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JOHN T. HASSLER 5311
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

2014 NOV 19 A 10:22

HEARINGS OFFICE

2014 OCT 27 A 10:08

Attorneys for Department of Commerce
and Consumer Affairs

BOARD OF PRIVATE DETECTIVES AND GUARDS
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAII

In the Matter of the Guard Agency License)	PDG 2014-33-L
of)	
)	SETTLEMENT AGREEMENT PRIOR TO
ALII SECURITY SYSTEMS INC,)	FILING OF PETITION FOR DISCIPLINARY
)	ACTION AND BOARD'S FINAL ORDER
Respondent.)	
)	

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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(s), and Respondent ALII SECURITY SYSTEMS INC
(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 Board of Private
Detectives and Guards (hereinafter the "Board") as a guard agency under license number GDA

773. The license was issued on or about December 11, 2003. The license will expire or forfeit on or about June 30, 2016.

2. Respondent's mailing address for purposes of this action is 650-D Kohou Street, Honolulu, Hawaii 96817.

3. RICO received information suggesting several of Respondent's employees providing guard services were not licensed.

4. Based on RICO's investigation, RICO alleges from about May of 2014 to June of 2014, several of Respondent's employees providing guard services were not licensed.

5. RICO additionally investigated the conduct of Respondent's principal guard at the time the alleged conduct occurred and intends to resolve any claims against Respondent's principal guard in a corresponding settlement agreement.

6. RICO additionally investigated the conduct of several unlicensed individuals employed by Respondent and intends to resolve any claims against those individuals in separate agreements.

7. 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") § 463-7 (licenses required) and § 436B-19(16) (employing person not licensed).

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

B. REPRESENTATIONS BY RESPONDENT:

1. Respondent is fully aware that Respondent has the right to be represented by an attorney and voluntarily waives that right.

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 guard agency by the Board 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 admits to the veracity of the allegations and that Respondent's acts violate the following statute(s) and/or rule(s): HRS § 463-7 (licenses required) and HRS § 436B-19(16) (employing person not licensed), and states it is working to ensure affected employees obtain licenses.

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 No. PDG 2014-33-L.

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

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C. TERMS OF SETTLEMENT:

1. Reprimand. Respondent agrees to the reprimand of the license by the Board.
2. Administrative Fine. Respondent agrees to pay an administrative fine in the amount of FIVE THOUSAND AND NO/100 DOLLARS (\$5,000.00) as follows:

- 1) \$2,500.00 at the time of signing; and
- 2) \$2,500.00 by November 1, 2014.

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: John T. Hassler, Esq., 235 South Beretania Street, 9th Floor, Honolulu, Hawaii 96813.

3. Failure to Comply with Settlement Agreement. If Respondent fails to fully and timely comply with the terms of this Settlement Agreement as set forth in paragraph(s) C.2 above, Respondent's license shall be automatically revoked upon RICO's filing of an affidavit with the Board attesting to such failure. In case of such revocation, Respondent shall turn in all indicia of the license to the Executive Officer of the Board within ten (10) days after receipt of notice of the revocation. In case of such revocation, Respondent understands Respondent cannot apply for a new license until the expiration of at least five (5) years after the effective date of the revocation. Respondent understands that if Respondent desires to become licensed again, Respondent 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.

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4. 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 Respondent violates any provision of the statutes or rules governing the conduct of guard agencies in the State of Hawaii, or if Respondent fails to abide by the terms of this Settlement Agreement.

5. Approval of the Board. Respondent agrees 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 Board.

6. 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 Respondent in the Board'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 Board's proceeding against Respondent on the basis that the Board has become disqualified to consider the case because of its review and consideration of this Settlement Agreement.

7. 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.

8. 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.

9. 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, 10/24/14.

ALII SECURITY SYSTEMS INC
Respondent


By: [Signature]
1/s SECRETARY

DATED: Honolulu, Hawaii, October 27, 2014.

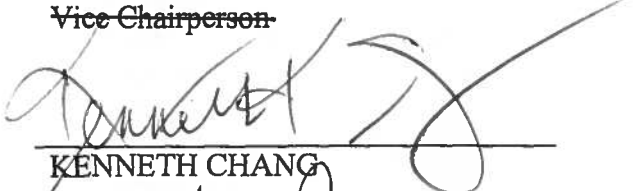
[Signature]
DARIA A. LOY-GOTO
JOHN T. HASSLER
Attorney for Department of Commerce and
Consumer Affairs


IN THE MATTER OF THE GUARD AGENCY LICENSE OF ALII SECURITY SYSTEMS
INC; SETTLEMENT AGREEMENT PRIOR TO FILING OF PETITION FOR DISCIPLINARY
ACTION AND BOARD'S FINAL ORDER; CASE NO(S). PDG 2014-33-L

APPROVED AND SO ORDERED:
BOARD OF PRIVATE DETECTIVES AND GUARDS
STATE OF HAWAII


DOUGLAS H. INOUE
Chairperson

November 13, 2014
DATE


CHIEF GARY YABUTA
Vice Chairperson


EDWARD AKIONA


KENNETH CHANG


RAY GALAS
Vice Chairperson


CHIEF DARRYL PERRY


CHIEF HARRY KUBOJIRI

PVL 06/13

STATE OF Hawaii)
) SS.
COUNTY OF Honolulu)

On this 24th day of Oct, 2014, before me personally appeared
Sandra Dang, to me known to be the person described, and who executed the
foregoing instrument on behalf of Alii Security Systems, Inc. as its
Secretary, and acknowledged that he/she executed the same as
his/her free act and deed.

This 8-page Settlement Agreement Prior To Filing of Petition
For Disciplinary Action and Board's Final Order
document dated Oct. 24, 2014 was acknowledged before me by
Lori N. Okazaki this 24th day of October, 2014, in the
City of Honolulu, in the County of Honolulu, in the State of
Hawaii, 1st Judicial Circuit.



[Signature]
Name: Lori N. Okazaki
Notary Public, State of Hawaii

My Commission expires: 10-16-2015