

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

MINUTES OF MEETING

Date: Thursday, February 21, 1974

Place: Penthouse, Kamamalu Building
1010 Richards Street, Honolulu

Present: Douglas R. Sodetani, Chairman
Herbert S. Isonaga, Vice Chairman
Mrs. Mary V. Savio, Member
John D. Texeira, Member
Ah Kau Young, Member

Clyde E. Sumida, Deputy Attorney General
Yukio Higuchi, Executive Secretary
Mrs. Peggy Lau, Stenographer

George Morris, Jr., Honolulu Board of Realtors
Keith Marshall Lysen, applicant for broker examination
George Newbeck, applicant for salesman license
Real Estate Schools Association of Hawaii Representatives--
John Stapleton, Mary Shern and Milton Motooka
Jeff Tai, Aloha Realty, spectator

Call to Order: There being a quorum, Chairman Sodetani called the meeting to order at 9:21 a.m.

Announcement: Chair announced that the Governor's Office has notified him that Hiromu Yamanaka's full term of serving on the Commission has expired effective December 31, 1973. Commissioners expressed their regrets for this and their deep appreciation for Hiromu Yamanaka's eight years of dedicated service.

Herbert Isonaga moved and John Texeira seconded that the Commission adopt the resolution on Hiromu Yamanaka that was prepared by John Texeira. Motion unanimously carried.

Minutes: Ah Kau Young moved and John Texeira seconded 2 minutes
of the January 10, 1974 meeting be approved with
the following amendments:

- (1) Page 3, Real Estate Newsletter--Last sentence "Mary Savio further reported that former..." should be placed under the subheading of Continuing Education, and "The specifications will soon be ready for bids", should be added in place of it.

Motion unanimously carried.

Formal
Hearing:

Keith Marshall Lysen, Applicant for Broker Examination

Keith Marshall Lysen voluntarily waived his rights for this formal hearing, inasmuch as, he felt that the issue will be moot, since it is too late for the January 26, 1974 examination. By the time the July 6, 1974 examination is given, he will have satisfied the 2-year requirement and be able to sit for the examination. The Commission proceeded on an informal conference basis and gave Lysen every opportunity to make any statement he pleased.

Committee
Reports:

Real Estate Education Advisory Council

Approval of Applications for Real Estate School Accreditation,
Certification of Instructors and Complaint

Mary Savio reported that she met with the Executive Secretary on February 13, 1974 to review matters related to the Commission's real estate educational program. The following were reviewed and their recommendations were:

Accreditation of Real Estate School

John Wilson School of Real Estate (Salesman Course)

Approve--has met all requirements

Certification of Instructors

Ernest Medeiros (Salesman Instructor for Interstate
Properties School of Real Estate)

Approve--subject to submittal of evidence of completing accredited salesman course or passing special qualifying examination. Also, subject to submittal of record of his conviction for violation of law.

Karola H. Vierra (Broker and Salesman Instructor for
Harris Real Estate School)

Approve--has met all requirements

Herbert Isonaga moved and Ah Kau Young seconded that the Commission approve the recommendations of the Real Estate Education Advisory Council. Motion unanimously carried.

Harris Real Estate School's Complaint Against Professional
School of Real Estate

The Executive Secretary read an article in the January 20, 1974 Star-Bulletin and Advertiser by Professional School of Real Estate; said article was brought to his attention by Harris Real Estate School

John Texeira moved and Herbert Isonaga seconded that Professional School of Real Estate be reprimanded for misrepresentation and for false advertising--stated percentage passing last examination while the Commission has not even received the pass/fail statistic for the October 1973 examination; stated positive starting date

of employment when they have no way of knowing when the Commission will issue the applicants licenses; and stated "Current Class Information" when this has nothing to do with the school. Motion unanimously carried.

Arthur Komori's Request for Assistance to Operate his Real Estate School

The Executive Secretary presented Arthur Komori's request for assistance in operating his school.

The Commission referred his request to the Real Estate Schools Association of Hawaii.

Continuing Education

Mary Savio passed around the statistical report of the result of the questionnaires returned on continuing education for the Commissioners' information.

The idea of a private full-time coordinator or a consultant to work under the Executive Secretary on pre-licensing and post-licensing educational matters was discussed considerably, but no action was taken.

Mary Savio was requested to prepare a budget proposal with three seminars and its estimated costs included.

Real Estate Newsletter

The Commissioners were in agreement to follow bidding procedures for the newsletter as the overall cost estimated will exceed \$4,000 per year. The Executive Secretary was directed to meet with Mary Savio and Beverly Muir to draft contract specifications.

