

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

MINUTES OF MEETING

Date: Thursday, September 25, 1975

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

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

Clyde E. Sumida, Deputy Attorney General  
Yukio Higuchi, Executive Secretary  
Mrs. Karen Hirota, Clerk-Stenographer

George "Red" Morris, Real Estate Licensee  
Ronald Lee, Applicant for Real Estate Salesman License  
Michael Delaney, Real Estate Licensee  
Milton M. Motooka, Pres. of Hawaii Assn. of Real Estate Schools  
Mrs. Mary Shern, Mary Shern School of Real Estate  
John Stapleton, John Stapleton School of Real Estate  
John Reilly, John Stapleton School of Real Estate  
James P. Conahan, Applicant for corporate license

Called to Order: There being a quorum, Chairman Sodetani called the meeting to order at 9:00 a.m.

Chairman Sodetani welcomed the return of John Texeira, who had missed the last two meetings due to illness.

Minutes: Mary Savio moved and Ah Kau Young seconded to approve the minutes of the August 28, 1975 meeting as circulated. Motion unanimously carried.

Executive Secretary reported that the agenda for the September 25, 1975 meeting had been filed with the Lt. Governor's office on September 18, 1975.

Committee Reports:

Real Estate Education Advisory Council

Continuing Education

Executive Secretary reported that he drafted the agreement form and submitted it to the Administrative Services Office, but he will have to contact Wesley Park regarding more details.

Hiring of Educational Consultant

Executive Secretary reported that he drafted the request to the Director for approval and is presently going through the Administrative office. When the request is signed, it will be sent to Deputy Attorney General Clyde Sumida for approval. Chairman Sodetani appointed all Oahu members to form the Ad Hoc Screening and Selection Committee to do the screening of applicants for the consultant's position. Herbert Isonaga was appointed Chairman of this Ad Hoc Committee.

Establishment of Real Estate Chair

Executive Secretary circulated copies of a letter from Dean Heenan.

Herbert Isonaga suggested to Dean Heenan that he draft a contract for the Commission. He also requested that Chairman Sodetani give the Oahu Commissioners the authority to draft the proposed contract. It was so ordered by the Chair, and Herbert Isonaga was appointed to Chair this project.

Purchase of Educational Film "On the Move"

Executive Secretary reported that he received the film "On the Move" with the accompanying materials and it is available for loan.

Mary Savio suggested that the Commission use it through the continuing education program. She will contact Mary Shern and some other members of the Association regarding the film.

Condominium Review Committee

Study on "Time Sharing" Legislation (H.R. 734)

Committee Chairman John Urner reported that his committee has had several meetings so far. They have reached the conclusion that it does involve real estate, and they will be drafting proposed legislation.

Chairman Sodetani inquired whether the Commission should separate the bills pertaining to real estate and vacation licensing. The Commission is in favor of having this vacation licenses or time sharing or the concept of time sharing be under the Real Estate Commission and as far as the drafting of the bills, it will be left up to the Committee.

Committee Chairman John Urner suggested that the Commission make disclosure rules and maybe make-up new rules and regulations.

The legislative proposal should be drafted up by the next meeting.

Herbert Isonaga moved and Mary Savio seconded that the Commission goes on record that it is in favor of regulating both the time sharing projects, which involves property ownership, as well as those projects which purely involves licenses to use the units during time periods. Motion unanimously carried.

Study on Condominium Problems (S.R. 399 and H.R. 694)

Committee Chairman Mary Savio circulated copies of the suggested changes for the acts relating to Horizontal Property Regimes.

The Chair declared a five minute recess so the Commissioners could read the proposed changes.

Executive Secretary suggested that the Commission forego the HAREB convention on the October 16 date, in order to review the proposed changes. (An additional meeting will be scheduled for October 16.)

Letter of Judith D. Sidel

Executive Secretary read a letter from Judith D. Sidel addressed to the Commission giving her views on protecting the owner-occupant.

Executive Secretary was directed to forward a copy of Sidel's letter to Mary Savio and reply to Sidel's letter.

Legislation Committee

Committee Chairman Ah Kau Young submitted and circulated to the Commissioners the carry-over bills that may resurface at the 1976 session.

