

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

MINUTES OF MEETING

Date: Thursday, March 23, 1972

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

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

Sidney K. Ayabe, Deputy Attorney General  
Yukio Higuchi, Executive Secretary  
Miss Peggy Goo, Clerk-Reporter

Dr. Edward Laitila, College of Business Administration, U.H.  
George Morris, Jr., Executive Vice President, Honolulu Board of  
Realtors and Hawaii Association of Real Estate Boards  
John F. Stapleton, John F. Stapleton School of Real Estate  
David M. Tara, Tara School of Real Estate  
Arden Moore, Vitousek Real Estate School  
David Bartholomew, Hawaii Academy of Real Estate  
Larry L. Bortles, Hawaiiana Realty & Management

Absent: Louis Cannelora, Member

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

Minutes: Herbert Isonaga moved, and Mrs. Mary Savio seconded to approve the  
minutes of the February 24, 1972 meeting as circulated. Motion was  
unanimously carried.

Committee Educational Task Force Committee

Reports:

Committee Chairman William Young called on Dr. Laitila to give a progress  
report on the real estate education program.

Dr. Laitila reported that he met with the Education Task Force Committee  
on March 16, 1972 to review and discuss his March 16, 1972 draft of his  
proposed outline on implementation of real estate education program.  
Dr. Laitila gave a brief explanation of his proposed outline.

A question and answer period followed Dr. Laitila's presentation with  
the Commission and members of the Hawaii Association of Real Estate  
Schools participating. David Tara circulated a copy of the Hawaii

Association of Real Estate Schools' recommendations and comments on Dr. Laitila's proposed outline of March 16, 1972, and some of the recommendations were discussed. The Association members expressed pleasure with the progress being made by the Real Estate Commission and Dr. Laitila, and voiced their support to the Commission.

Herbert Isonaga announced to the group that due to lack of funds, the Department of Regulatory Agencies would not be able to comply with the Commission's request to use the services of Educational Testing Service for the November 1972 examination. After some discussion on this matter, Chairman Sodetani requested Sidney Ayabe to study the suggestions offered in Mrs. Lydia Pai's memorandum of March 23, 1972 and to give the Commission a verbal advisory opinion as to the legality of the suggestions made by Mrs. Pai.

#### Resident-Manager Study Committee

Committee Chairman Mrs. Mary Savio reported that she met Aaron Chaney, and upon learning that he was not prepared to submit to the Commission the Industry's recommendations for establishing guidelines for the resident-managers problems, she reminded Aaron Chaney that the Commission is waiting for their recommendations.

Larry Bortles informed the Commission that the industry people have a pretty good idea as to what they want, but the only remaining task is to formalize their recommendations.

Chairman Sodetani expressed the Commission's concern over this matter, and advised Larry Bortles that if the Industry's recommendations are not presented by the April 27, 1972 Commission's meeting, the Commissioners will establish the guidelines themselves.

#### Attorney General's Report

Sidney Ayabe reported that two more complaints have been filed against Floyd Kaneshiro, real estate broker, which may result in payment from the Real Estate Recovery Fund. He advised the Commission that the State has filed an answer to the complaints on behalf of Floyd Kaneshiro because the Attorney General felt that Floyd Kaneshiro would not answer the complaints. The State is ready to proceed to go to the State Supreme Court on the basis of the complaints being filed past the Statute of Limitation period of two years.

Sidney Ayabe reported that the State has not filed a Motion to Intervene in the complaint against Fardin on the basis that the complainant's attorney had advised him that they will negotiate a settlement with Farden.

#### Business Out of Minutes:

#### Rules and Regulations Amendments

Mrs. Lydia Pai appeared to explain her request for a sixty (60) days filing deadline for applications for re-examination.

Herbert Isonaga moved, and William Young seconded to change "thirty (30) days" in Rule 2.3 to "sixty (60) days" as originally proposed. Motion was unanimously carried.

Herbert Isonaga moved, and Hiromu Yamanaka seconded to accept the Attorney General's recommended changes transmitted to the Commission under date of March 10, 1972. Motion was unanimously carried.

