

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

MINUTES OF MEETING

Date: Thursday, February 24, 1972

Place: Room 403, Kamamalu Building
1010 Richards Street, Honolulu, Hawaii

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

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

Dr. Edward Laitila, College of Business Administration, U. H.
Wesley Park, Director of Small Business Management, College of
Business Administration, U. H.
George Morris, Jr., Executive Vice President, Honolulu Board of
Realtors and Hawaii Association of Real Estate Boards
Mrs. Iris Riber, Real Estate Association of Hawaii
Aaron Chaney, Principal Broker - Aaron Chaney, Inc.
Larry Bortles, Principal Broker - Hawaiiana Realty & Management, Inc.
Tom Mellen, Hawaiiana Realty & Management, Inc.

Absent: None

Call to Order: There being a quorum, Chairman Sodetani called the meeting to order at
1:30 p.m.

Minutes: Upon motion, the minutes of the January 27, 1972 meeting were approved
as circulated.

Committee Educational Task Force Committee
Reports:

Chairman William Young reported that his Committee met last week to
review and discuss the proposed curriculum for brokers and salesmen.
As a result of the Committee meeting, the Commission met on February 24,
1972 at 9:00 a.m., to meet with representatives of private real estate
schools to discuss their views on the proposed curriculums. Chairman
Young announced that his Committee will meet again on March 2, 1972 at
1:30 p.m., in the Board Room.

Wesley Park reported that the Instructors Institute has been scheduled
for April 4 - 8, 1972 at the Ilikai Hotel.

(At this point of the meeting Chairman Sodetani excused himself due to
an emergency and turned the Chair over to Vice Chairman Isonaga.)

The Commission members were in agreement that the Commission must screen the minimum requirements of all persons wanting to attend the Instructors Institute.

The Chair appointed William Young, Wesley Park and George Morris, Jr. to serve as a committee to review and approve applications for the Instructors Institute.

(Chairman Sodetani returned to the meeting and resumed the Chair.)

Chairman Sodetani brought out the problem of cost of accreditation of schools. He suggested that perhaps the Commission should look into the possibility of the Commission selecting and qualifying independent accreditation inspectors to inspect and evaluate the real estate schools for accreditation purposes. The inspector's report could then be submitted to the Commission, and the Commission will be the agency to give the final approval for accreditation. Payment for the inspection could be made directly from the school to the inspector. No formal action was taken on Chairman Sodetani's suggestion.

Chairman Sodetani appointed Louis Cannelora to act as liaison between the Commission and private schools to set up accreditation guidelines for the schools.

Chairman Sodetani reported that there is a good possibility that the Department of Regulatory Agencies may be able to provide funds to acquire the services of Education Testing Services for the real estate examinations. Herbert Isonaga volunteered to pursue this matter further with the Director of Regulatory Agencies.

Resident - Manager Study Committee

Mrs. Mary Savio, Chairman of the Committee, gave an interim progress report of her committee meetings. She also gave a report on the research she had made on the matter. She related that the law, as it exists, requires a real estate license of all resident-managers engaged in rental activities. She mentioned that Louis Cannelora was in general agreement with her views.

Larry Bortles of Hawaiiana Realty and Management, Inc., gave his views, and Aaron Chaney briefly summarized his letter of February 24, 1972 to the Commission.

Chairman Sodetani requested Larry Bortles and Aaron Chaney to get together with people in the management business and to submit industry's proposals for resolving this matter to the Commission for consideration by the next Commission meeting scheduled for March 23, 1972.

Attorney General's Report

Hale Pau Hana Condominium Complaint

Deputy Attorney General Sidney Ayabe recommended that this matter be dismissed and not be forwarded to the County Prosecutor's Office on the

basis of information before him. He reported that the Developer has been working with the Association of Apartment Owners of Hale Pau Hana and it appears that much of the problems have been or are being resolved.

Upon motion, the Commission decided to follow the Attorney General's recommendation to dismiss the complaint and not refer the matter to the County Prosecutor for prosecution.

