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DOCKET NO.: 24-002-H-D-F-S

HEARINGS EXAMINER'S FINDINGS OF
FACT, CONCLUSIONS OF LAW AND
RECOMMENDED ORDER

Hearings Examiner: Michael K. Tanigawa
Date of Hearing: Tuesday, April 15, 2025

I. PROCEDURAL HISTORY

This case before the Hawai‘i Civil Rights Commission (“HCRC” or “State”) was initiated on June 1, 2021 by the filing of a complaint by Complainant RALNA K.L. SHELDON (“Complainant” or “Sheldon”) and subsequently amended on June 23, 2022, alleging that Respondent FIONA MASAOY (“Respondent” or “Masaoy”) committed unlawful discriminatory practices against Complainant. The HCRC took jurisdiction pursuant to Hawai‘i Revised Statutes (HRS) §§ 515, 368-3, and 368-13. The Executive Director of the HCRC is represented by Eric Pililaau, Joey Badua, Catherine Lowenberg, and April Wilson-South.

The HCRC, through its Enforcement Section, conducted an investigation pursuant to extensions of time granted by the HCRC. On September 20, 2022, the Executive Director issued a Notice of Finding of Reasonable Cause. Exhibit 4.

The property at issue is a house located at 91-1989 Luahoana Street, Ewa Beach, Hawai'i 96706 ("Property" or "House").

On March 25, 2025, Respondent, acting pro se, filed a Motion to Dismiss Complaint. On March 28, 2025, Respondent filed Respondent's Motion for Leave to File Motion to Dismiss Out of Time. The Motion to Dismiss Complaint and Respondent's Motion for Leave File Motion to Dismiss Out of Time were denied by Hearings Examiner, the Honorable Michael K. Tanigawa (Ret.) ("Judge Tanigawa").

An evidentiary hearing was held on April 28, 2025, before Judge Tanigawa. The Executive Director of the HCRC, on behalf of the complaint filed by Sheldon, was represented by Eric Pililaau. Respondent, having been apprised of her right to have counsel represent her, appeared without counsel.

At the conclusion of the evidentiary hearing, Judge Tanigawa held that the Executive Director had failed to meet his burden of proof.

II. FINDINGS OF FACT

Based on the materials received into evidence and the testimony presented at the evidentiary hearing, the following findings of fact are made:

1. Commencing May 15, 2020, Anthony Keith Bell ("Bell") and Sheldon entered into a Rental Agreement for the Property ("Lease") as tenants with Respondent as the landlord. Bell and Sheldon signed the Lease as tenants. Transcript of Evidentiary Hearing (TR) at 2; Exhibit 18.

2. In the Lease under the heading Standard Terms and subheading Tenant's Responsibilities, subparagraph 11 states: "No Subleasing or Additional TENANTS. No additional TENANTS, subleasing or assignment of this Rental Agreement will be allowed without the prior written consent of LANDLORD. Guests may not stay longer than fourteen (14) days without written approval of LANDLORD."
3. The term of the lease was from May 15, 2020 to June 1, 2021. TR at 27.
4. Prior to moving in, Sheldon did an inspection of the Property with Respondent and Steve Gerwig, a representative of Respondent. TR at 23, 129.
5. At the commencement of the Lease, Respondent was aware that Sheldon moved into the Property with her two-year-old son, Jace Bell, and that Sheldon was pregnant. TR at 28-29, 126. Jace Bell is not identified as a tenant in the Lease.
6. Sheldon gave birth on September 9, 2020. TR at 29.
7. Sheldon notified Respondent that Sheldon's mother and father would be moving into the Property. On July 10, 2020, Sheldon sent a text to Respondent stating that due to an "emergency event", Sheldon's mother and father moved in with Sheldon and needed to be added to the Lease. Sheldon went on to state that her mother is disabled, and that Sheldon is her mother's "sole caretaker." TR at 31-34, 38; Exhibit 6.¹
8. Sheldon also informed Respondent that Bell might withdraw from the Lease. In a series of text messages, Sheldon informed Respondent that Bell might seek the return of the security deposit due to relationship issues, but that Sheldon and Sheldon's parents would be able to pay the security deposit and rent. TR 40, 45; Exhibit 7.

¹ The Transcript shows Mr. Pililaau incorrectly identifying the date of the communication as July 10, 2022. That error is corrected by Mr. Pililaau subsequently and Exhibit 6 is identified in the list of exhibits as having been sent July 10, 2020. In light of the termination of the Lease on June 1, 2021, it is apparent that the reference to 2022 was an error.

