

DARIA A. LOY-GOTO 6175  
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

RECEIVED  
PROF & VOCATIONAL  
LICENSING DIVISION

2009 JUL -6 P 2: 56

DEPT OF COMMERCE  
& CONSUMER AFFAIRS  
STATE OF HAWAII

DEPT. OF COMMERCE  
AND CONSUMER AFFAIRS

2009 JUN 30 A 10: 06

HEARINGS OFFICE

Attorney for Department of Commerce  
and Consumer Affairs

CONTRACTORS LICENSING BOARD  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
STATE OF HAWAII

In the Matter of the Contractor's Licenses of ) CLB 2006-559-L  
)  
ISLAND STYLE HOMES, LLC ) SETTLEMENT AGREEMENT PRIOR TO  
) FILING OF PETITION FOR DISCIPLINARY  
and ) ACTION AND BOARD'S FINAL ORDER  
)  
REEF L. TAUATI, )  
)  
Respondents. )  
)

241092407

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

Petitioner, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS'  
REGULATED INDUSTRIES COMPLAINTS OFFICE (hereinafter "RICO" or "Petitioner"),  
through its undersigned attorney, Respondent ISLAND STYLE HOMES, LLC (hereinafter  
"Respondent Island Style"), and Respondent REEF L. TAUATI (hereinafter "Respondent  
Tauati"), by and through their attorney, enter into this Settlement Agreement on the terms and  
conditions set forth below.

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A. UNCONTESTED FACTS

1. At all relevant times herein, Respondent Island Style was licensed by the Contractors Licensing Board (hereinafter the "Board") as a general contractor under license number CT 25260. The license was issued on or about July 21, 2004. The license will expire on or about September 30, 2010.

2. At all relevant times herein, Respondent Tauati was licensed by the Board as a general contractor under license number CT 25261. The license was issued on or about July 21, 2004. The license will expire on or about September 30, 2010.

3. For purposes of this action, the mailing address for Respondent Island Style and Respondent Tauati is 922 Ahuna Road, Hilo, Hawaii 96720.

4. RICO received a complaint alleging Respondents engaged in poor workmanship.

5. RICO alleges that Respondents engaged in out-of-scope activity, failed to provide required disclosures, and engaged in professional misconduct (to wit: negotiating checks without client approval).

6. The foregoing allegations, if proven at an administrative hearing before the Board, would constitute violations of the following statute(s) and/or rule(s): Hawaii Revised Statutes ("HRS") § 444-17(1) (professional misconduct) and § 444-25.5 (required disclosures to homeowners), and Hawaii Administrative Rules ("HAR") § 16-77-33(a) (general contractor shall not act or assume to act or advertise as a specialty contractor except in the specialty classifications which the licensee holds).

7. The Board has jurisdiction over the subject matter herein and over the parties hereto.

B. REPRESENTATIONS BY RESPONDENTS:

1. Respondents are fully aware that Respondents have the right to be represented by an attorney and are represented in this matter by Charles M. Heaukulani, Esq., P.O. Box 4475, Hilo, Hawaii 96720.

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

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

4. Respondents being at all times relevant herein licensed as general contractors by the Board acknowledge that Respondents are subject to penalties including but not limited to, revocation, suspension or limitation of the licenses and administrative fines, if the foregoing allegations are proven at hearing.

5. Respondents do not admit to violating any law or rule, but acknowledge that RICO has sufficient cause to file a Petition for Disciplinary Action against Respondents' 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 No. CLB 2006-559-L.

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C. TERMS OF SETTLEMENT:

1. Administrative Fine. Respondents agree to pay, jointly and severally, an administrative fine in the amount of THREE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$3,500.00) as follows:

- 1) \$1,500.00 at the time the settlement agreement is signed;
- 2) \$500.00 by August 1, 2009;
- 3) \$500.00 by September 1, 2009;
- 4) \$500.00 by October 1, 2009; and
- 5) \$500.00 by November 1, 2009.

Payments shall be made by **cashier's check or money order made payable to "DCCA Compliance Resolution Fund"** and shall be mailed to the Regulated Industries Complaints Office, ATTN: Daria Loy-Goto, Esq., 235 South Beretania Street, 9th Floor, Honolulu, Hawaii 96813.

2. Failure to Comply with Settlement Agreement. If Respondents fail to fully and timely comply with the terms of this Settlement Agreement as set forth in paragraph(s) C.1 above, Respondents licenses shall be automatically revoked upon RICO's filing of an affidavit with the Board attesting to such failure. In case of such revocation, Respondents shall turn in all indicia of the licenses to the Executive Officer of the Board within ten (10) days after receipt of notice of the revocation. In case of such revocation, Respondents understand Respondents cannot apply for new licenses until the expiration of at least five (5) years after the effective date of the revocation. Respondents understand that if Respondents desire to become licensed again, Respondents must apply to the Board for a new license pursuant to and subject to HRS §§ 92-17, 436B-21, and all other applicable laws and rules in effect at the time.