FBI Fingerprinting Service

The Executive Secretary reported that Paul Jones, Director of Bureau of Crime Statistics and Identification, would be happy to send fingerprints of salesman applicants to either our local police, or to the FBI and local police, if the Commission will indicate on the card by the designation "LOCAL" or "FBI".

Mrs. Mary Savio moved, and John Texeira seconded that the Staff immediately comply with the requirement of the Director of Bureau of Crime Statistics and Identifications. Motion was unanimously carried.

Registration of Out-of-State Condominiums

The Executive Secretary reported that he has discussed this matter with Mr. Sidney Ayabe, and Mr. Ayabe felt that, although it appears that our Horizontal Property Regimes Act was not intended to require registration of Out-of-State condominium project prior to the project being offered for sale in Hawaii, the Commission should exercise some kind of protection for our consumer. Mr. Ayabe suggested that the Commission request the Developer to submit copies of all public reports issued by the Authority of the state in which the project is situated, and provide the name of the Hawaii broker who will act as Developer's sales agent.

Herbert Isonaga moved, and William Young seconded that the Executive Secretary ask the Developer to have the Authority of the state in which the project is situated to mail direct to our Commission a copy of all public reports issued on the project by that Authority. The Developer shall also be requested to provide the name of the Hawaii broker who will act as Developer's sales agent. A Commission's letter shall be sent to the Hawaii sales agent warning him that the Commission charges him with the responsibility to check the project and ascertain all facts, and should there be any problems the Commission will act against his license. Motion carried unanimously.

Letter of Tropic Shores, Ltd. re: Broker-Employee Form

Action on Albert Vincent's request to delete the notary requirement of the Commission's Broker-Employee Form was deferred at the February 24, 1972 meeting.

Chairman Sodetani appointed Hiromu Yamanaka to study the request and to report his findings at the next meeting.

Investigations: RE-398 Mrs. Edmund (Wattie Mae) Hedemann

The Executive Secretary announced that the formal hearing scheduled for March 15, 1972 on this case was postponed at the request of the respondent's attorney. This hearing will be rescheduled for sometime in May 1972 and all parties will be notified at the time the date is being selected.

RE-467 Acadia Management Corporation, Ltd.

Action on this complaint was deferred at the February 24, 1972 meeting pending the completion of the Commission's study pertaining to resident-managers.

Since the study on resident-managers has not been completed, action was again deferred to the next meeting.

Con-102 Earl Hanson

The Complaint Review Committee recommended that the complainant be advised as follows:

- (1) The Commission's investigation showed no proof that respondent had represented that no building would be built across the Lake Shore Tower condominium and that it would overlook a 27-hole golf course; and
- (2) The Commission found that respondent made every effort to get the lowest interest rate available at the time respondent secured a commitment for permanent mortgage loan.

Herbert Isonaga moved, and John Texeira seconded to adopt the Committee report. Motion was unanimously carried.

RE-466 Jacques Van Belle

The Complaint Review Committee recommended that further investigation be requested to determine the status of the "clients' account" mentioned in the last paragraph of the investigation report. The investigator is to determine whether the last month's rent, security deposit and cleaning fee were deposited in Menefee's account, Van Belle's account, or the complainant's account. The Committee felt that if the moneys were deposited in Menefee's client's trust account, the Commission would have a very weak case to proceed against, but if Van Belle's client's account, an informal conference with the Committee would be advisable. As to the fees claimed by Van Belle, the Committee felt that he had earned the commission covering the one-year period.

Herbert Isonaga moved, and Hiromu Yamanaka seconded to request further investigation into the status of the "clients' account". Motion was carried.

RE-470 Norman K. F. Mau

The Complaint Review Committee recommended that a strong letter of reprimand be sent to Norman Mau and Jerry Wong for failing to investigate the status of the property with the City and County of Honolulu Planning Department in regards to the General Plan and Comprehensive Zoning Code. It was further recommended that the complainant be informed that the Commission's investigation did not reveal that in-fact he cannot get a building permit. Therefore, it was felt that he has no complaint regarding the loss of over \$1,000.00.

