

DAWNIE ICHIMURA 6990
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

2016 MAY -2 P 1:42

HEARINGS OFFICE

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DEPT OF COMMERCE
& CONSUMER AFFAIRS
STATE OF HAWAII

Attorney 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)	PDG 2015-73-L
License of)	
)	
ST. MORITZ SECURITY SERVICES,)	SETTLEMENT AGREEMENT PRIOR TO
INC.)	FILING OF PETITION FOR DISCIPLINARY
)	ACTION AND BOARD'S FINAL ORDER
and)	
)	
Guard license of)	
)	
CLARENCE E. SCANLAN,)	
)	
Respondents.)	
)	
)	

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, and Respondents ST. MORITZ SECURITY SERVICES, INC.
and CLARENCE E. SCALAN (hereinafter "Respondents"), enter into this Settlement Agreement
on the terms and conditions set forth below.

A. UNCONTESTED FACTS:

1. At all relevant times herein, Respondent ST. MORITZ SECURITY SERVICES, INC. was licensed by the Board of Private Detectives and Guards (hereinafter the "Board") as a guard agency under license number GDA 1006. The license was issued on or about April 13, 2012. The license will expire or forfeit on or about June 30, 2016.

2. At all relevant times herein, Respondent CLARENCE E. SCANLAN was licensed by the Board as the principal guard for ST. MORITZ SECURITY SERVICES, INC. under license number GD 400. The license was issued on or about May 16, 1990. The license will expire or forfeit on or about June 30, 2016.

3. Respondents' mailing address for purposes of this action is 1888 Kalakaua Avenue, # C 312, Honolulu, Hawaii 96815.

4. On or about November 30, 2015, during a site inspection conducted by RICO investigators, an unlicensed guard employed by St. Moritz Security Services, Inc. was observed providing guard services at Cartier Inc. at the Ala Moana Shopping Center.

5. RICO intends to resolve any claims against the unlicensed individual in a separate agreement and/or proceeding.

6. The foregoing allegations against St. Moritz Security Services, Inc. and Clarence E. Scanlan, if proven at an administrative hearing before the Board, would constitute a violations of Hawaii Revised Statutes ("HRS") § 436B-19(16) (employing a person not licensed) and HRS § 436B-19(17) (violating applicable licensing laws or any rules or orders of the licensing authority).

7. The foregoing allegations against Clarence E. Scanlan, if proven at an administrative hearing before the Board, would also constitute a violation of Hawaii

Administrative Rules (“HAR”) § 16-97-7(b)(1) (principal guard responsible for securing full compliance with the laws governing private guards).

8. The Board 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 an attorney and voluntarily waive that right.

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

3. Respondents are aware of their right to have a hearing to adjudicate the issues in the case. Pursuant to HRS § 91-9(d), Respondents freely, knowingly, and voluntarily waive their 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 a guard agency and principal guard, respectively, 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 St. Moritz Security Services, Inc. and Clarence E. Scanlan admit to the veracity of the allegations and that Respondents’ acts violate HRS § 436B-19(16) (employing person not licensed) and HRS § 436B-19(17) (violating applicable licensing laws or any rules or orders of the licensing authority),

6. Respondent Clarence E. Scanlan also admits to the veracity of the allegation that he violated Hawaii Administrative Rules ("HAR") § 16-97-7(b)(1) (principal guard responsible for securing full compliance with the laws governing private guards).

7. 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.

8. Respondents agree that this Settlement Agreement is intended to resolve the issues raised in RICO's investigation in RICO No. PDG 2015-73-L.

9. Respondents understand this Settlement Agreement is public record pursuant to Hawaii Revised Statutes chapter 92F.

C. TERMS OF SETTLEMENT:

1. Administrative Fine. Respondents agree jointly and severally to pay an administrative fine in the amount of ONE THOUSAND AND NO/100 U.S. DOLLARS (\$1,000.00). Payment 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: Dawnie Ichimura, Esq., 235 South Beretania Street, 9th Floor, Honolulu, Hawaii 96813 at the time this Settlement Agreement is returned to RICO.

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 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 license 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 a new license 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 guard agencies in the State of Hawaii, or if Respondents fail to abide by the terms of this Settlement Agreement.