Condominium Review Committee

Proposed Legislation

No new communications with Hiroshi Sakai; Sakai was given the priority list established by the Commission at the last meeting of suggested amendments to the Horizontal Property Regimes Act.

Chair directed the Executive Secretary to contact Hiroshi Sakai to inform him that all condominium bills must be submitted by March 4, 1974.

Rules and Regulations Committee

The proposed amendments to Chapter 20 were referred back to the Rules and Regulations Committee for further study and amendments.

Recovery Fund Report

The executive Secretary distributed copies of the recovery fund and educational fund report showing the balance as of January 1,

1974. He was directed to establish an estimated educational budget for this year, and to have Administration place \$30,000 more into time certificates.

Attorney General's Report

Kornowski Case

Deputy Attorney General Clyde Sumida advised the Commission that he intends to start discovery proceedings on this case.

The Commission maintains that anyone doing activities under Chapter 467 must have a real estate license. A custodian may be exempt if he serves a single owner, but if he serves more than one owner, he must be licensed as he is going into business.

George Morris volunteered to submit a proposal to the Commission to amend Chapter 467-2(3), H.R.S., regarding custodians and caretakers, for clarification.

Business Out
of Minutes:

Violet King--Prehearing on Denial of Application

The Executive Secretary informed the Commission that the hearing notice has been sent to the Deputy Attorney General. The Commission decided to set the hearing date for the next meeting.

Blackfield Hawaii Corporation's Request for Issuance of Brokerage License under a DBA

The Executive Secretary read Blackfield Hawaii Corporation's reply letter to the Commission's decision to deny their request for more than one corporate license. Blackfield Hawaii now requests a branch office license and a second branch office under the dba Hawaii Shopping Center.

Upon motion, the Commission consented to grant Blackfield Hawaii Corporation a branch office license, but denied their request for dba Hawaii Shopping Center.

The Executive Secretary was directed to inform Alan Beall, Executive Vice President of Blackfield Hawaii Corporation, that he is welcomed to sit in at the next meeting to express his thoughts on this decision.

Investigations: RE-543 Pearl A. Nagatoshi

The Executive Secretary reported that everything has been set up for this hearing scheduled for tomorrow in Hilo.

Sheldon Soosman

...io, eferred pending further investigation.

Minutes of Meeting of February 21, 1974

RE-507 Reliance Realty and Management

Supplementary report is being typed up.

RE-518 Singleton Associates, Inc.

Hearing notice is being worked on by the Executive Secretary.

RE-528 Durrel Robison

Hearing notice is with the Deputy Attorney General for review.

RE-537 Pink Realty

The Executive Secretary was directed to write Pink Realty of the Commission's intention to hold a formal hearing and that the charges will be forwarded at a later date.

RE-538 Harold Silva

Herbert Isonaga moved and Ah Kau Young seconded that this case be brought to a formal hearing. Motion carried.

Chair appointed Mary Savio and Ah Kau Young hearing officers.

RE-556 Tom Schmidt Realtors

Case settled and dismissed.

First Hawaiian Properties

Complaint initiated by Hiromu Yamanaka.

Herbert Isonaga moved and John Texeira seconded that First Hawaiian Properties be advised that for continuous operation of their kiosk in the Hilo Kaiko's Mall they should have a branch office license. Motion carried.

New Business: Licensing

CORPORATION

- Aloha State Realty, Inc. - 101 _____, Suite 214 Hilo
Joseph H. Kunewa, PB
- Ron Burla & Associates, Inc. - 5562 Kuakini Hwy, Box 1748,
Ronald L. Burla, PB Kailua-Kona
- Fullservice Realty, Inc. - 888 Mililani, Suite 201, Honolulu
Daniel P. Matsukage, PB
- Ann Jeffers, Inc. 320 Ward Ave., Suite 107, Honolulu
Charlan Jefferies, PB
- Mac-UN, Limited - 841 Bishop Street, Suite 1919, Honolulu
Ronald H. Graham III, PB
- A.S.I. Hui, Inc. - 750 Amama Street, PH-2, Honolulu
Louis E. Dauer, Jr., PB

David Lyum Realty, Inc. - 1111 Union St., Room 9, Honolulu
 David J. H. Lyum, PB

The Shopping Center Co. Ltd. - 700 Bishop, Suite 615, Honolulu
 Marshall D. Rosier, PB

Granesco, Ltd. - 841 Bishop, Suite 1717, Honolulu
 Frances R. MacDonald, PB

Tokyu Land Development (Hawaii) Inc. - 190 S. King, #1980, Hon.
 Terry H. Adaniya, PB

