

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

MINUTES OF MEETING

Date: Thursday, June 29, 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
Louis Cannelora, Member
John D. Texeira, Member
Hiromu Yamanaka, Member
William H. C. Young, Outgoing Member

Ben Matsubara, Deputy Attorney General
Yukio Higuchi, Executive Secretary

George Morris, Jr., Executive Vice President, Honolulu Board of
Realtors and Hawaii Association of Real Estate Boards
Wesley Park, Director of Small Business Management, College of
Business Administration, U. H.
David M. Tara, President, Hawaii Association of Real Estate Schools
O. K. Stender, President, Hawaii Chapter, Institute of Real Estate
Management
Bob Luke, KHVH-TV

Call to Order: There being a quorum, Chairman Sodetani called the meeting to order
at 10:00 a.m.

Minutes: Upon motion, the minutes of the May 25, 1972 meeting were approved
with the following correction. Amend Paragraph 3 on Page 4 to read
as follows:

"Mrs. Savio moved and Isonaga seconded to accept the
report which the Commission received at the April 27,
1972 meeting as the final report on the characteristics
study of real estate licenses (Project #1)."

Appointments: Announcement was made of the following reappointments to the
Commission:

Douglas R. Sodetani for a term to expire December 31, 1975

Herbert S. Isonaga for a term to expire December 31, 1975

Announcement was made that Ah Kau Young has been appointed on an
interim basis for a term to expire December 31, 1975. Ah Kau
Young will be replacing William H. C. Young upon swearing in
ceremony to be conducted in the near future.

The Chairman thanked William H. C. Young for his faithful and dedicated service to the Commission. William Young was appointed by the Chairman to continue to serve on the Education Task Force Committee as an industry representative. The Chairman appointed Mrs. Savio to replace William H. C. Young as the Chairman of the Committee and appointed William Young as the temporary Vice Chairman of the Committee.

Director's Meeting with Commission:

Mr. Edwin H. Honda, Director of Regulatory Agencies, appeared to give an explanation as to what transpired relative to clearing applicants (about 33) who lacked two (2) years real estate experience to sit for the June 29, 1972 real estate broker exam.

Committee Reports:

Education Task Force Committee

Project #1 - Characteristics Study of Real Estate Licenses

Upon motion, the Commission accepted the final accounting for Project #1, dated May 25, 1972, and directed the staff to complete and close the project.

Project #3 - Neighbor Island Real Estate Courses

Upon motion, the Commission accepted the final report and accounting for Project #3, dated May 25, 1972, and directed the staff to make final payment of \$2,000 and close the project.

Wesley Park, Director of Small Business Management Program, University of Hawaii, requested that the Commission consider continuation of Project #3.

Isonaga moved and Mrs. Savio seconded to allocate \$2,000 from the Real Estate Education Fund to continue with the education function of Project #3. Motion unanimously carried.

Project #4 - Real Estate Education Program

A draft report on "Implementation of a Real Estate Education Program in Hawaii" submitted by Doctor Laitila on June 29, 1972, was presented to the Commission for their review and acceptance. Action on the draft report was deferred until after lunch at which time the Education Task Force Committee will review the draft report.

Copies of a proposed Public Notice to be printed in the newspaper notifying the public about the accreditation and the certification requirements for schools and instructors was distributed for approval. The Executive Secretary was then directed to revise the notice to include information for prospective applicants relative to the applicants education requirement.

The Commission was presented with a copy of a letter that the Department of Education plans to mail to their licensed real estate schools. After reviewing the proposed letter, the Commission found no objection.

Resident-Manager Study Committee

Mrs. Savio reported that she has nothing to report due to the fact that the Commission's Resident-Manager Study Committee of which she was the co-chairman with Louis Cannelora was, in essence, disbanded and superseded by a new committee when the Commission formed a new study committee headed by Larry Bortles at the April 27, 1972 meeting. Mrs. Savio further reported that to her knowledge Bortles' committee of which she and Cannelora are members have not met.