Herbert Isonaga moved, and John Texeira seconded to adopt the Committee report. Motion was unanimously carried.

RE-472 Velma R. Davies dba Tiki Homes

The Complaint Review Committee recommended that the complainant be advised as follows:

- (1) The Commission felt that the respondent had withheld the moneys in accordance with the provisions of the contract.
- (2) The complaint of misrepresentations are matters of judgment, which were considered to be within tolerable limits by the Commission.
- (3) Unless complainant can present the Commission with positive proof that at the time she purchased the property respondent had not advised her that respondent was in the process of purchasing the property, the Commission will take no further action on the complaint.

Herbert Isonaga moved, and John Texeira seconded to adopt the Committee report. Motion was unanimously carried.

RE-474 Manoa Realty and Ralph Yagi

This complaint was brought to the Commission for consideration and action.

Herbert Isonaga moved, and Hiromu Yamanaka seconded that action on this complaint be deferred and the matter be referred back to the Complaint Review Committee for consideration. Motion was unanimously carried.

Questionable Applications:

Pan American Financial Corporation - Keeau, Hawaii, Branch Office

At the January 27, 1972 meeting, the Commission had directed that the corporation be requested to submit proof of Hawaii County Planning Commission's approval for business zoning where their office will be situated, before the Commission will grant its approval for a branch office license.

The Executive Secretary reported that no request had been sent to the corporation because it had been learned that said office is really a project site office to handle sales of only that project. It was further reported that the Licensing Administrator had approved the application for a branch office on the basis of past practice of granting branch office license for a non-business location in cases where the branch office is a project site office limited to sales pertaining to that project only.

Herbert Isonaga moved, and Mrs. Mary Savio seconded that the Executive Secretary write to the Pan American Financial Corporation and request that they submit a letter from the Hawaii County Planning Department

approving the location of the branch office at 15-183 Kahakai Boulevard, Keeau, Hawaii. Motion was unanimously carried.

Daniel E. Wilson's Application for Real Estate Salesman License

Daniel E. Wilson, whose application for a salesman license had been denied by the Commission at the January 27, 1972 meeting, has filed his request for an appeal hearing through his attorney, Richard L. Post of Padgett, Greeley, Marumoto and Steiner.

The Executive Secretary was directed to check with Sidney Ayabe to determine whether the hearing could be legally conducted by the four Oahu Commission members. Subject to the approval of the Attorney General, the hearing is to be scheduled for April 6, 1972 at 9:30 a.m.

Rock Murdock Kirkham's Application for Real Estate Salesman License

Action on Rock Murdock Kirkham's application for salesman license was deferred at the February 24, 1972 meeting pending receipt of a report from the California Real Estate Commission. The Executive Secretary reported that a report was received from the California Commission, which reflects that Kirkham had revealed the basic facts regarding the suspension of his California real estate salesman license.

Herbert Isonaga moved, and Mrs. Mary Savio seconded to approve Kirkham's application for real estate salesman license. Motion was unanimously carried.

New Business:

Licensing

Corporations

- Pacific Paradise Investment, Ltd. - 1427 Dillingham Blvd., Suite 214  
Armida B. Smith, PB
- Leisure Living, Inc. - 1853 North King Street, Honolulu  
Barney B. Menor, PB
- Kilohana Properties, Inc. - Suite 205 Hamilton Bldg., Kailua-Kona  
David S. Walker, PB
- Walker & Lee, Inc. - 239 Merchant Street, Honolulu  
Frederick B. Carter, PB
- Rod Miller, Ltd. - Suite 1001, 745 Fort Street, Honolulu  
Charles R. Miller, PB
- Anson Rego's Inc. dba Anson Rego Realtor - 85-825 Farrington Hwy.,  
Anson O. Rego, PB Waianae, Hawaii
- Real Estate One, Corporation - 307 Hahani St., Kailua  
David C. Bartholomew, PB

Partnerships

- Island Realty - 1410 Kapiolani Blvd., Room 12, Honolulu  
Carl J. Sorensen, Jr., PB
- Duvauchelle Realty - 45-1045 Kam Highway, Kaneohe  
Edwina D. Kuha, PB

