

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

MINUTES OF MEETING

Date: Thursday, July 29, 1971

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

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

Sidney K. Ayabe, Deputy Attorney General
Yukio Higuchi, Executive Secretary

Dr. Edward Laitila, College of Business Administration,
University of Hawaii

Wesley Park, Director, Small Business Management Program,
College of Business Administration,
University of Hawaii

Absent: Harold J. Silva, Member
Hiromu Yamanaka, Member

Call to Order: There being a quorum, Chairman Douglas Sodetani called the meeting to order at 1:05 p.m.

Minutes: Upon motion, the minutes of the June 24, 1971 meeting were approved as circulated.

Committee Reports: Education Task Force Committee Report
Dr. Edward Laitila gave a verbal progress report on the response he received on the mail survey he conducted. Thus far, he has received only four responses.

The Executive Secretary reported that the request for Project No. 2 had been approved by the Governor. It was also reported that proposal on Project No. 3 had been cleared by the Director of Regulatory Agencies and the proposal is in the hands of the Department of Budget and Finance for consideration and recommendation.

Deputy Attorney General Sidney Ayabe reported that he is just about completed with his draft of contract on proposed Project No. 4 and it should be coming to the Commission shortly.

Mr. Wesley Park reported that they have been working closely with the neighbor island real estate people in setting up courses they are offering on the neighbor islands. The course is in progress on Hawaii and a course will begin on Maui in August 1971. They are presently working to establish a course on Kauai by December 1971. They are also exploring the possibility of establishing a 3-day instructors' course in Honolulu and are hopeful the neighbor island people will apply for the course.

Dr. Laitila recommended that the Commission consider publishing a reference manual in early 1972 so that applicants will have something to study in preparation for future examinations.

Committee Chairman William Young announced that his Committee will meet on Wednesday, August 4, 1971, at 2:00 p.m., at the Commission's office. He requested that Commissioner Isonaga, George "Red" Morris, Dr. Laitila, Wesley Park and the Executive Secretary be present at the meeting.

Rules and Regulations Committee Report

Co-Chairman Cannelora gave his observations on the existing law and rules.

Chairman Sodetani directed the Executive Secretary to compile all of the Commission's past policies and forward same to Cannelora and Yamanaka.

Business Out
of Minutes:

Violet C. King, Applicant for Real Estate License

The Commission called a hearing for July 29, 1971, at 9:30 a.m., to hear Mrs. King's appeal on the Commission's decision to deny her issuance of a broker license.

At 10:00 a.m. the Chair declared the hearing deferred, until further notice and at the pleasure of the Commission, due to her tardiness. She appeared for the hearing at 10:05 a.m. after two of the Commissioners left the Board Room, leaving only three Commissioners back when she arrived.

Investigations:

RE-318 - Robert Lucas

This matter came on for hearing on June 22, 1971, but due to lack of time the hearing was continued to a future date. No continuance date has been set as yet since Mrs. West, the complainant, is away.

RE-379 and 383 - Growth International Realty, Inc.

The Executive Secretary reported that the case files on RE-379 and 383 were transmitted to the Attorney General on June 30, 1971, but to date no response has been received.

Deputy Attorney General Ayabe recommended that two Commissioners meet with Growth International Realty to discuss these cases and their advertisements for full disclosure on the sale of undivided interest in Australian land (restriction of non-entry to non-whites). Isonaga, Young, Cannelora, and Deputy Attorney General Ayabe were directed to meet with Growth International Realty, Inc. people as suggested by Deputy Attorney General Ayabe.

RE-388 and 395 - Romeo Esperanza

The Executive Secretary advised that the hearing officer's findings and conclusions were received by respondent's counsel, but the Commission must wait 15 days before taking action. Since the 15 days have not expired yet, the Commission must wait until the next meeting to act on the final disposition.

RE-398 - Mrs. Edmund Hidemann

The Executive Secretary advised that a draft of the hearing notice was submitted for typing and it is being transmitted to the Attorney General for review.

Minutes of Meeting of July 29, 1971

RE-405 - Clarence S. L. Tam

The Executive Secretary reported that Tam has received his license revocation notice, but to date he has not returned his certificate and ID card.

Chairman Sodetani requested that an investigator be sent to retrieve the certificate and ID card from Tam.

RE-425 - Masao Shintani

It was reported that the hearing scheduled on this matter for July 8, 1971 was continued until a future date since the complainant was out of state. This hearing will be continued when complainant returns to Honolulu.

RE-430 - Hawaiian Housing Corporation

Investigator's June 22, 1971 followup report was presented for review.

Upon motion, the Commission directed the Executive Secretary to advise the Ombudsman that the Commission considers the matter closed and mail copy of the letter from Mrs. Novie Barnes and copy of the note from Edmund Burke to the Ombudsman. Case closed.

RE-437 - Wailana Condominium

Upon motion, the Commission decided to dismiss this complaint on the basis of the following:

1. Investigation revealed that the Board of Directors of the Association of Apartment Owners of Wailana, at its February 1971 meeting, decided to use Developer's funds earmarked for the sauna, steam room and physical fitness facility for other improvements on the project. The Commission feels that reasonable process was exercised by the Board of Directors in making their decision.
2. Since the model unit displayed lesser quality kitchen cupboards and sliding closet doors as compared to that installed in the project, the Commission feels that there was no intent on the part of developer to mislead or misrepresent to the buyers. However, the Commission feels that the developer should have notified the Commission of the changes and accordingly the Commission will reprimand the developer for not giving the Commission proper notice of the changes.
3. The Developer had volunteered to install the heating equipment for the swimming pool at his expense; however, the majority of Wailana apartment owners did not want a heated pool due to the cost of maintenance of equipment as evidenced by the results of a survey taken by the Board of Directors in December 1970. Subsequently, the Board of Directors decided to follow the results of the survey and the matter was not pursued.
4. The leaky swimming pool and hot water problems have been corrected.
5. The Commission feels that the matter of substandard cement pour on lanai of public areas is a matter of opinion which is not the Commission's "kuleana" and suggests that the matter be referred to the Building Department of the City and County of Honolulu. Case closed.