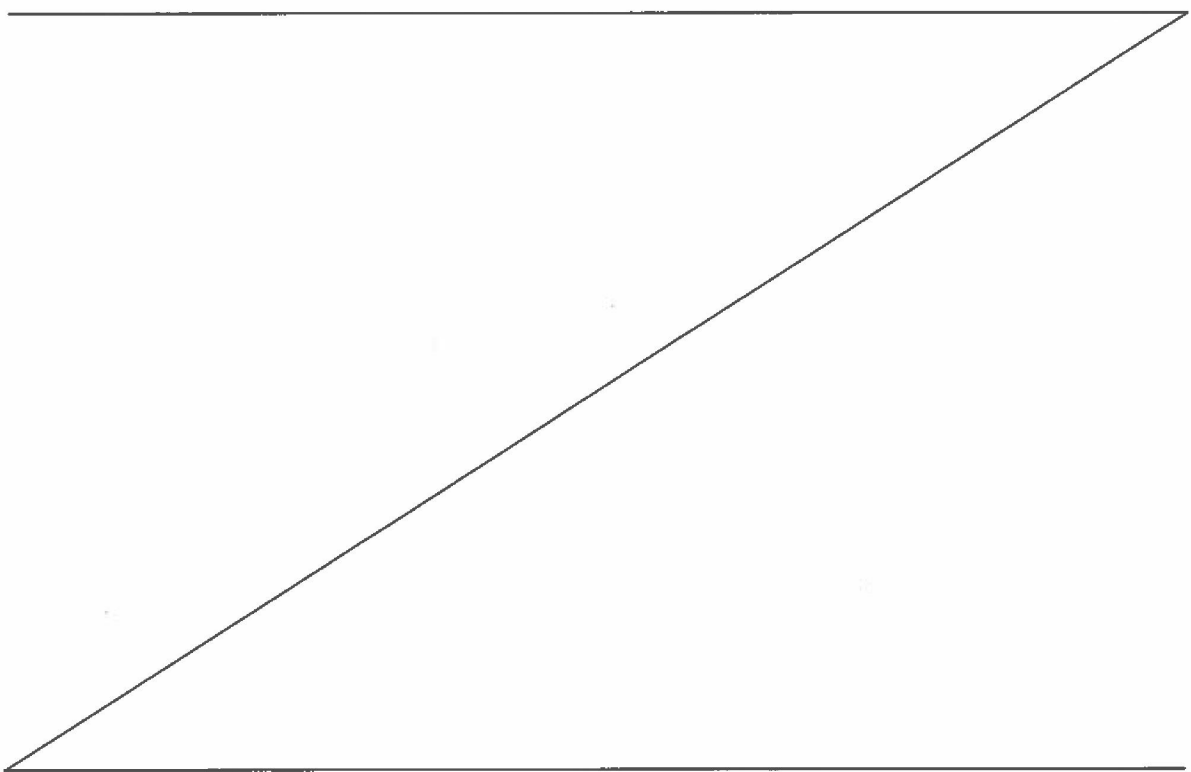
4. Approval of the Board. Respondents agree that, except for the representations, agreements and covenants contained in Paragraphs C.5, C.6, C.7 and C.8 below, this Settlement Agreement shall not be binding on any of the parties unless and until it is approved by the Board.

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 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, 3-3-16.
(CITY) (STATE) (DATE)

ST. MORITZ SECURITY SERVICES, INC.

By: [Signature]
Its Agent
Respondent

DATED: HNL, Hi, 3-3-16.
(CITY) (STATE) (DATE)

[Signature]
CLARENCE E. SCANLAN
Respondent

DATED: Honolulu, Hawaii, MAR - 3 2016.

[Signature]
DAWNIE ICHIMURA
Attorney for Department of Commerce
and Consumer Affairs

IN THE MATTER OF THE GUARD AGENCY LICENSE OF ST. MORITZ SECURITY
SERVICES, INC. AND THE GUARD LICENSE OF CLARENCE E. SCANLAN;
SETTLEMENT AGREEMENT PRIOR TO FILING OF PETITION FOR DISCIPLINARY
ACTION AND BOARD'S FINAL ORDER; CASE NO. PDG 2015-73-L.

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

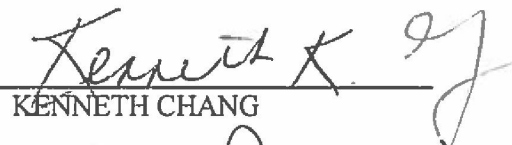


DOUGLAS H. INOUE
Chairperson


April 28, 2016

DATE

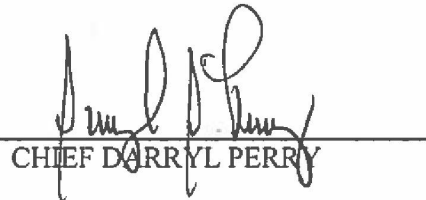
RAY GALAS
Vice Chairperson



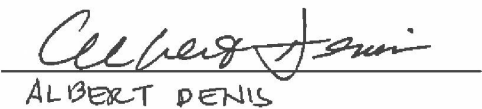
KENNETH CHANG



CHIEF HARRY S. KUBOMIRI



CHIEF DARRYL PERRY



ALBERT DENIS

PVL 07/15

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

On this 3rd day of March, 2016, before me personally
appeared Clarence E. Scanlan, to me known to be the person described, and who
executed the foregoing instrument and acknowledged that he executed the same as his free act
and deed.

This 8-page SETTLEMENT AGREEMENT PRIOR TO FILING OF PETITION
FOR DISCIPLINARY ACTION AND BOARD'S FINAL ORDER document dated
March 3, 2016 was acknowledged before me by
Clarence E. Scanlan this 3rd day of March,
2016, in the City of Honolulu, in the County of Honolulu, in the State of Hawaii.

Kristen D. Kimoto LS
Name: KRISTEN D KIMOTO
Notary Public, State of Hawaii

My Commission expires: 3/13/16

Kristen D. Kimoto, First Circuit Doc Date 3/3/16
Pages: 8 Doc Description: Settlement
Agreement
Kristen D. Kimoto 3/3/16
Notary Signature Date
NOTARY CERTIFICATION

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

On this 3rd day of March, 20 16, before me personally appeared Isaac J. Tucker, to me known to be the person described, and who executed the foregoing instrument on behalf of ST. MORITZ SECURITY SERVICES, INC. as its Agent, 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 March 3, 20 16 was acknowledged before me by Isaac J. Tucker this 3rd day of March, 20 16, in the City of Honolulu, in the County of Honolulu, in the State of Hawaii.

Kristen D. Kimoto VS
Name: KRISTEN D. KIMOTO
Notary Public, State of HAWAII

My Commission expires: 3/13/16

Kristen D. Kimoto, First Circuit Doc Date 3/3/16
Pages: 8 Doc. Description: Settlement Agreement
Kristen D. Kimoto 3/3/16
Notary Signature Date
NOTARY CERTIFICATION