

REAL ESTATE COMMISSION
Professional & Vocational Licensing Division
Department of Regulatory Agencies
State of Hawaii

MINUTES OF MEETING

Date: Thursday, March 25, 1971

Place: Board Room, Department of Regulatory Agencies
1010 Richards Street, Honolulu, Hawaii

Present: Douglas R. Sodetani, Chairman
Herbert S. Isonaga, Vice Chairman
John D. Texeira, Member
Hiromu Yamanaka, Member
William H. C. Young, Member

Sidney Ayabe, Deputy Attorney General
Yukio Higuchi, Executive Secretary

Mrs. Mary Savio, representing Honolulu Board of Realtors and
Hawaii Association of Real Estate Boards
George Morris, Jr., Executive Vice President, Honolulu Board
of Realtors
Wesley Charlton, representing Real Estate Association of Hawaii
Mrs. Iris Riber, representing Real Estate Association of Hawaii
Jack K. Palk, representing Hawaii Association of Real Estate Boards
Dr. Edward Laitila, College of Business Administration,
University of Hawaii
Kinji Kanazawa, Kinji Kanazawa Real Estate School
David Tara, Tara School of Real Estate

Absent: Louis Cannelora, Member
Harold J. Silva, Member

Call to Order: There being a quorum, Chairman Sodetani called the meeting to
order at 1:00 p.m.

Reading of
Minutes: Upon motion, the minutes of the February 25, 1971 meeting were
approved as circulated.

Business Out
of Minutes: Educational Task Force Committee Report

Committee Chairman Young reported on Deputy Attorney General
Ayabe's reply of March 12, 1971 in reference to his review of
Project Approval Agreement No. 2 and No. 3.

The Chair ordered Deputy Attorney General Ayabe to insert in the
agreements that the source of funds shall be from the Real Estate
Educational Fund.

Young read Professor Donald Bell's schedule of courses to be
presented on the neighbor islands.

The Chair directed Young to follow through with Professor Bell
in demanding the final report on Project No. 1.

Kenneth R. Bebb, Applicant for Real Estate Salesman License

The Executive Secretary reported that he had received word from David Bartholomew of Bishop Realty, Inc., withdrawing his pledge to supervise Kenneth Bebb due to his promotion to the main office. The Commission on January 28, 1971 decided to grant Bebb a salesman license provided that he was supervised by Bartholomew. Since Bartholomew withdrew his pledge, Bebb was advised that issuance of his license was being withheld until the Commission met.

Bebb appeared before the Commission to plead his case. Bebb presented the Commission with a letter addressed to him dated March 12, 1971 from his attorney (Greenstein) advising that the Federal charge against him had been discharged. Bebb was requested to submit a copy of Greenstein's letter, official evidence from the Federal authority discharging the charge, and a statement from his principal broker reconfirming his employment with Bishop Realty, Inc.

Upon motion, the Commission decided that a salesman license be issued to Bebb subject to his complying with the Commission's above request.

Fred Halcy, Jr.'s Claim Against Real Estate Recovery Fund

The Executive Secretary reported receiving notice from L. N. Nevels, Jr., attorney for Haley, advising that complaint has been filed in the Circuit Court against the estate of John H. S. Chong and the State of Hawaii for the purpose of making claim against the Real Estate Recovery Fund. Deputy Attorney General Gary Shigemura has been alerted of the complaint and he intends to file a motion to remove the State of Hawaii from the complaint. The claim against the Real Estate Recovery Fund may be granted by the Court after the estate of John Chong is found insolvent.

Violet C. King's Application for Real Estate Broker License

At its meeting of February 25, 1971 the Commission denied Violet King's application for a broker license on the basis that the statutory period of 2 years had not expired since the date her license was revoked, which the Commission considered as the date the Court issued the Order Granting Permanent Injunction.

Chairman Sodetani reopened the matter by requesting Deputy Attorney General Ayabe for his views. Ayabe pointed out that the Court will look to the date of issuance of the order of revocation as the date the 2 year statutory period commenced.

Upon motion, the Commission rescinded its action of February 25, 1971 on the basis of concurring with Ayabe's opinion that the 2 year period had already expired.