Mary Savio reported that she received a letter from Mr. Watson requesting that the Commission define "to act for". The letter was referred to Ah Kau Young.

Ah Kau Young reported on the meeting with John Stapleton and the School Association regarding the rule changes recommended by the School Associations.

Real Estate Recovery Fund

Kawamura and Harrington vs. Arthur Hayada

Executive Secretary reported that he received a letter from Sidney Lyabe regarding this case.

Herbert Isonaga moved that the Commission approve the payment of the sum that the court directs up to \$20,000. Ah Kau Young seconded. Motion unanimously carried.

Recommendation for Amending Statute

Executive Secretary informed that Sidney Ayabe recommended that the law be amended to provide that the Real Estate Recovery Fund shall pay for the actual loss of plaintiff, but should not allow payment for attorney fees, court cost and the likes.

John Urner moved and Herbert Isonaga seconded that this matter be referred to the Legislation Committee. Motion unanimously carried.

Attorney General's Report

Deputy Attorney General Clyde Sumida had no report to make at this time.

Business Out  
of Minutes:

Questionable Applications

Douglas Chew Kum Tom, Applicant for Real Estate Salesman License

Executive Secretary reported that the hearing was concluded and that Hearing Officer John Texeira will have the report ready by the next meeting.

Calvin W. Ontai, Applicant for Real Estate Broker License

Executive Secretary reported that the Deputy Director will write to Calvin W. Ontai and then write a report of what was covered at the hearing.

Ronald Lee, Applicant for Real Estate Salesman License

Ronald Lee appeared before the Commission to submit evidence which resulted in his late filing.

Mary Savio moved and Ah Kau Young seconded to grant Ronald Lee his salesman's license. Motion unanimously carried.

Proposed Agricultural Condominium

Executive Secretary reported that he wrote to Mr. Bendet informing him that the Commission does not approve of the idea but there is no legal way the Commission can stop it.

Executive Secretary further reported that he received a letter from Bendet acknowledging the Commission's decision.

Luncheon Recess:

Chairman Sodetani called a luncheon recess at 11:35 a.m.

Reconvened:

Chairman Sodetani reconvened the meeting at 1:00 p.m.

Investigations:

RE-547 Durrel L. Robison

Executive Secretary reported that he is preparing the Commission's decision and order on this case and it will be ready for the Chairman's signature shortly.

RE-528 Durrel L. Robison

Executive Secretary reported that a continuation of hearing on this case was scheduled for September 25, 1975, at 1:30 p.m., but the continuation was postponed at the request of respondent's counsel. This matter will be rescheduled.

Executive Secretary reported that the Complaint Review Committee (Herbert Isonaga, Mary Savio, Ah Kau Young, Clyde Sumida and Yukio Higuchi) met on September 23, 1975 in the Conference Room, and reviewed the following investigation reports.

RE-542 Sheldon Soosman

Executive Secretary reported that the Complaint Review Committee recommended that a hearing be held for violation of Section 467.14(9), H.R.S., which makes reference to fraudulent and dishonest dealings.

Herbert Isonaga moved and Ah Kau Young seconded to accept the Committee's recommendation. Motion unanimously carried.

Herbert Isonaga requested that the Commission ask the Deputy Director to be the hearing officer for this hearing. Tadayoshi Ishizu seconded. Motion unanimously carried.

Herbert Isonaga will be the Commission's hearing officer.

RE-587 Granesco

Executive Secretary reported that the Complaint Review Committee recommended that a hearing be held against Frances MacDonald for violation of Section 467.14(14), H.R.S.

John Teixeira moved and Ah Kau Young seconded to accept the recommendation. Motion unanimously carried.

Mary Savio will be the Commission's hearing officer.

RE-603 Romeo Esperanza

Executive Secretary reported that the Complaint Review Committee recommended to defer the action until we can find a better case against Esperanza

RE-609 Hanalei Bay Villas Associates

Executive Secretary reported that the Complaint Review Committee recommended him to write to the complainant notifying him that the Developer acted properly in accordance with the H.P.R. act and that no violation was found.