3. Possible further sanction. The Board, at its discretion, may pursue additional disciplinary action as provided by law to include further fines and other sanctions as the Board may deem appropriate if Respondents violate any provision of the statutes or rules governing the conduct of general contractors in the State of Hawaii, or if Respondents fail to abide by the terms of this Settlement Agreement.

4. Approval of the Board. Respondents agrees 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 Board.

5. No Objection if Board Fails to Approve. If the Board 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 Board's usual and customary fashion pursuant to the Administrative Procedure Act, Respondents agree that neither Respondents nor any attorney that Respondents may retain, will raise as an objection in any administrative proceeding or in any judicial action, to the Board's proceeding against Respondents on the basis that the Board 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



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

DATED: Hilo, Hawaii, June 22, 2009  
(CITY) (STATE)

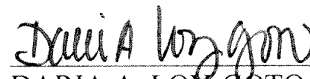
  
REEF L. TAUATI  
Respondent

DATED: Hilo, Hawaii, June 22, 2009

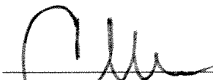
  
ISLAND STYLE HOMES, LLC  
Respondent

By: Reef L. Tauati  
Its Member

DATED: Honolulu, Hawaii, JUN 29 2009


  
DARIA A. LOY-GOTO  
Attorney for Department of Commerce and  
Consumer Affairs

APPROVED AS TO FORM:

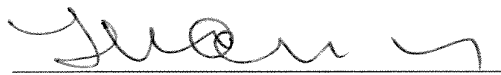
  
CHARLES M. HEAUKULANI  
Attorney for Respondents

IN THE MATTER OF THE CONTRACTOR'S LICENSES OF ISLAND STYLE HOMES, LLC  
AND REEF L. TAUATI; SETTLEMENT AGREEMENT PRIOR TO FILING OF PETITION  
FOR DISCIPLINARY ACTION AND BOARD'S FINAL ORDER; CASE NO. CLB 2006-559-L


APPROVED AND SO ORDERED:  
CONTRACTORS LICENSE BOARD  
STATE OF HAWAII


  
~~FADY T. ARISUMI~~ ALDON K. MOCHIDA  
Chairperson

JUL 27 2009  
DATE

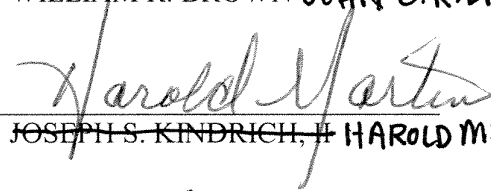
  
F. M. SCOTTY ANDERSON  
Vice Chairperson

  
GUY M. AKASAKI

  
NEAL ARITA

  
WILLIAM R. BROWN JOHN E. K. DILL

  
ERIC CARSON

  
JOSEPH S. KINDRICH, II HAROLD MARTIN


RANDALL B. C. LAU

  
AUDREY E. J. NG, ESQ. WILLIAM A. KAMA

  
RONALD K. OSHIRO

  
DENNY R. SADOWSKI

  
DARYL SUEHIRO

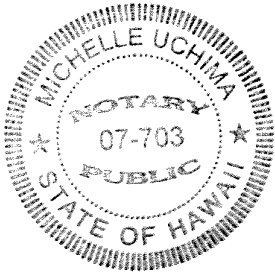
  
GERALD YAMADA

PVL 07/03/08



STATE OF HAWAII )  
 ) SS.  
COUNTY OF HAWAII )

On this 22<sup>nd</sup> day of June, 2009, before me personally appeared  
REEF TAMATI, 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.



Michelle Uchima  
Name: Michelle Uchima  
Notary Public – State of HAWAII

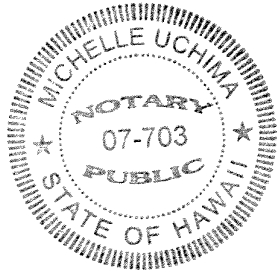
My commission expires: Dec. 30, 2011

*Not dated*  
Doc. Date: at time of # Pages: 10  
Name: Michelle Uchima <sup>Notary</sup> 3rd Circuit  
Doc. Description: Contracting Licensing  
Board, Dept. Commerce & Consumer  
Affairs  
State of HI  
Signature: Michelle Uchima Date: JUN 22 2009

NOTARY CERTIFICATION

STATE OF HAWAII )  
 ) SS.  
COUNTY OF HAWAII )

On this 22<sup>nd</sup> day of June, 2009, before me personally appeared  
Reef TAWATI, to me known to be the person described, and who executed the  
foregoing instrument on behalf of BE Island Style Homes as  
Owner/Manager, and acknowledged that he/she executed the same as  
his/her free act and deed.



Michelle Uchima  
Name: Michelle Uchima  
Notary Public, State of Hawaii

My Commission expires: Dec. 30, 2011

Doc. Date: Undated # Pages: 10  
Name: Michelle Uchima 3<sup>rd</sup> Circuit  
Doc. Description: Contracting Licensing Board, Dept. Commerce + Consumer Affairs  
Michelle Uchima 6.22.09  
Signature Date  
NOTARY CERTIFICATION  
State of HI