Minutes of Meeting of July 29, 1971

RE-441 - Portrait of Homes, Inc.

Upon motion, the Commission decided to dismiss the complaint since complainant was reimbursed his money, less the cost of \$25. Furthermore, the Commission had no positive proof that it was in fact represented to complainant that the project would definitely be converted into a hotel operation. Case closed.

RE-446 - Halekulani Realty

Upon motion, the Commission decided to dismiss the complaint since the complainant had received the full refund of \$500. Case closed.

RE-445 - R. S. M., Inc.

At the June 24, 1971 meeting, Mr. Hiromu Yamanaka was requested to check with the Bank of Hawaii, Hilo Branch, to determine who received the escrow fee listed as "closing fee" and also who failed to uncover the delinquent taxes.

The Executive Secretary reported that he has not received any information back from Mr. Yamanaka as yet.

Complaint Against Directors and Developers of Makiki Manor

Upon review of Mr. Wilmington's complaint, the Executive Secretary was directed to request that an investigation be conducted.

New Business
Licensing:

CORPORATIONS:

Property Research, Inc. - 1392 Kapiolani, Ste 10, Honolulu
John H. Peterson PB

H & H Development Corporation - 810-3 Keeaumoku St., Honolulu
Richard I. Ishikawa PB

Hugh Menefee, Inc. - 1441 Kapiolani Blvd., Ste 1105, Honolulu
James W. Byrer PB

BRANCH OFFICES:

Island Homes, BR-4 - 1993 Kihei Road, Kihei, Maui
Marion H. Hamilton BIC

Walter Zane Realty, Inc. BR-1 - Kua Rd., Box D, Lawai, Kauai
Barbara Marcus BIC

Boise Cascade Home & Land Corporation, BR-1 - International Inn,
Alii Drive & Emma Square, Box 1197, Kailua-Kona, Hawaii
Merlon H. Tollefson BIC

Checkmate Realty, BR-3 - 821 Alakea St., Rm 201, Honolulu
Peter E. Chu BIC

Reliance Industries, Inc., dba Reliance Realty & Management, BR-2
43 Oneawa St., Kailua - Helen L. Smith BIC

Mike McCormack, Inc., dba Mike McCormack Realty, BR-6
98-424 Kam Highway, Aiea - James A. Wheeler BIC

Hugh Menefee, Inc. BR-1 - Rm 203, Maui Savings & Loan Building, Maui
William S. Marshall BIC

Minutes of Meeting of July 29, 1971

DBAs:

Robert D. Gaddis, Broker - 1451 S. King Street, #509, Honolulu
Robert D. Gaddis, dba

Commercial Land & Mortgage - 1000 Bishop, Ste 507, Honolulu
Thomas W. Giles, dba

Ted Mack Realty - 1670 Kalakaua, Ste 505, Honolulu
Ted (Mack) Maciejewski, dba

Hawaiian Estates - 1451 S. King, PH 506, Honolulu
David S. Chun, dba

Bill De Vore - 305 Royal Hawaiian Avenue, Ste 310, Honolulu
William L. De Vore, dba

Polynesian Realty Co. - 925 Bethel St., Rm 312, Honolulu
Larry K. S. You, dba

Vi Costa - Realtor - 4211 Waiialae, Ste 306, Honolulu
Vivian A. Costa, dba

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

Gold Medal Improvement Association, Inc.

The Executive Secretary was requested to call Basker and suggest that they change their name by replacing the word Improvement to something else like Realty.

Sanford I. Gadiant

The Executive Secretary advised the Commission that staff had received evidence that Sanford I. Gadiant may be engaged in unlicensed real estate sales activity. This matter was earlier discussed with the Chairman and at his direction a letter of warning to cease and desist was sent to Gadiant.

The Commission members agreed that no further action be taken at this time.

Frank Gibson's Letter

The Executive Secretary was directed by the Chairman to advise Frank Gibson, Jr., that the Commission will not allow a Honolulu broker to employ a licensee living on a neighbor island unless a branch office is established on that island and said branch office is supervised by a broker-in-charge.

Real Estate Recovery Fund

The annual report of the Real Estate Recovery Fund for the fiscal year 1970-1971 was distributed to the Commission members for information.

William Young was requested to explore the possibility of depositing the Real Estate Education Fund in an interest earning account.

Results of June 24, 1971 Real Estate Examination

The Chairman reported that the broker examination papers have been scored, but the salesmen examination papers are not ready as yet. The Executive Secretary was authorized to re-release the results of the broker and salesmen examinations together, subject to review and approval of the results of the salesmen examination by Herbert Isonaga.

Correspondence: Washington State Request

Upon motion, the Commission authorized the Executive Secretary to mail a copy of the June 24, 1971 Real Estate Examination to the Washington State Real Estate Commission.

Aaron M. Chaney's Correspondence of July 27, 1971

The Commission acknowledges Mr. Chaney's letter advising the Commission that he is closing his branch office operation at Lahaina, Maui.

Neighbor Island Meeting

The Executive Secretary was directed to prepare a request for funds to hold a Commission meeting on the island of Hawaii (Kona and Hilo) on December 3-5, 1971.

Next Meeting: Thursday, August 26, 1971, at 1:00 p.m.

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

Taken and recorded by:



YUKIO HIGUCHI
Executive Secretary