve. If the Program 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 Respondent in the Program's usual and customary fashion pursuant to the Administrative Procedure Act, Respondent agrees that neither Respondent nor any attorney that Respondent may retain, will raise as an objection in any administrative proceeding or in any judicial action, to the Program's proceeding against Respondent on the basis that the Program has become disqualified to consider the case because of its review and consideration of this Settlement Agreement.

10. 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.

11. 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 Respondent to induce entry into this Settlement Agreement, and Respondent is 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.

12. 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.

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

DATED: Honolulu, Hawaii, May 25, 2011

OAHU CEMETERY ASSOCIATION

By: [Signature]
Its VICE PRESIDENT

DATED: Honolulu, Hawaii, MAY 31 2011

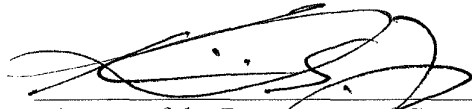
[Signature]
DARIA A. LOY-GOTO
BOBBI W.Y. LUM-MEW
Attorneys for Department of Commerce and
Consumer Affairs

APPROVED AS TO FORM:

[Signature]
J. GEORGE HETHERINGTON
Attorney for Respondent

IN THE MATTER OF THE CEMETERY AUTHORITY'S LICENSE OF OAHU CEMETERY ASSOCIATION; SETTLEMENT AGREEMENT PRIOR TO FILING OF PETITION FOR DISCIPLINARY ACTION AND DIRECTOR'S FINAL ORDER; CASE NO. CEM 2010-15-L

APPROVED AND SO ORDERED:
CEMETERY AND FUNERAL TRUSTS PROGRAM
STATE OF HAWAII



Director of the Department of Commerce
and Consumer Affairs

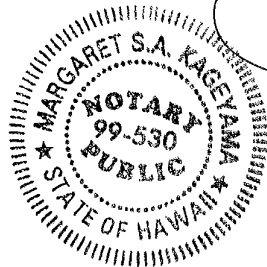
June 1, 2011

DATE

STATE OF Hawaii)
COUNTY OF Honolulu) SS.
)

On this 25th day of May, 20 11, before me personally appeared Scott Burgess Power, to me known to be the person described, and who executed the foregoing instrument on behalf of Oahu Cemetery Association as its Vice president, and acknowledged that he/she executed the same as his/her free act and deed. Settlement Agreement Prior to Filing of

This 11-page Petition for Disciplinary Action and Director's document dated May 25, 20 11 was acknowledged before me by Final Order Scott Burgess Power this 25th day of May, 20 11, in the City of Honolulu, in the County of Honolulu, in the State of Hawaii.




Name: _____
Notary Public, State of Hawaii

My Commission expires: MARGARET S.A. KAGEYAMA
Notary Public, State of Hawaii
My commission expires: October 31 2011