Pat Hearn Realtors, Inc. - 153 Hekili Street, Kailua
 Patricia A. Hearn, PB

Myra Fisher Incorporated - 2299 Kuhio, Suite 1500, Honolulu
 Myra V. Fisher, PB

Vitousek & Dick, Inc. - 657 Kapiolani, Suite 5, Honolulu
 Carlyne M. Dick, PB

Hawaiian Estate Realty, Inc. - 825 Keeaumoku, #302, Honolulu
 Marvin L. Wong, PB

HPI, Inc. - 851 Leilani Street, Hilo
 Herbert P. Ishibashi, PB

Jean Cooper, Inc. - 49 S. Hotel, Suite 216, Honolulu
 Elizabeth J. Cooper, PB

American International Development Realty Corporation - 2015 Ala Wai
 Michael A. Brenesell, PB Blvd., Honolulu

RPD, Inc. - 1015 Bishop Street, Suite 590, Honolulu
 Forest A. Hatfield, PB

Magoon & Law, Ltd. - 910 Alakea Street, Honolulu
 Eaton H. Magoon, Jr., PB

Duesler & Associates, Inc. - 190 S. King, Suite 301, Honolulu
 Lowell O. Duesler, PB

Urban Research Studies & Development, Ltd. - 1000 Bishop, #908, Hon.
 Harvey E. Hampton, PB

Diamond Head Associates, Ltd. - 700 Bishop, Suite 1512, Honolulu
 Lawrence E. Doxsee, PB

Howard Bilkiss, Ltd. - 745 Fort, Suite 1116, Honolulu
 Howard J. Bilkiss, PB

BRANCH OFFICE

Thomas F. Schmidt dba Tom Schmidt Realtors, BR-1 - 888 Front St.,
 Charles G. Rose, BIC Lahaina, Hawaii

Waikiki Realty, Ltd. BR-4 - North Kona Shopping Center, Kailua-Kona
 Vernon A. Arney, BIC

Aaron M. Chaney, Inc. BR-2 - Mauna Kea Hotel, Kamuela, Hawaii
 Donald H. Cravens, BIC

Ron Burla & Associates, Inc. BR-1 - Wai'anae Village Inn, #205, Kamuela
 Henry S. Bowling, BIC

General Hawaiian Development Corp. BR-1 - 2207 Kalakaua, Honolulu
 Wesley Kajitani, BIC

DBA

Investors Realty - 3624A Wai'anae, Room 4, Honolulu
 David S. Chun, dba

Johnson Associates, Investment Realtors - 700 Bishop, #1900, Hon.
 J. Allen Johnson, dba (former Johnson Associates, Realtor)
 Evelyn Sumida Clarke Realty - 45-1048G Kam Highway, Kaneohe
 Evelyn Sumida Clarke, dba
 Millie Greig, Realtor - 735 Bishop, Suite 323, Honolulu
 Mildred L. Greig, dba
 Hawaii Realty Co. - 1477 Kapiolani Blvd., Honolulu
 Peter T. Namkoong, dba
 Kim Young Associates - 745 Fort, Suite 2108, Honolulu
 Kimball L. Young, dba
 James Greenan Realty - Whaler's Village Bldg. G, Kaanapali, HI
 James C. Greenan, dba
 Lydia Stevens Realtor - 419 Atkinson Drive, #1705, Honolulu
 Lydia M. Stevens, dba
 All Islands Real Estate - 888 Front Street, Lahaina, Hawaii
 James F. Gregory, dba
 Lani's Real Estate Company - 1912 Kalihi Street, Honolulu
 Keakealani Char, dba
 Lanex Realty - Suite 570 Alexander Young Bldg., Honolulu
 Charlene M. Marques, dba
 George H. N. Lee Realty - 232 Kalihi Street, Honolulu
 George H. N. Lee, dba
 Kenneth H. Lum & Associates - 850 Kapiolani, Suite 210, Honolulu
 Kenneth H. Lum, dba
 Up Country Realty - 3669 Baldwin Avenue, Makawao, Hawaii
 Allen R. Miller, dba
 Clement W. S. Chun Realty - 1281 S. King, Suite 5, Honolulu
 Clement W. S. Chun, dba
 Kapiolani Realty - 657 Kapiolani, Suite 8, Honolulu
 Shoji Kajiwara, dba
 Spinnaker Realty - 35 Kainoho Street, Suite 106, Kailua
 Marilyn J. Witchey, dba
 Property & Rental Management - 1145 S. King Street, Honolulu
 Sylvia T. Hirahara, dba
 Sunshine Properties - 45-955 Kam Highway, Kaneohe
 Eric A. Lighter, dba
 Davis Hawaiian Realty - Makaena Road, Kaunakakai, Molokai
 Harriette M. Davis, dba

Ah Kau Young moved and John Texeira seconded that with the deletion of H.S.I. Hui, Inc., the Commission approve the licensing processing of the above as tentatively approved by the Executive Secretary. Motion carried unanimously.