Young moved and Isonaga seconded to deny issuance of a broker license to Violet King for the following reasons:

1. Her broker license was revoked twice.
2. After being served her revocation notice on April 26, 1968, she refused to comply with the revocation and continued her

practice and refused to surrender her license until 2 years later when the Court issued the Order Granting Permanent Injunction.

Motion was carried unanimously.

Recovery Fund Claims Against Harry Bates Len

Deputy Attorney General Ayabe reported that he had gone to trial before Judge Fukushima and that the Judge was quite upset because the Commission had not made settlement on the 4 pending complaints in view of the prior decision for the complainants in the Hamada vs. Bates Len case. The Judge indicated that the pending cases were identical to the Hamada case and trial was continued until settlement could be reached or he could proceed to a judgment.

Isonaga moved and Texeira seconded to authorize the Attorney General to make settlement in the principal amount of claims in the 4 pending Bates Len cases on the basis of the judgment of the Hamada vs. Bates Len case. Motion carried.

Investigations: RE-318 - Robert Lucas

Complaint Review Committee Chairman Isonaga reported that an informal meeting was held on this matter by the Committee on March 10, 1971 to determine whether Lucas knew that the project was in danger of bankruptcy at the time the Lucas-Westman transaction took place and subsequently thereafter Mrs. Westman was unable to produce clear evidence that Lucas had knowledge of a pending bankruptcy at the time of the transaction or as late as April 1968. During the meeting Mrs. Westman alleged that she purchased Lucas' apartment because Lucas had informed her that she could not make a first purchase of an apartment since she was a non-resident of the State, but she could purchase his apartment as a second purchaser. Charlotte Peck, agent for Mrs. Westman, confirmed Mrs. Westman's allegation. Isonaga recommended that this matter be brought to a formal hearing for alleged violation of concealment of facts and misrepresentations.

Upon motion, the Commission directed that a formal hearing be conducted as recommended by Isonaga. The Chair appointed Yamanaka and Young as hearing officers.

RE-423 - Royalty Enterprises

Complaint Review Committee Chairman Isonaga reported that an informal meeting was held on this matter on March 10, 1971, but since all parties were not available for questioning the Committee will proceed with a second informal meeting.

RE-426 - Tropic Shores Realty, Inc.

Complaint Review Committee Chairman Isonaga reported that an informal meeting was held on this matter on March 10, 1971. Isonaga recommended that letters of reprimand be sent to Mrs. Elizabeth Dunstan, Charles Carey and Jim Gregory.

Upon motion, the Commission directed that letters of reprimand be sent as recommended by Isonaga.

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RE-430 - Hawaiian Housing Corporation

Complaint Review Committee Chairman Isonaga reported that investigation reveals:

1. No violation found.
2. Offer was made directly from complainant's agent to seller and respondent had no knowledge of complainant's offer.
3. W. Lawrence Clapp, attorney-in-fact of Centex Trousdale Company, gave good reason for rejecting complainant's offer.
4. The eventual buyer indicated that he had no knowledge of other offers when he made his offer.

Upon motion, the Commission found no violation and considered the case closed. The Executive Secretary was directed to write to complainant and enclose a copy of the investigation report.

RE-434 - Norman K. F. Mau

Complaint Review Committee Chairman Isonaga recommended that complainant be advised that as far as the termite exterminator is concerned, there was no deliberate attempt by respondent to violate the law. The broker honestly felt that he was dealing with a licensed pest control company. As far as the closing statement is concerned, the Commission assumes that the final statement issued by the First Hawaiian Bank in Waianae to the complainant to be accurate. The Commission to advise Mau to issue the complainant a closing statement prepared by him.

Upon motion, the Commission accepted for approval the recommendations of the Complaint Review Committee in total.

RE-398 - Mrs. Edmund Hedemann, dba West Hawaii Realty

Complaint Review Committee Chairman Isonaga reported that investigation shows alleged violations of Section 467-14(5) and (9), H.R.S., and Rule 1.3 (a) and (g) of the Commission's rules and regulations. Isonaga recommended that formal hearing be conducted for the above alleged violations.