Copies of Aaron Chaney's letter of June 23, 1972 addressed to the Commission were distributed to the members for review and information, and the Executive Secretary read Larry Bortles' letter of June 22, 1972 to O. K. Stender, President of the Hawaii Chapter of the Institute of Real Estate Management (IREM) in reference to licensing of resident-managers.

O. K. Stender advised the Commission that Bortles has requested that IREM take over and continue with the study, and since IREM is very much interested in the matter they have taken up the study. He reported that IREM has formed a committee of eight (8) members to study the matter, and he indicated that their committee wishes to work closely with the Commission. Stender stated that their committee will consult with Mrs. Savio and Cannelora of the Commission and Aaron Chaney.

Chairman Sodeani advised Stender that the Commission is not receptive to creating a "mini" license for resident-managers.

Recovery Fund

The Executive Secretary gave an explanation as to why "Refunds and Bad Checks" appeared in the "Statement of Real Estate Trust Funds for Fiscal Year 1971 - 1972."

Recovery Fund Chairman William Young reported that the Recovery Fund and Educational Fund appears to be in "good shape" on the basis of anticipated income.

Attorney General's Report

RE-425 Masao Shintani

Deputy Attorney General Ben Matsubara gave a verbal report on the problems and progress being made relative to trying to develop a case for a formal hearing against Masao Shintani on

the complaint filed by Trans-Pacific Properties, Inc. He advised the Commission that we have received word from Vernon Tashima, counsel for the complainant, that complainant does not intend to pursue its complaint against Masao Shintani.

The Commission decided to wait for Matsubara's recommendation before deciding whether or not to proceed with its earlier decision of a formal hearing.

Business Out
of Minutes:

Report on NARELLO Western District Meeting - June 15-17, 1972

Mrs. Savio gave a verbal report of the meeting she attended in Sun Valley, Idaho, on June 15-17, 1972. She reported that she was able to meet with other regulators from the Western States and Province of Canada and has gained a lot of knowledge which will aid her in her special and general assignments of Commission work.

Educational Testing Service

Copies of proposed amendments to the rules and regulations pertaining to examination prepared by the Licensing Administrator were circulated for consideration. Chairman Sodetani appointed Herbert Isonaga to act as Chairman of an ad hoc committee composed of Isonaga, Mrs. Savio, Cannelora and A. K. Young to review the rules and regulations and prepare a complete list of proposed amendments to the rules and regulations for the Commission's consideration.

Ratification of Licenses

Munoz-Beppu Realty, Inc. - Hiroshi Beppu PB

The Executive Secretary reported that we have received a copy of the Planning Director's letter recommending that the Council and Mayor of Maui grant final approval for the location and use of the Munoz-Beppu Realty, Inc. business office. The Executive Secretary was directed to consider the matter closed on the strength of Chairman Sodetani's personal knowledge that the Council and Mayor of Maui had given final approval to Munoz-Beppu Realty, Inc.

Country Properties - Winston T. Watanabe, dba

The Executive Secretary reported that we have not received any reply from Winston T. Watanabe in response to the Commission's request for written confirmation that his office is situated in a properly zoned area. Chairman Sodetani volunteered to follow through on this matter.

Investigations: RE-368 Pat McCool

The Executive Secretary reported that Pat McCool has complied with the Commission's Order of February 10, 1971. The Commission directed the Executive Secretary to close this case.

RE-398 Mrs. Edmund (Wattie Mae) Hedemann

Isonaga moved and Mrs. Savio seconded to accept the hearing officers' report on the formal hearing conducted on Mrs. Edmund (Wattie Mae) Hedemann on May 3, 1972 and continued on May 5, 1972. Motion carried.

RE-425 Masao Shintani

A progress report on this case was given earlier by Matsubara. (See Attorney General's Report)

RE-465 Earl Hanson

The Complaint Review Committee recommended that an informal conference be conducted at the next Complaint Review Committee's meeting.

Upon motion, the recommendation of the Committee was approved.

RE-466 Jacques Van Belle

The Executive Secretary reported that the follow-up investigation requested by the Commission at its May 25, 1972 meeting has not been completed as yet. No action was taken pending receipt of a supplementary investigation report.

RE-467 Arcadia Management Corp.