RE-455, 456A and 459, Dan Ostrow Construction Company and Barbara Odor

Deputy Attorney General Ayabe recommended that this matter not go to formal hearing against Barbara Odor, and instead go to an informal conference. He felt that if the Commission decides to go to a formal hearing on Barbara Odor, then the Commission should also consider a formal hearing on Dan Ostrow.

Upon motion, the Commission decided to send her a letter of reprimand for her actions, and that she be notified that this letter of reprimand will be made a part of her records. However, if she desires to appeal the reprimand, she must notify the Commission within 30 days from receipt of the letter or reprimand.

Business Out
of Minutes:

FBI Fingerprinting Service

The Executive Secretary advised the Commission that he had received word from Paul W. Jones, Director of the Bureau of Crime Statistics and Identification of the State, that the FBI has resumed their fingerprinting services to the Real Estate Commission. The Commission was queried whether they would require salesmen's and brokers' fingerprints to be sent to the FBI.

The Executive Secretary was directed to explore the possibility of having the fingerprints of salesman applications who have resided in Hawaii for more than a period of 5 years immediately prior to the application to the local police department, and sending others with less than 5 years Hawaii residence to the FBI.

The Commission requested that fingerprints of all broker applicants be sent to the local police department for an Abstract of Criminal Record.

The Executive Secretary is to report back to the Commission after discussing this with Paul Jones.

Letter from Hawaii County Planning Department re: Kona Driftwood Condominium, Registration No. 417

The Executive Secretary requested that the Commission reconsider its January 27, 1972 action directing the Executive Secretary to send a letter of apology to the Hawaii Planning Department for alleged errors reported in the Commission's final public report on Kona Driftwood condominium project. The Executive Secretary expressed his opinion that the Commission had not committed any error in the final report and explained why he felt that the Commission had not erred.

Upon motion, the Commission rescinded its January 27, 1972 action to apologize and directed the Executive Secretary to send a reply to the Hawaii County Planning Department.

Investigations: RE-412, Tsugio Tanigawa

The Executive Secretary reported that as of this date, respondent had not paid complainant \$3,500.00 as agreed in the Third Circuit Court on March 9, 1971. Respondent had promised to clear this matter on his next trip to Honolulu in late January 1972, but to date the Commission has received no confirmation that complainant had received the \$3,500. Follow-up will be made by the Executive Secretary on this matter.

RE-445, RSM, Inc.

It was reported that the Commission had received confirmation from complainant that he had been reimbursed \$791.04, the total amount respondent had to pay for back taxes on a property he purchased through respondent.

Upon motion, the Commission considered this matter closed.

RE-447, Parker & Company

It was reported that the complainant had received a statement from respondent requesting the withdrawal of his complaint. Apparently, complainant had been refunded \$441.52 which respondent claimed he had made.

Upon motion, the Commission considered this matter closed.

RE-457, Kealani Condominium

This matter was brought up for reconsideration of the Commission's decision of January 27, 1972 to dismiss the complaint. The Executive Secretary pointed out a possible violation of Section 514-42, Hawaii Revised Statutes, may have been committed, in that the developer had substituted gypsum board walls for tile walls and made other construction changes without notifying the Commission of the changes to enable the issuance of a supplementary public report.

The Commission ruled that the changes are not considered material changes and reaffirmed its January 27, 1972 decision to dismiss the matter as this is a civil or private matter between buyers and the developer.

RE-465, Earl Hanson

The Executive Secretary requested that the Commission authorize further investigation on this matter before notifying complainant of its January 27, 1972 decision to dismiss the complaint for lack of evidence of violation.

Upon motion, the Commission rescinded its January 27, 1972 decision and authorized further investigation be conducted.

RE-458A, State Realty, Inc.

Upon motion, the Commission dismissed this complaint since complainant had requested withdrawal of her complaint prior to an investigation being conducted.

RE-467, Acadia Management Corporation, Ltd.

This complaint is in reference to an alleged unlicensed activity committed by resident-managers of condominiums employed by respondent firm.

Action on this matter was deferred until the Commission completes its study pertaining to resident-managers.