Upon motion, the Commission decided that a formal hearing be conducted on this matter. Chair appointed Young and Texeira as hearing officers. Respondent is to be given a choice as to the location of hearing.

New Business:

Licensing

CORPORATIONS:

McMichael & Nevels, Ltd. - 1441 Kapiolani Blvd. Ste 920
Mary Ann Nevels, PB

Major Western Real Estate, Inc. - 1149 Bethel St., Ste 712
John C. Arafiles, PB

Travelers Realty & Management, Inc.
John E. Jenkins, PB - Rm 323, Honolulu Merchandise Mart Bldg.

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BRANCH OFFICES:

Great Hawaiian Realty, Inc. BR-4 - 274 Kamehameha Avenue, Hilo
James Y. Kawanishi, BIC

DBA's:

Douglas Carty Realty - 25 Kaneohe Bay Drive #201, Kailua
Douglas M. Carty dba

Dave Lewis and Associates - 677 Ala Moana, Ste 801
Lewis and Carty, Inc. dba

"Howdy" Reynolds Real Estate - 425 Merchandise Mart Bldg.
Howard A. Reynolds dba

Tom Arashiro, Realtor - 1149 Bethel Street, Ste 412
Thomas M. Arashiro dba

Tredway Realty - 45-1048 Kam Highway, Rm 203, Kaneohe
Alice M. Tredway dba

CHANGE OF CORPORATION NAME:

Flinn, Ackley & Sewell, Inc. - 1215 Hunakai Avenue
(formerly Ackley & Sewell, Inc.)

Upon motion, the license processing of the above as tentatively authorized by the Licensing Administrator was approved.

Miscellaneous: February 25, 1971 Real Estate Examination

At the invitation of the Commission Kinji Kanazawa, David Tara and Dr. Edward Laitila appeared to discuss the February 25, 1971 real estate examination. General discussion was held on the examination.

Isonaga moved and Young seconded that a committee be appointed by the Chair to review the examination and make appropriate adjustments, after the Examination Branch has made a statistical study of the examination. Motion carried.

Chairman Sodetani appointed the following to serve on the commission:

Herbert Isonaga
William Young
Dick H. Okaji
Dr. Laitila

1971 Legislation

Chairman Sodetani made a status report on the administrative bills submitted to both houses of the Legislature.

Jack Palk appeared for the realty boards and presented the pros and cons on S.B. No. 1060 (pertaining to the Real Estate Recovery Fund).

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Appointment to Rules and Regulations Review Committee

At the February 25, 1971 meeting Chairman Sodetani appointed Louis Cannelora to Chair the Rules and Regulations Review Committee. Chairman Sodetani read a letter he had received from Cannelora in response to his appointment as committee chairman. Cannelora advises that due to his health it is difficult for him to devote much time to Commission matters.

Chairman Sodetani appointed Hiromu Yamanaka to replace Cannelora who was appointed Chairman of the Rules and Regulations Committee at the February 25, 1971 meeting and Yamanaka accepted.

Correspondence from James K. Trask, Jr.

The Executive Secretary advised the Commission that James K. Trask, Jr. has informed the Commission of Mrs. Mary Savio's selection as the liaison from Honolulu Board of Realtors and Hawaii Association of Real Estate Boards.

Correspondence from John E. Hempel regarding NARELLO Western District Meeting

The Executive Secretary read John Hempel's letter of March 18, 1971 requesting that the Hawaii delegate volunteer as a panel member at the 1971 Western District Meeting. The Executive Secretary reported that travel fund to the Western District Meeting was not budgeted for this fiscal year.

Chairman Sodetani appointed William Young as the Commission's delegate to the 1971 Western District Meeting in Jackson Hole, Wyoming, provided funds are made available by the State.

Date of

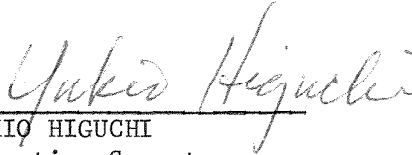
Next Meeting:

Thursday, April 29, 1971, at 1:00 p.m.

Adjournment:

There being no further business, the meeting was adjourned at 4:15 p.m.

Recorded by:


YUKIO HIGUCHI
Executive Secretary

YH:km
4/22/71