9. Having leased the Property to two adults as tenants, Respondent was faced with the prospect of having four adults on the Property. Respondent took Sheldon's request to add Sheldon's parents to the Lease and remove Bell under consideration beginning in July of 2020. Respondent determined that the credit score of the parents did not meet Respondent's requirements and therefore, Respondent would not remove Bell from the Lease. TR at 130-133, 136.
10. Respondent decided to reject Sheldon's requests. On October 28, 2020, Bell received a telephone call from Respondent informing Bell that Sheldon and Bell were in breach of the Lease. TR at 134. Sheldon and Sheldon's mother, Billie Sheldon ("Billie"), listened in on the phone call. TR at 69, 112-113. Sheldon testified that in reference to the occupancy of the Property, Respondent said during the phone call: "It will – not made to have that many kids, that many people in there." TR at 71. However, during the testimony of Billie, counsel for the Executive Director asked: "Ralna claimed that during this phone call, Ms. Masaoy stated that she did not agree to have so many kids on the property. Do you remember Ms. Masaoy making that or similar statements during that phone call?" Billie responded: "No." TR at 115. Billie went on to testify that "It just came across as like she was irritated with somebody, and not because of anything like that." TR at 115. Sheldon's testimony in this regard was not credible.
11. Respondent never consented in writing to Sheldon's parents residing at the Property.
12. Respondent believed that Sheldon's parents living at the Property without Respondent's written consent was a breach of the Lease. In an email by Respondent to a HCRC Investigator in response to questions by the investigator, Respondent

stated: “House was rented [sic] plaintiff and Anthony [B]ell. 2 adults, 1 child, and baby on the way. Anyone else is [sic] that household was breaking the lease.”

Exhibit 12.

13. Respondent sent a representative to meet with Sheldon and offer the option of ending the Lease and Sheldon and the other occupants moving out and the deposit returned to them or have Sheldon’s parents move out. TR at 138-139.

14. Sheldon and Bell agreed to and did move out in November even though Sheldon would have preferred to stay at the Property until the Lease terminated on June 1, 2021. TR at 80; Exhibit 18.

II. CONCLUSIONS OF LAW AND DECISION

Based on the foregoing findings of fact, the pleadings in this case, and the applicable law, Judge Tanigawa makes the following conclusions of law:

1. The HCRC has jurisdiction over complaints of unlawful discriminatory practices in real estate transactions.
2. The Notice of Finding of Reasonable Cause to Believe that an Unlawful Discriminatory Practice has been Committed found that such cause existed as to a violation of HRS § 515-3(1) and Hawai‘i Administrative Rules (HAR) § 12-46-311(c) “by subjecting Complainant to discriminatory statements that indicated a preference or limitation, or an intent to discriminate, based on Complainant’s familial status.” Exhibit 4 at page 5.
3. This was the sole basis for the complaint at the time of the evidentiary hearing. TR at 155.

4. “‘Familial status’ means the status of: a parent having legal custody of and domiciled with a minor child or children, a person who is domiciled with a minor child or children and who has written or unwritten permission from the legal parent, a person who is pregnant, or any person who is in the process of securing legal custody of a minor child or children.” HAR § 515-2.
5. Sheldon breached the Lease by allowing Sheldon’s parents to reside at the Property for more than 14 days without written consent of the Respondent.
6. Respondent’s decision to terminate the Lease based upon Sheldon’s breach was not based on familial status, but instead on the presence of additional adults living on the Property.
7. Testimony that Respondent made statements that were facially discriminatory with respect to familial status are not credible.
8. The Executive Director has the burden of proving allegations of discrimination by a preponderance of the evidence. HAR § 12-46-36(b).
9. The Executive Director has failed to prove by a preponderance of the evidence that Respondent violated HRS § 515-3(1) and HAR § 12-46-311(c) and subjected the Complainant “to discriminatory statements that indicated a preference or limitation, or an intent to discriminate, based on Complainant’s familial status.” Exhibit 4 at page 5.

III. RECOMMENDED ORDER

Based on the foregoing findings of fact and conclusions of law, I recommend that the Commission find and conclude that:

1. The Charge of Real Property Transaction Discrimination as amended is dismissed.

2. HCRC shall issue a press release regarding the results in this matter.
3. HCRC shall post the decision on their website.

Dated: Honolulu, Hawai'i, May 30, 2025.

HAWAI'I CIVIL RIGHTS COMMISSION

/s/Michael K. Tanigawa

Michael K. Tanigawa, Hearings Examiner

Copies sent to:

Enforcement Attorney, Eric Pililaau
Respondent Fiona Masaoy

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Order