Branch Office

- General Realty Corporation BR-9 - 745 Fort Street, Lobby Suite., Hon.  
Lawrence C. Buskett, BIC

Branch Office

Duvauchelle Realty BR-1 - Kam Hwy., Box 98, Kaunakakai, Molokai  
Sophie M. Duvauchelle, BIC  
Enos Realty BR-1 - Hukilau Hotel, Alii Dr., Kailua-Kona  
Harry H. Hasegawa, BIC

DBA

Kenneth Fujiyama Realty - 100 Pauahi Street, Room 109, Hilo  
Kenneth Fujiyama dba  
Action Now Realty - 305 Royal Hawaiian Avenue, Suite 310, Honolulu  
Betsy J. Christian dba  
David Bartholomew, Realtor - 111 N. King, Suite 411, Honolulu  
David C. Bartholomew dba  
Hawaii-Kai Homes, Realtors - 7120 Kalaniana'ole Highway, Honolulu  
Kaiser Hawaii-Kai Development Co. dba  
Kuleana Realty - 1126 12th Avenue, Suite 205, Honolulu  
Herbert Y. Yoshimura dba  
R. F. Solomon, Realtor - BOH Bldg., Room 202, Box 307, Kailua-Kona  
Randolph F. Solomon dba  
Ahupuaa Land Company - Waiakao Theater Building, Kula, Hawaii  
Stuart W. Dalton

Mrs. Mary Savio moved, and Herbert Isonaga seconded to approve the licensing processing of the above as tentatively approved by the Licensing Administrator with the exception of the DBA applications of David Bartholomew Realtor, Hawaii-Kai Homes Realtors, and Ahupuaa Land Company. Prior to granting the Commission's approval on these three DBAs, the Executive Secretary is to see that David C. Bartholomew is not serving as principal broker for more than one business, that a Hawaii-Kai Homes has a proper principal broker, and that the Ahupuaa Land Company is situated in a location acceptable to the Maui County Planning Department. Motion was unanimously carried.

1972  
Legislation:

S.B. No. 1746-72, Relating to Real Estate Brokers and Salesmen

Announcement was made that a legislative committee hearing will be held on this Bill on Monday, April 3, 1972 at 1:30 p.m. in Senate Conference Room 2.

Chairman Sodeani appointed Mrs. Mary Savio to testify on this Bill. Staff was requested to prepare the statement reflecting that the Commission is in favor of the Bill.

S.B. No. 1871-72, Relating to Chapter 467, Hawaii Revised Statutes

The Executive Secretary was advised that no action was necessary on this Bill until further notified.

S.B. No. 1872-72, Relating to Chapter 467-A, Hawaii Revised Statutes

The Executive Secretary was advised that no action was necessary on this Bill until further notified.

H.B. No. 2355-72, Relating to Real Estate Brokers and Salesmen

Chairman Sodetani reported that he had testified for the Commission to the effect that the Commission opposed the Bill.

H.B. No. 2465-72, Relating to Horizontal Property Regimes

The Executive Secretary reported that he had submitted a statement for the Commission favoring this Bill after conferring with the Chairman and Vice Chairman of the Commission.

Correspondence: 1972 NARELLO Western District Meeting - June 15-17, 1972

Chairman Sodetani suggested that the Commission be represented at the 1972 NARELLO Western District Meeting to be held in Sun Valley, Idaho, on June 15-17, 1972 by two delegates.

By unanimous agreement, the Executive Secretary and Hiromu Yamanaka were selected as the two delegates, subject to the funds being made available from the Real Estate Education Fund. Mrs. Mary Savio was selected as the first alternate.

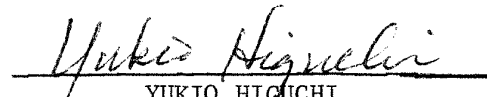
Announcements: None

Next Meeting

Date: Thursday, April 27, 1972 at 10:00 a.m.

Adjournment: There being no further business, Chairman Sodetani adjourned the meeting at 4:40 p.m.

Recorded by:

  
YUKIO HIGUCHI  
Executive Secretary

YH:pg

3/29/72