Questionable Applications

George Newbeck (Sales an)

George Newbeck appeared before the Commission to answer questions on his criminal abstract record and to explain why he answered "NO" to the question, "Have you ever been convicted of any crime or are there any charges pending...?"

The Commissioners were in agreement that Newbeck submit two character reference letters. Upon receipt, the Executive Secretary is to check with the Oahu Commissioners for their decision.

Danny Yap (Salesman)

The Executive Secretary informed the Commissioners that Yap's broker license was suspended in 1950 for mishandling of client's funds and that his criminal abstract reveals three arrests of gambling.

Upon motion, the Executive Secretary was directed to schedule an informal conference for next month's meeting with Danny Yap and his employing broker, Raymond Kam, present.

Karel V. Fisher (Salesman)

The Executive Secretary reported that Karel Fisher has requested a waiver of the one-year deadline in which to apply for his salesman license; Fisher is 1½ months late.

Mary Savio moved and Herbert Isonaga seconded that the Commission deny Fisher's request for a waiver of the deadline. Motion carried.

H.S.I. Hui, Inc. (Brokerage)

The Executive Secretary reported that he received an application from H.S.I. Hui, Inc. for a brokerage license with the same principles as International Syndications, Inc.

Herbert Isonaga moved and John Texeira seconded that the Commission propose to deny issuance of a brokerage license on the basis of poor character of Jack Mahakian and Jack Leuchel. Motion carried unanimously.

Miscellaneous: Meeting with Real Estate Schools Association of Hawaii Representatives

Critique of January 26th Real Estate Examination

John Stapleton informed the Commissioners that Mary Shern has been elected president and Milton Motooka vice president of the Association.

Stapleton distributed copies of a critique of the January 1974 examination. In general, they felt that E.T.S. has made a great effort to improve the examination--a step in the right direction.

The Chair requested that the Association revise its report on the examination and resubmit it. Upon receipt, the Executive Secretary is to get together with Herbert Isonaga to draft a letter to E.T.S.

The representatives confronted the Commission with their problem of receiving the pass/fail rates of every school. They requested that from now on each school receive their own percentages on the examination to prevent abuse.

Advertising Standards and Policies

John Stapleton distributed copies of the standards and policies for advertising for the schools established by the Association. A revised statement will be mailed in by the Association.

It was the unanimous decision of the Commissioners to incorporate these standards and policies for advertising as part of the rules and regulations.

1974 Legislation

H. B. No. 397-73 - Mary Savio testified before the Legislative Committee on this bill, which relates to resident agents. The old statement prepared by the Commission in 1973 was submitted.

S. B. No. 1659-74 - Mary Savio testified before the Legislative Committee on this bill, which relates to real estate and rental agency licenses. Basically, the Commission opposed this bill.

H. B. No. 2400-74 - Mary Savio was appointed to testify on this bill, which is the companion bill to S. B. No. 1659-74.

H. B. No. 2071-74 - For informational purposes, the Executive Secretary briefly explained the purpose of this bill. It was also reported that the Director will answer the Legislative Committee.

Frane's 2x4 Discount Plan

The Executive Secretary explained that this plan provides discount rates and refers all prospective purchasers to the sellers to negotiate their own terms.

Following discussion, the Executive Secretary was directed to notify Peter Shayne that although the Commission does not condone this type of activity, it can do nothing to stop it according to the rules and regulations.

Correspondence: Regarding Maintenance of Sales Representatives on Neighbor Islands Without Branch Office License from Burton Berglund, Grace Lawson and Betty Wilson

The Executive Secretary was directed to inform the above-named people that this matter has come up time after time again, and

the Commission maintains that proper supervision cannot be provided to a salesman if his broker resides on another island. Also, that the Commission has had several reports of improper supervision in cases where the separation has occurred on the same island. Therefore, the Commission does not feel that the public's interest is best served if it was to allow a broker to employ a salesman residing on another island.

Memorandum to Paige B. Vitousek

The Executive Secretary read Paige Vitousek's memorandum with suggestions for reducing the excessive number of licensees.

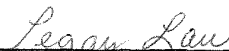
Chair directed the Executive Secretary to write Paige Vitousek to thank her for her good suggestions and to inform her that the Commission will take it under consideration.

Next Meeting

Date: Thursday, March 28, 1974


Adjournment: There being no further business, Chairman Sodeani adjourned the meeting at 4:42 p.m.

Taken and recorded by



Peggy Lau, Stenographer

Approved by



Yukio Higuchi
Executive Secretary