Action on this case was again deferred pending the resolution of the Resident-Manager problem.

RE-471 Martin Da Mate

The Executive Secretary reported that steps have been taken to gather more information from the complainant before the hearing notice is drafted. Upon receipt of additional information, the Executive Secretary will prepare a notice of hearing for the Attorney General's review.

RE-475 Lear Siegler Properties, Inc.

The Executive Secretary reported that the follow-up investigation requested by the Commission at its May 25, 1972 meeting has not

been completed as yet. No action was taken pending receipt of a supplementary investigation report.

RE-479 Masao Shintani

The Executive Secretary reported that a draft of the hearing notice and the investigation files have been forwarded to the Attorney General's office for review.

RE-480 James Reed

The Complaint Review Committee recommended that letters of reprimand be sent to Reed for failure to exercise care in ascertaining all facts prior to making his sales presentation, and to Lewis for his failure to provide closer supervision over his salesman and sales program.

Upon motion, the Commission accepted the recommendation of the Committee.

RE-482 Lilo Kiewe

The Complaint Review Committee recommended that the complaint be dismissed since the Committee found no violation of its real estate license law and rules and regulations.

Upon motion, the Commission accepted the recommendation of the Committee.

RE-484 RSM, Inc.

The Complaint Review Committee recommended that the complaint be dismissed since the Committee found no violation of its real estate license law and rules and regulations.

Upon motion, the Commission accepted the recommendation of the Committee.

RE-491 Herbert Segawa

The Complaint Review Committee recommended that a letter be sent to Segawa, his broker in charge, and his principal broker, warning them that the broker in charge of the branch office is responsible for the direct management of the real estate brokerage business at the branch office, and he should not allow any officer or employee thereof who does not hold a real estate broker license to perform any of his broker's duties in violation of Section 467-14(11), Hawaii Revised Statutes.

Upon motion, the Commission accepted the recommendation of the Committee.

New Business: Licensing

Corporation

Fidelity Land & Management Corp. - 745 Fort St., Suite 300, Hon.
 Axel Ornelles PB

Pleasant Company, Inc., dba RLT Realty - Ste. 1512, 700 Bishop, Hon.
 Richard P. Schulze, Jr. PB

Mayflower Industries, Ltd., dba Mayflower Realty - 1441 Kapiolani, Hon.
 Mary H. Rogde PB

O. Wilson Construction Co., Inc., dba Oceanfront Developers Realty -
 Oren E. Wilson PB 313 Ano St., Kahului, Maui

John K. Larson, Ltd. - 474-A Ena Road, Honolulu
 John K. Larson PB

Island Shores, Inc. - 1913 S. Kihei Road, Kihei, Maui, Hawaii
 Pauline T. Haas PB

Equitable Investment, Inc. - 1860 Ala Moana, Suite 405, Honolulu
 Anne O'Neil PB

Joseph S. Hunter, Inc. - 1777 Ala Moana, Suite 244, Honolulu
 Joseph S. Hunter PB

Accent Realty, Inc. - 80 Pauahi, Room 208, Hilo, Hawaii
 Naomi B. Sharp PB

Henry Medford, Inc. - 1860 Ala Moana, Suite 403, Honolulu
 Henry W. Medford PB

Branch Office

Hawaiiana Group Realtors, Ltd., BR-2 - 94-239 Waipahu Depot, Rm. 209,
 Jo Ann Stewart BIC Waipahu, HI

Kahului Development Co., Ltd., BR-1 - 450 Kaahumanu Ave., Kahului, Maui
 Garner H. Ivery, Jr. BIC

Rod Miller, Ltd., BR-1 - 345 Hahani Street, Kailua, Hawaii
 Dorothy Mina Mora BIC

Kamaaina Realty, Inc., BR-1 - 747 Amana Street, Apt. 211, Honolulu
 Andrew C. Nicoll BIC

Kona Realty, Inc., BR-1 - Unit #101 Kona Shores Condominium, Kailua-Kona
 David S. Walker BIC (Temporary till 6/30/72)