Herbert Isonaga moved and John Urner seconded to accept the recommendation. Motion unanimously carried.

RE-624 Douglas Correa, Et al.

Executive Secretary reported that the Complaint Review Committee recommended holding this case in abeyance until Douglas Correa returns to this State, or tries to reactivate his license, or his license is terminated due to recovery against the Recovery Fund.

Herbert Isonaga moved and Ah Kau Young seconded to accept the recommendation. Motion unanimously carried.

RE-628 Better Homes, Inc.

Executive Secretary reported that the Complaint Review Committee recommended deferring action until we receive an official complaint.

Herbert Isonaga moved and Ah Kau Young seconded to accept the recommendation. Motion unanimously carried.

RE-630 John W. Cooper

Executive Secretary reported that the Complaint Review Committee recommended that he check the records to see who the principal broker was in April or May 1973.

Herbert Isonaga moved and John Texeira seconded that we advise the complainant that First Hawaiian Enterprises is no longer licensed and that the Commission has no way to proceed and take any action against the company. Motion unanimously carried.

RE-631 Helene Hale

Executive Secretary reported that the Complaint Review Committee recommended that he write to the complainant that the DROA describes the property, gives the exact area involved and recites the fact that it involves two lots, therefore, the Commission finds no violation.

Herbert Isonaga moved and Ah Kau Young seconded to accept the Committee's recommendation. Motion unanimously carried.

RE-634 Joseph Francone and Nanawale Estates

Executive Secretary reported that the Complaint Review Committee recommended that a copy of O'Connor's letter and a copy of the contract be sent to Nanawale Estates to ask them for a response to the statements made by the O'Connors' on discrepancy on dates.

Herbert Isonaga moved that the Committee recommends deferring action on this case until receipt of Nanawale Estates response. Mary Savio seconded. Motion unanimously carried.

RE-650 Tom Schmidt Realtors

Executive Secretary reported that the Complaint Review Committee recommended the dismissal of the complaint since the matter has been clarified and no violation was found.

Herbert Isonaga moved and Tadayoshi Ishizu seconded to dismiss the complaint. Motion unanimously carried.

RE-654 Kanaloa Property Management

Executive Secretary reported that the Complaint Review Committee recommends the dismissal of this complaint on the grounds that the Commission was satisfied that the principal broker did provide supervision over the sales staff and operation.

Herbert Isonaga moved and Tadayoshi Ishizu seconded for the acceptance of the recommendation of the Committee. Motion unanimously carried.

New Business:

Licensing

CORPORATION:

- Apana Realty Inc. - 1673 Kalakaua Ave., Honolulu  
Raymond A. Apana-PB
- James P. Conahan Realty Ltd. - 700 Bishop St., #1502, Honolulu  
James P. Conahan-PB
- Kahau Enterprises Inc. - 1993 S. Kihei Rd., Kihei, Maui  
Joseph Kahauolopua II-PB
- Mardi Kersting Associates Inc. - 4747 Kilauea Ave., #210,  
Martha T. Kersting-PB Honolulu
- G. A. Morris Inc. - 841 Bishop St., #2001, Honolulu  
George A. Morris-PB
- Right Way Realty Inc. - 3620-4 Waiialae Ave., Honolulu  
Simon Bebb-PB
- Young & Fo Realty Inc. - 1587 Kaniolani Blvd., #204, Honolulu  
Veron Fo PB NOTE: ALBERT S. N. YOUNG IS A SALESMAN

James P. Conahan appeared before the Commission to answer questions regarding his application.

Executive Secretary recommended the denial of the application for Young & Fo Realty Inc., on the basis that Young is only a salesman. He was given the authority by the Commission to act on Young & Fo's application provided they change their name.

Herbert Isonaga moved and Ah Kau Young seconded to approve all the corporation applications with the exception of Young & Fo Realty Inc. Motion unanimously carried.

BRANCH OFFICE:

Bright Realty Inc., Br-1 - 130 Merchant St., 10th Flr.,  
Paul Maxin-BIC Honolulu  
Great Hawaiian Realty Inc., Br-7 - 227 Lewers St., Honolulu  
Raymond Y. B. Yuen-BIC

Ah Kau Young moved and Tadayoshi Ishizu seconded to approve all branch office applications. Motion unanimously carried.