Con-102, Earl J. Hanson, President of Pacific Condominium Corporation

Upon motion, action on this matter was deferred to the next meeting.

The Executive Secretary was instructed to send copies of the report to all members.

New Business:

Licensing

Corporation

John Child & Company, Inc. - 119 Merchant, Suite 607, Honolulu
Ralf D. Graumann, PB
Develco Realty Corp. - 888 Mililani, Suite 888, Honolulu
Curtis K. Ohama, PB
Marcus K. Nishikawa, Inc. - 888 Mililani PH-2, Honolulu
Marcus K. Nishikawa, PB
Trend Realty and Property Management, Inc. - 2065 S. King, Suite 307,
Honolulu - William K. Ho, PB
Ike Shon Realty, Inc. - 610 Queen Street, Honolulu
Isaiah Shon, PB
Realty Development Corporation - 94-226 Leoku Street, Waipahu
Theodore H. Murray, PB
Pacific Capital Corp. - 888 Mililani, Suite 700, Honolulu
John S. Araujo, PB (formerly Sunrise Realty Mortgage Corp.)

DBA's

Ganir & Associates, Realtors - 925 Bethel, Room 309, Honolulu
Rufo H. Ganir, dba
Tony Leeb Realty Co. - Suite 201 Bank of Hawaii Building, Box 583,
Kailua, Kona, Hawaii - Anton A. Leeb, dba
Polynesian Properties - 205 Merchant, Room 12, Honolulu
Edwin H. Shiroma, dba (formerly tradename of Charles N. Kimura)
Aina Kupono Realty - Suite 25 (Annex) Maui Professional Center,
Wailuku, Maui - Rexene C. Au, dba

DBA's

Jean Cooper, Realtor - 25 Kaneohe Bay Drive, Suite 203, Kailua
Elizabeth J. Cooper, dba
Tooru Hara, Realtor - 1633 Kapiolani Boulevard, Honolulu
Tooru Hara, dba
Jim Lawrence - Broker - 1670 Kalakaua #505, Honolulu
James T. Lawrence, dba (formerly used tradename
Jim Lawrence - Realtor)

Upon motion, the Commission approved the licensing processing of the above as tentatively approved by the Licensing Administrator.

Questionable Applications for Real Estate License

Walker & Lee, Inc.

This application was placed before the Commission inasmuch as Walker and Lee, whose names appears in the corporate name, are not licensed as real estate brokers in Hawaii.

Upon motion, the Commission approved this application on the basis of the Commission's policy to allow corporations to use surnames of unlicensed persons, only if the corporate name is an old established and widespread name, such as Lewis & Cooke, Ltd.

Douglas Y. B. Choo

Upon motion, this application was approved.

Rock M. Kirkham

Upon motion, action on this application was deferred until the Commission has a chance to communicate with the California Commission, and if the report from California does not differ with applicant's story regarding his license suspension, either the chairman or vice chairman may approve this application.

Other New
Business:

Registration of Out-of-State Condominium Projects

Query was made by the Executive Secretary as to whether or not a condominium project located out of the State must be registered with the Commission prior to commencement of sales of apartment units in Hawaii. The Executive Secretary reported that the staff believes that the Horizontal Property Regime (Condominium) Act was intended to register only condominium projects situated in the State, and not some other state or foreign country. The Executive Secretary was directed to discuss this matter with Deputy Attorney General Ayabe.

Correspondence: Letter from Tropic Shores, Ltd. re: Broker-Employer Form

The Executive Secretary was directed to advise Albert Vincent of Tropic Shores, Ltd. that his recommendation to do away with the notary requirement of the Broker-Employer form is under consideration by the Commission. Action on this matter was deferred.

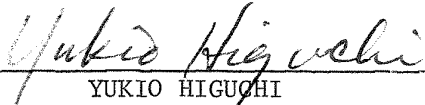
Announcements: None

Next Meeting

Date: March 23, 1972 at 1:30 p.m.

Adjournment: There being no further business, the meeting was adjourned at 5:05 p.m.

Recorded by:


YUKIO HIGUCHI
Executive Secretary

YH:pg

3/9/72