Kamaaina Realty, Inc., BR-2 - 121-A Banyan Drive, Hilo, Hawaii
 Kenneth Wadahara BIC

DBA

PM-Pacific - 735 Bishop Street, Room 305, Honolulu, Hawaii
 Raymond Ponzio dba

BI Realty - 2180 Main Street, Room 420, Wailuku, Maui, Hawaii
 Norio Terao dba

Investors Realty - 471 Kapahulu, Honolulu, Hawaii
 J. Hoffman Kunewa dba

Partnership

Melone & McGee Realtors - 116 South King St., Room 417, Honolulu
 Drury Melone PB

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

Broker Applicant Experience Requirement

This matter was earlier discussed with the Director of Regulatory Agencies. (See Director's Meeting with Commission)

Aims and Objectives of Real Estate Commission

Copies of the Chairman's memorandum on the subject "Aims and Objectives of Commission - July 1, 1972 to July 1, 1973" were distributed.

By unanimous agreement, discussion on this matter was deferred to the afternoon session.

Condominium Projects Wherein Each Unit is Sold to Twelve (12) Different Buyers

Dwight M. Rush's letter of June 12, 1972, requesting a ruling from the Attorney General's office as to whether a developer may organize a condominium and sell each unit to twelve (12) different buyers with an agreement providing that each buyer undertakes and agrees that he has the right to occupy the unit one month of the year and that the other buyers will have the right to occupy the unit in the other months.

Upon motion, the Executive Secretary was directed to refer Rush's letter to the Attorney General for an opinion.

Recess: Chairman Sodetani declared a lunch recess at 12:30 p.m.

Reconvene: The meeting was reconvened by Chairman Sodetani at 3:00 p.m.

Continuation of Business Out of Minutes: Educational Testing Service

Licensing Administrator Dick Okaji reported that a draft of the contract agreement with ETS has been prepared and the matter is being reviewed by the Department of Budget and Finance and they appear to be supporting the idea.

Isonaga announced that his Rules and Regulations Committee will try to submit a list of proposed amendments to the Commission's rules and regulations by the July, 1972 Commission meeting.

Continuation of Committee Reports: Education Task Force Committee Report

Project #4 - Real Estate Education Program

Copies of a proposed "Notice to Real Estate Schools and Instructors" were distributed.

Upon motion, the Commission authorized the Executive Secretary to revise the notice to include information to real estate license applicants, and to make timely printing of the notice.

William Young reported that the Education Task Force Committee reviewed Dr. Laitila's draft report on "Implementation of a Real Estate Education Program in Hawaii" and found that more work is required to reflect the Commission's thinking and requirements in the draft report. Since Dr. Laitila will not return from the mainland until August, 1972, and time is of the essence, the Commission was requested to authorize the Educational Task Force Committee to make changes and finalize the report for the salesman education program.

Upon motion, the Commission authorized the Education Task Force Committee to make final changes to the draft report for the salesmen education program.

Young announced that the Education Task Force Committee will meet on Thursday, July 6, 1972 at 9:30 a.m., site to be selected by the Executive Secretary.

Continuation of Aims and Objectives of Real Estate Commission
New Business:

Upon motion, the Commission adopted the aims and objectives as proposed by the Chairman.

George Morris, Jr. offered the Commission their assistance to print updated roster of real estate licensees.

Upon motion, the Commission authorized the Hawaii Association of Real Estate Boards (HAREB) to work with staff to iron out details so that an updated roster of real estate licensees can be printed at least once a year.

Correspondence: Correspondence from Nevada Real Estate Division

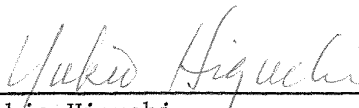
The correspondence from Nevada Real Estate Division in reference to MacDonald Associates and Realty, Inc., was referred to the Honolulu Board of Realtors since it concerns a National Association of Real Estate Boards matter.

Announcements: None

Date of
Next Meeting: Thursday, July 27, 1972 at 9:30 a.m.

Adjournment: There being no further business, Chairman Sodemani adjourned the meeting at 4:30 p.m.

Recorded by



Yukio Higuchi
Executive Secretary