TRADENAME:

Dick Fahrenwald Commercial Realty - 745 Fort St., #412,  
Richard E. Fahrenwald, dba Honolulu  
Kenneth Y. Funakoshi Realty - 2600 S. King St., #202,  
Kenneth Y. Funakoshi, dba Honolulu  
Pelagos Realty Research - 1000 Bishop St., #908, Honolulu  
Harvey E. Hampton, dba NOTE: Presently on file - Inter-  
Island Properties, Inc.,  
and Inter-Island Real  
Estate Inc.  
Ralph H. Maeda Realty - 1037 Fort St., #404, Honolulu  
Ralph H. Maeda, dba  
Mar & Associates - 119 Merchant St., #303, Honolulu  
Richard E. Mar, dba  
Realty Plus - 745 Fort St., #2210, Honolulu  
Jonathon C. Hudson, dba

Herbert Isonaga moved and Ah Kau Young seconded to approve all tradename applications. Motion unanimously carried.

CHANGE OF CORPORATION NAME:

Blanco Realty Co., Inc. - 925 Bethel St., #304, Honolulu  
BLANCO REALTY COMPANY CORP. Fred C. Blanc ; PB

Mary Savio moved and Ah Kau Young seconded to approve the application for change of corporate name. Motion unanimously carried.



Miscellaneous:

Gladys F. Fredholm Letter re: Gateway Properties, Inc.

Executive Secretary read the letter from Gladys Fredholm which states that Gateway Properties, Inc., is too close to her dba name, Gateway Realty, and she strongly protests the Commission's action.

Executive Secretary advised the Commission that it was his opinion that the resemblance should not present real problems, but he would be willing to explain the Commission's action to Gladys Fredholm.

John Texeira moved and John Urner seconded that there is nothing wrong with the name. Motion carried. (In opposition were: Mary Savio and Herbert Isonaga.)

Michael W. Delaney's Letter re: Testing Service

Michael Delaney presented his proposals to the Commission for a testing service here in our State.

After considerable discussion, it was decided that this matter will be turned over to the real estate consultant to review.

Examination Policy on Smoking

Executive Secretary informed that Lydia Pai had requested what the Commission's policy on smoking is.

The Commission was in agreement to keep the "No Smoking" policy.

August 9, 1975 Real Estate Examination Results

Executive Secretary informed that the examination results will be sent to the schools shortly.

Executive Secretary requested the acceptance of the list of successful examination candidates. Tadayoshi Ishizu moved and John Urner seconded. Motion unanimously carried.

H.P.R. Bonding Requirements for Lewers & Cooke, Inc.

Executive Secretary inquired as to what a satisfactory performance bond was and Herbert Isonaga wanted to know how the H.P.R. can be strengthened to protect the consumer.

John Texeira moved that the Commission ask the Attorney General's office to look into this matter. Mary Savio seconded. Motion unanimously carried.

Correspondence: Joe Dougherty's Letter re: August 9, 1975 Salesman Examination

Executive Secretary read some of the details submitted by Joe Dougherty on how to improve the examination and to have a control group.

Mary Savio moved and Herbert Isonaga seconded to acknowledge receiving his letter and that the Commission appreciates his interest. Motion unanimously carried.

Herbert Isonaga motioned that the Commission commends Michael Machado and Alvin Yamamoto on their report and attendance to NARELLO's seminar on investigations.

Chairman Sodetani motioned that a copy of the report be sent to George Oakes and thank NARELLO for conducting a seminar for investigators. John Texeira seconded. Motion unanimously carried.

Date of Next Meeting: Wednesday, October 15, 1975, at 9 a.m. (To be held in the Conference Room, Third Floor.)

Adjournment: There being no further business, Chairman Sodetani adjourned the meeting at 3:25 p.m.

Taken and recorded by:

Karen Hirota  
Karen Hirota, Clerk-Stenographer

Approved by:

Yukio Higuchi  
YUKIO HIGUCHI, Executive Secretary